

**MINUTES OF THE MAY 13, 2008 MEETING OF THE BOARD OF DIRECTORS OF
THE ILLINOIS FINANCE AUTHORITY**

The Board of Directors (the "Board") of the Illinois Finance Authority (the "IFA"), pursuant to notice duly given, held a Board Meeting at 11:30 a.m. on May 13, 2008, at the Mid America Club, 200 E. Randolph Street, 80th floor, Chicago, Illinois.

Members present:

William A. Brandt, Jr., Chair
Michael W. Goetz, Vice Chair
Magda M. Boyles
James J. Fuentes
Dr. Roger D. Herrin
Juan B. Rivera
Lynn F. Talbott
Joseph P. Valenti
April D. Verrett

Members absent:

Dr. William J. Barclay
Ronald E. DeNard
Terrence M. O'Brien

Vacancies:

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**Members participating by
telephone:**

Edward H. Leonard, Sr.
Bradley A. Zeller

GENERAL BUSINESS

Call to Order, Establishment of Quorum and Roll Call

Chairman Brandt called the meeting to order at 11:50 a.m. with the above members present. Chairman Brandt welcomed members of the Board and all guests and asked Secretary, Carla Burgess Jones to call the roll. There being nine (9) members physically present, and two (2) members on the telephone Ms. Burgess Jones declared a quorum present.

Chairman's Report

Chairman Brandt thanked fellow Board members and guests for coming. Chairman Brandt stated that all projects being presented at today's meeting were reviewed by all members of the Board at the Committee of the Whole meeting held at 8:30 a.m. today. Chairman Brandt also reported that year-to-date the Authority is operating over budget, and that the June, 2008 meeting will be held in Springfield, Illinois.

Acceptance of Financial Statements

Financial statements for the period ending April 30, 2008 were presented to members of the Board and accepted by the Board. Chairman Brandt stated that the Authority's financial statements were reviewed at the regularly scheduled Committee of the Whole Meeting held today at 8:30 a.m. Chairman Brandt requested a motion to approve the April 30, 2008 financials. Motion was moved by Mr. Valenti and seconded by Mr. Rivera. The financials were approved by a roll call vote with 11 ayes, 0 nays, and 0 abstentions.

Minutes

Chairman Brandt announced that the next order of business was to approve the minutes of the April 8, 2008 Meeting of the Board. Chairman Brandt announced that the March 11, 2008 minutes were approved at the regularly scheduled Committee of the Whole Meeting held today at 8:30 a.m. Chairman Brandt requested a motion to approve the minutes. Motion was moved by Ms. Talbott and seconded by Vice Chairman Goetz. Secretary, Burgess Jones, took a roll call vote for approval of the minutes. The minutes were approved by a roll call vote with 11 ayes, 0 nays, and 0 abstentions.

Chairman Brandt then asked Director Hubbard to give the Director's Report.

Executive Director's Report

Director Hubbard welcomed and thanked all guests for coming. Director Hubbard reported that year-to-date net income is \$5M over budget, which includes a \$2M grant. Director Hubbard reported that twenty-three (23) projects were being presented today that total \$557,355,000 and, that projects being presented today are expected to create approximately 148 new jobs and 545 construction jobs.

Projects

Chairman Brandt asked Executive Director Hubbard to present the projects for consideration to the Board. Director Hubbard presented agricultural projects in a total approximate amount of \$660,000 to the Board for approval. Project no. 1 includes four (4) individual Beginning Farmer Bond projects:

No. 1:

A-FB-TE-CD-8063 – Kevin Dean Woods

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$195,000 to provide permanent financing to purchase approximately 100 acres of farmland. This project is located in Newton, Illinois. (08-05-01).

A-FB-TE-CD-8064 – Mark J. Ochs

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$30,000 to provide permanent financing to purchase approximately 19 acres of farmland. This project is located in West Liberty, Illinois. (08-05-01).

