

**MINUTES OF THE JUNE 12, 2007 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 3:00 p.m., on June 12, 2007 at the Illinois State Library, 300 S. Second Street, Room 403/404, Springfield, Illinois:

Members present:

David C. Gustman, Chairman
Dr. William Barclay
Magda Boyles
Michael Goetz
Dr. Roger D. Herrin
Edward H. Leonard, Sr.
Andrew W. Rice
Juan Rivera
Joseph Valenti
Bradley Zeller

Members absent:

Ronald DeNard
James J. Fuentes
Terrence O'Brien
Lynn F. Talbott

Vacancies:

One (1)

**Members participating by
telephone:**

None

GENERAL BUSINESS

Call to Order and Roll Call

Chairman Gustman called the meeting to order at 3:02 p.m. with the above members present. Chairman Gustman thanked everyone for attending. Chairman Gustman announced that Board Member, Martin Nesbitt, has resigned from his position on the Board because of other commitments. Chairman Gustman thanked him for his service. Chairman Gustman also introduced a new member to the Board, Dr. William Barclay. Dr. Barclay introduced himself. Chairman Gustman also introduced Ms. Kym Hubbard, IFA's Executive Director effective May 21, 2007. He also thanked Ms. Jill Rendleman, IFA's former Interim Executive Director, for her assistance in the transitioning the role of Executive Director to Ms. Hubbard.

Chairman Gustman asked Carla Burgess Jones, Secretary, to call the roll. Ms. Burgess Jones called the roll. There being ten (10) members physically present, Ms. Burgess Jones declared a quorum present.

Executive Director's Report

Chairman Gustman asked Director Hubbard for her report. Director Hubbard first stated that she was happy to be with the IFA and looked forward to working with everyone. Director Hubbard stated that the IFA's net income and gross income are ahead of budget. Ms. Hubbard announced that the IFA would consider 30 projects for approval at today's meeting totaling over \$400 million. The projects are expected to create approximately 740 new jobs and 1,300 construction jobs. Director Hubbard also announced that SB1317 (granting the IFA multi-state bonding

authority) passed both houses of the State legislature and is awaiting Governor Blagojevich's signature; she thanked Howard Kenner for his efforts in assisting with the passage of this bill.

Acceptance of Financial Statements

Financial statements for the eleven-month period ending May 31, 2007 were accepted by the Board. Chairman Gustman noted that the financial statements are reviewed by the Board at the Committee of the Whole Meeting and thanked IFA staff and consultants for their assistance.

Minutes

Chairman Gustman announced that the next order of business was to approve the minutes of the May 8, 2007 Meeting of the Board. Chairman Gustman asked Carla Burgess Jones, Secretary, to take a roll call vote for approval of the minutes of the May 8, 2007 Meeting of the Board. Motion moved by Mr. Valenti and seconded by Mr. Goetz. Minutes of the May 8, 2007 Meeting of the Board were approved by a roll call vote with 10 ayes, 0 nays, and 0 abstentions.

Projects

Chairman Gustman asked Executive Director Hubbard to present the projects for consideration to the Board. Chairman Gustman reminded everyone that the Board considered each of the projects to be presented in detail at the 12:00 p.m. meeting of the Committee of the Whole Meeting. Director Hubbard presented the following projects to the Board for approval:

- No. 1:** **A-AI-GT-7102 - James P. and Wanda L. Monke**
Request for approval of the issuance of an agri-industry guarantee in an amount not-to-exceed \$1,275,000 to provide permanent financing for the expansion of the borrower's farrowing operations, which includes the construction of a new 16,320 sq. ft. farrowing building and a 23,408 sq. ft. gestation building. **(07-06-01).**
- No. 2:** **ADR-TX-GT-7132 - John J. Seys and Patricia A. Seys**
Request for approval of the issuance of an agri-debt guarantee in an amount not-to-exceed \$277,100 to provide refinancing of the borrower's current and intermediate debt in order to reduce debt service and increase cash flow. **(07-06-02).**
- No. 3:** **A-AD-GT-7139 - Ty L. and Darlene A. Dagen**
Request for approval of the issuance of an agri-debt guarantee in an amount not-to-exceed \$170,000 to provide for the refinancing of the borrower's real estate debt and carryover operating debt in order to restructure and extend current debts and to improve cash flow. **(07-06-03).**
- No. 4:** **A-DR-TX-GT-7134 - Mark W. Dunn and Brenda L. Dunn**
Request for approval of the issuance of an agri-debt guarantee in an amount not-to-exceed \$340,000 to provide for the refinancing of the borrower's term debt in order to reduce debt service and increase cash flow. **(07-06-04).**

- No. 5: **A-AI-TX-GT-7136 - Mark W. Dunn and Brenda L. Dunn**
Request for approval of the issuance of a young farmer guarantee in an amount not-to-exceed \$425,000 to provide permanent financing for the purchase of approximately 132 acres of farm land. (07-06-05).
- No. 6: **A-LL-TX-7138 - Stephen Todd Fosen and Nannette Casteneda Fosen**
Request for approval of the issuance of a participation loan in an amount not-to-exceed \$314,000 to provide permanent financing for the purchase of 158 acres of tillable farm land. (07-06-06).
- No. 7: **A-FB-TE-CD - 7140 Eric J. Niemerg**
Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$119,250 to provide permanent financing for the purchase of approximately 79 acres of farm land. (07-06-07).