A-FB-TE-CD-8065 – Michael and Peggy Breeze

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$100,000 to provide permanent financing to purchase pasture land, a used building and 140 acres of farmland. This project is located in Ashley, Illinois. (08-05-01).

A-FB-TE-CD-8066 – Peter Ragan

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$90,000 to provide permanent financing to purchase approximately 49.56 acres of farmland. This project is located in Mendon, Illinois. (08-05-01).

No guests attended with respect to Project No. 1. Chairman Brandt asked if the Board had any questions with respect to the Beginning Farmer Bonds presented. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 1 which includes four (4) individual Beginning Farmer Bonds. Leave was granted. Project No. 1 which includes four (4) individual Beginning Farmer Bonds received final approval with 11 ayes, 0 nays, and 0 abstentions.

No. 2: A-LL-TX-8076 – Kevin and Tracy Niemann

Request for final approval of the issuance of a Participation Loan in an amount not-to-exceed \$145,000 to provide permanent financing for the purchase of 90 acres of farmland. This project is located in Litchfield, Illinois. (08-05-02).

No. 3: A-FP-GT-8077 – Niemann Grain Farms, Inc.

Request for final approval of the issuance of a Participation Loan in an amount not-to-exceed \$100,000 to provide permanent financing for the purchase of 40 acres of farmland. This project is located in Litchfield, Illinois. (08-05-03).

No guests attended with respect to Project Nos. 2 and 3. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 2 and 3. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 2 and 3. Leave was granted. Project Nos. 2 and 3 received approval subject to receipt and review of additional documentation with respect to the land sale contract and the insertion of a cross-default feature in the respective notes, with 11 ayes, 0 nays, and 0 abstentions.

No. 4: WITHDRAWN

No. 5: B-LL-TX-8080 - Russ Erlinger Crane Service, Inc.

Request for final approval of a Participation Loan in an amount not-to-exceed \$500,000 to purchase a 115 ton portable crane. This project is expected to create approximately 2 new jobs. This project is located in Anna Marion, Illinois. (08-05-05).

No. 6: I-EZ-TE-CD-8075 – Western Fulton Holding Company, LLC and Universal Scrap Metals, Inc.

Request for preliminary approval of the issuance of Federal Empowerment zone Bonds in an amount not-to-exceed \$9 million. Proceeds will be used to purchase and renovate two existing buildings and fund legal and professional issuance costs. Issuance of bonds is subject to an allocation of Federal Empowerment Zone Volume Cap. The City of Chicago has entered into an Intergovernmental Agreement with the IFA under which the City will cede its Empowerment Zone Bonding Authority to IFA in order for IFA to issue the Bonds. No IFA Volume Cap would be used, and no IFA funds would be pledged to the financing. This

project is expected to create 5 new jobs and 50 construction jobs. This project is located in Chicago, Illinois. (08-05-06).

No. 7: **I-ID-TE-CD-8071 – C&L Tiling, Inc.**
Request for preliminary approval of Industrial Revenue Bonds in an amount not-to-exceed \$4 million. Proceeds will be used to finance construction of an addition, acquisition of new machinery and equipment, and to fund legal and professional issuance costs. Issuance of the bonds will require an allocation of \$4.0 million of Volume Cap to come from IFA's 2008 Volume Cap allocation. The project is located in a rural area of Western Illinois in Timewell, a non-Home Rule community located approximately 30 miles east of Quincy on U.S. Highway 24. This project is expected to create 24 new jobs and 50 construction jobs. This project is located in Timewell, Illinois. (08-05-07).

No. 8: **I-ID-TE-7258 – DD Leasing, LLC and RDD Leasing, LLC**
Request for final approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed \$4.5 million to finance the acquisition and installation of an asphalt plant, two cold milling machines, and to pay for professional and legal services. The Village of Bartlett has committed \$1.2 million in Volume Cap to the Project, which matches the co-borrower's investment in Bartlett. Neither Franklin Park nor Huntley are contributing Volume Cap, as they are non-Home Rule municipalities. The IFA is prepared to commit \$3 million in Volume Cap to this project. Issuance of the Bonds is subject to a sufficient allocation of Volume Cap from the IFA and other sources. This project is expected to create approximately 30 new jobs. This project is located in Franklin Park, Bartlett and Huntley, Illinois. (08-05-08).

No. 9: **I-ID-TE-CD-7246 – Genesis, Inc. and Shamrock Hill Farms Western Properties, LLC**
Request for final approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed \$5 million. Bond proceeds will be used to finance the acquisition of land, construction, machinery and equipment and to pay certain bond issuance costs. Taxable bond proceeds will be used to cover land costs that are not eligible for tax-exempt financing due to the original land acquisition date which was prior to 60-days before the preliminary bond resolution date. Taxable bond proceeds may also be used to cover any additional bond issuance costs that exceed the 2% limit that can be financed under tax-exempt financing guidelines. The Company (Genesis, Inc. and Shamrock Hill Farms Western Properties, LLC) will be awarded \$4.6 million in 2008 IFA Volume Cap. The project is located in the Village of Roselle which is a non-Home Rule community. As a result, the Village of Roselle does not receive an allocation of Volume Cap to support this project. This project is expected to create approximately 29 new jobs and 85 construction jobs. This project is located in Roselle, Illinois. (08-05-09).

No guests attended with respect to Project Nos. 5 through 9. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 5 through 9. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 5 through 9.

Leave was granted. Project Nos. 5 through 9 received approval with 11 ayes, 0 nays, and 0 abstentions.

No. 10: N-NP-TE-CD-8040 – El Valor Corporation

Request for preliminary approval of the issuance of 501(c)3 Revenue Bonds in an amount not-to-exceed \$4 million. Bond proceeds will be used by El Valor to refinance existing interim loans, mortgage debt, building renovations, and costs of issuance. Savings attributable to the refinancing will be used to finance various renovations/additional build-out at four El Valor facilities. This project is expected to create approximately 31 new jobs over a two-year period and 10-12 construction jobs during renovations. This project is located in Chicago, Illinois. (08-05-10).

Chairman Brandt asked if there were any guests attending the meeting with respect to this project. Mr. Rich Frampton, Vice President, introduced Mr. Saul Robles, Treasurer & Vice Chair, El Valor Corporation. Mr. Robles thanked members of the board for their consideration and support, and provided a brief description of the project. Chairman Brandt then asked if the Board had any questions for Mr. Robles. There being none, Chairman Brandt asked Secretary Burgess Jones to take a roll call vote. Project No. 10 received preliminary approval with 10 ayes, 0 nays, and 1 abstention. Mr. Fuentes abstained from voting on Project No. 10 because a family member serves on the board of El Valor.

No. 11: N-PS-TE-CD-8067 – Prairie Crossing Charter School

Request for preliminary approval of the issuance of 501(c)3 Revenue Bonds in an amount not-to-exceed \$10.5 million. Proceeds will be used to refinance an outstanding construction loan, refinance an outstanding Foundation loan, finance infrastructure improvements, and fund professional issuance costs. This project is expected to create approximately 20 construction jobs over a six-month period. This project is located in Grayslake, Illinois. (08-05-11).

Chairman Brandt asked if there were any guests attending the meeting with respect to Project No. 11. Steven Trout, Chief Credit Officer, introduced Mr. Geoff Deigan, Chairman, Finance Committee, Prairie Crossing Charter School. Mr. Deigan thanked members of the board for their consideration and support, and provided a brief description of the project. Chairman Brandt then asked if the Board had any questions for Mr. Deigan. There being none, Chairman Brandt asked Secretary Burgess Jones to take a roll call vote. Project No. 11 received preliminary approval with 11 ayes, 0 nays, and 0 abstentions.

No. 12: N-NP-TE-CD-8074 – The Chicago Horticultural Society

Request for preliminary approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed \$30 million. Proceeds will be used to construct and equip a new Plant Conservation Science Center, capitalize interest, and fund professional issuance costs. This project is expected to create 200 construction jobs over a 16-month period. This project is located in Glencoe, Illinois. (08-05-12).

No. 13: N-NP-TE-CD-8029 – Chicago Symphony Orchestra

Request for final approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed \$85 million. The IFA Series 2008 Bond proceeds will be used to enable

the CSO to refinance a Northern Trust Company Line of Credit that was used to refinance 100% of an outstanding balance of IFA (IEFA) Series 2002 CSO Bonds. The IFA Series 2002 Bonds were AMBAC-insured and had been bearing interest in Auction Rate Mode. At the March 11, 2008 Board Meeting, the IFA Board approved a Resolution authorizing the CSO to convert its IFA (IEFA) Series 2002 Auction Rate Bonds to an Adjustable Rate Mode as of March 19, 2008. Upon conversion, the CSO used a secured Line of Credit from the Northern Trust Company to purchase the IFA (IEFA) Series 2002 Bonds. The CSO then delivered the Series 2002 Bonds to the Trustee for cancellation.

The new IFA Series 2008 Bonds will refund the Northern Trust Bank Line of Credit. The IFA Series 2008 Bonds will be secured by a Direct Pay Letter of Credit from RBS Citizens, N.A. (The Royal Bank of Scotland PLC) and will be priced initially at 7-Day Variable Rate Demand Bonds. This project is located in Chicago, Illinois. (08-05-13).

- No. 14:** **N-NP-TE-CD-8048 – Marwen Foundation, Inc.**
Request for final approval of the issuance of 501(c)3 Revenue Bonds in an amount not-to-exceed \$6 million for the purpose of the acquisition of two additional floors of condominium space and, proportional common elements including basement and parking space, where Marwen is located, thereby enabling Marwen to remain at its current location long-term. Upon issuance of the subject Bonds, Marwen Foundation would own 100% of the subject building. Bonds proceeds will also be used to renovate and equip space throughout the building located at 833 N. Orleans in Chicago, and proceeds will also be used to restructure Marwen’s existing \$2.2M IFA (IEFA) Series 1999 Bonds to extend the final maturity date from 2019 to 2038. The Refunding Bonds will continue bearing interest in 7-Day Variable Rate Mode. This project is expected to create approximately 6 new jobs and 5-10 construction jobs over a 1-2 month period. This project is located in Chicago, Illinois. (08-05-14).
- No. 15:** **L-GP-MO-8078 – Village of Harmon**
Request for final approval of the issuance of Local Government Pooled Bonds in an amount not-to-exceed \$315,000. Funds will be used to purchase a water tower and refund a bank loan for water infrastructure purposes. This project is located in Harmon, Illinois. (08-05-15).
- No. 16:** **L-GP-6242 – Adams County Water District**
Request for final approval of the issuance of Local Government Pooled Bonds in an amount not-to-exceed \$205,000 to provide long-term funding of the IFA interim financing that was used to purchase land for a new Regional Sanitary Sewer System. This project is located in multiple areas throughout Adams County, Illinois. (08-05-16).

No. 17: L-G- MO-8081 – Local Government 2008A Pool

Request for final approval of the issuance of Local Government Pooled Bonds in an amount not-to-exceed \$4.2 million to allow local governments to realize savings by sharing fixed costs and to achieve economies of scale. This project is located in the Villages of Bunker Hill, Central Macoupin County, Cooksville, Coulterville, Harmon, Kane, Kingston Mines, Thompsonville and the Adams County Rural Water District. (08-05-17).

No guests attended with respect to Project Nos. 12 through 17. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 12 through 17. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 12 through 17. Leave was granted. Project No. 12 received preliminary approval with 11 ayes, 0 nays, and 0 abstentions; Project Nos. 13, 14 and 15 received final approval with 11 ayes, 0 nays, and 0 abstentions; Project No. 16 received approval subject to additional information and the Executive Director's approval; Project No. 17 received final approval with 11 ayes, 0 nays, and 0 abstentions.

No. 18: H-HO-CD-TE-8060 – Hospital Sisters Services, Inc.

Request for final approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed \$130 million. Proceeds will be used to refund approximately \$124.8 million of IHFA Series 1998 MBIA insured Fixed Rate Bonds to Variable Rate Demand Bonds; and pay costs of issuance for the IHFA Series 1998 Fixed Rate Bond refunding and the IHFA Series 2003A and IFA Series 2007C conversion. This project is located in Springfield, Illinois. (08-05-18).

No. 19: H-HO-CD-TE-8061 – Resurrection Health Care

Request for final approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed \$105 million. Proceeds will be used to refund \$100 million of IHFA Series 1999C FSA Insured Auction Rate Securities, and pay cost of issuance for the IHFA Series 1999C refunding and potentially the IHFA Series 1999A and IHFA Series 1999B conversion. This project is located in Chicago, Des Plaines, Elk Grove Village, Oak Park, Evanston, Melrose Park, Glenview, Park Ridge, Niles, Northlake, LaGrange Park, Morton Grove and Broadview, Illinois. (08-05-19).

No guests attended with respect to Project Nos. 18 and 19. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 18 and 19. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 18 and 19. Leave was granted. Project Nos. 18 and 19 received final approval with 11 ayes, 0 nays, and 0 abstentions.

No. 20: N-PS-TE-CD-8073 – Lake Forest College

Request for preliminary approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed \$40 million. Proceeds will be used to current refund outstanding indebtedness, construct an addition to the College's existing sports facility, and fund professional issuance costs. This project is expected to create approximately 75 construction jobs over a 10-month period. This project is located in Lake Forest, Illinois. (08-05-20).

Chairman Brandt asked if there were any guests attending the meeting with respect to this project. Mr. Steven Trout, Chief Credit Officer, introduced Ms. Leslie Chapman, VP, Business Affairs and Treasurer, Lake Forest College. Ms. Chapman thanked the board for their consideration and provided a brief overview of the project. Chairman Brandt then asked if the Board had any questions for Ms. Chapman. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 20. Leave was granted. Project No. 20 received preliminary approval with 11 ayes, 0 nays, and 0 abstentions.

No. 21: **N-PS-TE-CD-8068 – St. Augustine College**
Request for preliminary approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed \$7,475,000. Proceeds will be used to refinance outstanding indebtedness, significantly reduce debt service payments, and fund professional issuance costs. This project is located in Chicago, Illinois. **(08-05-21)**.

No guests attended with respect to Project No. 21. Chairman Brandt asked if the Board had any questions with respect to Project No. 21. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 21. Leave was granted. Project No. 21 received preliminary approval with 11 ayes, 0 nays, and 0 abstentions.

No. 22: **E-PC-TE-CD-8059 – Saint Xavier University**
Request for preliminary approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed \$25 million. Bond proceeds will be used by Saint Xavier University to finance the acquisition and renovation of two off campus buildings, construct and equip a new student housing facility, acquisition and demolition of an existing building, and the construction of a new building to provide student housing. This project is expected to create approximately 15 new jobs and 50-75 construction jobs over a 24-month period. This project is located in Chicago, Illinois. **(08-05-22)**.

Chairman Brandt asked if there were any guests attending the meeting with respect to this project. Mr. Rich Frampton, Vice President, introduced Mr. Paul Matthews, Assistant Vice President of Facilities, Saint Xavier University. Mr. Matthews thanked the board for their consideration and provided a brief overview of the project. Chairman Brandt then asked if the Board had any questions for Mr. Matthews. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 22. Leave was granted. Project No. 22 received preliminary approval with 11 ayes, 0 nays, and 0 abstentions.

No. 23: **E-PC-TE-CD-8049 – DePaul University**
Request for final approval of the issuance of 501(c)3 Revenue Bonds in an amount not-to-exceed \$55 million. Bond proceeds will be used to purchase student housing facilities from MJH Education Assistance Illinois III, LLC, an independent 501(c)3 supporting entity that is not directly affiliated with DePaul. The proposed acquisition will enable DePaul to exercise a purchase option to both own and operate these student housing facilities. This project is located in Chicago, Illinois. **(08-05-23)**.

- No. 24:** **E-PC-TE-CD-8069 – Illinois Wesleyan University**
Request for final approval of the issuance of Conduit Tax-Exempt 501(c)3 Revenue Refunding Bonds in an amount not-to-exceed \$30.5 million. Proceeds will be used to current refund the University’s outstanding IFA (IEFA), Series 2003 Auction Rate Securities (the “2003 Bonds”) and to pay costs associated with the issuance of the Bonds. The bonds are being refunded solely to replace the insured bonds (FGIC) with bonds backed by a direct-pay letter of credit. This project is located in Bloomington, Illinois. (08-05-24).

No guests attended with respect to Project Nos. 23 and 24. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 23 and 24. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 23 and 24. Leave was granted. Project Nos. 23 and 24 received final approval with 11 ayes, 0 nays, and 0 abstentions.

Resolutions/Amendatory Resolutions

- No. 25:** **Cornerstone Services.** Amendatory Resolution to request to amend the Bond and Loan Agreement to reduce the interest rate from 5.40% to 5.04% per annum.
- No. 26:** **Southern Illinois Healthcare.** Amendatory Resolution for Southern Illinois Healthcare Enterprises, Inc. Series 1998B IHFA/IFA Bonds and Series 2005 IFA Reset Auction Mode Securities. Southern Illinois Healthcare has requested that the IFA approve the amendment to the existing Bond Indentures for the MBIA insured Variable Rate Demand Revenue Refunding Bonds Series 1998B IHFA/IFA Bonds and the FSA insured IFA Revenue Bonds, Series 2005 Reset Auction Mode Securities.
- No. 27:** **Village of Cooksville.** Resolution to amend the amount that the Village of Cooksville is borrowing as a participant in the Local Government Pooled Program.
- No. 28:** **Hinsdale Mirabel Limited Partnership.** Resolution Authorizing Amendments to the Trust Indenture Relating to the IFA Senior Series 2004A and IFA Subordinate Series 2004B Multi-family Housing Revenue Bonds on behalf of Hinsdale Mirabel Limited Partnership (Hinsdale Lake Terrace Apartments project), a Delaware Limited Partnership, or an affiliate thereof, and the Termination of the Credit Enhancement Facility on the Senior Series 2004A Bonds, and related matters.

Chairman Brandt asked if the Board had any questions with respect to Resolutions/Amendatory Resolutions Nos. 25 through 28. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Resolutions/Amendatory Resolutions No. 25 through 28. Leave was granted. Resolution Nos. 25 through 28 received approval with 11 ayes, 0 nays, and 0 abstentions.

No. 29: Roanoke Milling Company. Resolution to amend the loan guarantee amount.

Chairman Brandt asked if the Board had any questions with respect to Amendatory Resolution No. 29. There being none, Chairman Brandt requested a roll call vote to approve Amendatory Resolution No. 29. Amendatory Resolution No. 29 was approved with 10 ayes, 0 nays, and 1 abstention. Vice Chairman Goetz abstained from voting on Amendatory Resolution No. 29.

Chairman Brandt asked if there was any other business to come before the Board. There being none, Chairman Brandt requested a motion to adjourn. Upon a motion by Dr. Herrin and seconded by Vice Chairman Goetz, the meeting adjourned at approximately 12:17 p.m.

Respectfully Submitted,

Carla B. Burgess Jones, Secretary