Chairman Gustman asked if the Board had any questions with respect to Project nos. 1 through 7. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project nos. 1 through 7. Leave was granted. Project nos. 1 through 7 were approved with 10 ayes, 0 nays, and 0 abstentions.

- No. 8: **P-SW-TE-CD-6203 - Illinois River Energy, LLC**
Request for final approval of the issuance of Solid Waste Disposal Facilities Bonds in an amount not-to-exceed \$30,000,000 to finance: i) the construction of a 50 million gallon capacity expansion ethanol plant; ii) the acquisition and installation of machinery and equipment, including qualifying solid waste disposal facilities; and iii) costs of insurance and other costs of issuance. The project is expected to create 15 new jobs and 100-300 construction jobs over a 24-month period. Issuance of these bonds is subject to an allocation of Volume Cap from the Governor's Office of Management and Budget ("OMB").
(07-06-08).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 8. Funding Manager Steve Trout introduced Mr. Peter Middleton and Richard Ruebe of Illinois River Energy LLC. Mr. Middleton gave a description of the project including the history of Illinois River Energy LLC and its parent company. Mr. Middleton noted that the IFA financing will help complete the project. Mr. Middleton and Mr. Ruebe thanked the Board and IFA for consideration of the project.

Chairman Gustman asked if the Board had any comments or questions with respect to Project no. 8. Several Board members asked questions regarding this bond issue. Mr. Goetz commended Mr. Middleton and Mr. Ruebe for their work with organized labor on the project. Chairman Gustman then requested leave to apply the last unanimous vote in favor of Project no. 8. Project no. 8 was approved with 10 ayes, 0 nays, and 0 abstentions.

No. 9: **EZ-I-EZ-TE-CD-6219 - REG Cairo, LLC**
Request to amend the IFA's preliminary approval of the issuance of Empowerment Zone Bonds (granted in January 2007) to increase the aggregate amount of bonds to be issued from an amount not-to-exceed \$30,000,000 to an amount not-to-exceed \$60,000,000. The bond proceeds will be used to finance the construction of a 60 million gallon capacity biodiesel plant adjacent an existing soybean oil processing plant. The project is expected to create 35 new jobs and 567 construction jobs. **(07-06-09)**.

No. 10: **H-HO-TE-CD-7133 - Little Company of Mary**
Request for preliminary approval of the issuance of 501(c)(3) Revenue Bonds in an amount not-to-exceed \$90,000,000. The bond proceeds will: i) fund \$20 million in capital projects; ii) refund prior bonds (Series 1997A) for present value savings; and iii) refund prior variable rate demand bonds (Series 2001) with Auction Rate Securities. The project is expected to create 100 construction jobs. **(07-06-10)**.

No. 11: **H-HO-TE-CD-7067 - Christian Homes, Inc.**
Request for final approval of the issuance of 501(c)(3) Revenue Bonds in an amount not-to-exceed \$55,000,000 to: i) refund certain existing tax-exempt debt; ii) pay for certain capital improvements at the various Illinois campuses owned and operated by the borrower; iii) establish debt service reserve funds for the bonds; and iv) pay certain costs for the issuance of the bonds. The project is expected to create 50 construction jobs. **(07-06-11)**.

Chairman Gustman asked if the Board had any questions with respect to Project nos. 9 through 11. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project nos. 9 through 11. Leave was granted. Project nos. 9 through 11 were approved with 10 ayes, 0 nays, and 0 abstentions.

No. 12: **Removed from Board book.**

No. 13: **N-NP-TE-CD-7126 - Cornerstone Services, Inc.**
Request for preliminary approval of the issuance of 501(c)(3) Revenue Bonds in an amount not-to-exceed \$14,000,000 to finance the refunding of existing bond issues by a predecessor authority of the IFA (Series 1998 and Series 2002), to refinance existing conventional debt, and to pay for certain bond issuance costs. **(07-06-13)**.

No. 14: **N-PS-TE-CD-7111 - Elgin Academy**
Request for final approval of the issuance of 501(c)(3) Revenue Bonds in an amount not-to-exceed \$11,500,000 to : i) finance the construction of a media center on campus; ii) pay capitalized interest; and iii) fund professional and bond issuance costs. The project is expected to create 5 new jobs and 50 construction jobs over a 15 month period. **(07-06-14)**.

No. 15: **E-PF-TE-CD-7123 - De La Salle Institute**
Request for final approval of the issuance of 501(c)(3) Revenue Bonds in an amount not-to-exceed \$7,500,000 to: i) construct an addition and to renovate the West Campus of the borrower; ii) finance renovations, including enhancements of academic and athletic facilities located at the borrower's main campus; and iii) refinance certain existing conventional bridge financing and taxable debt that financed prior capital improvements at both campuses of the borrower. The project is expected to create 5 new jobs and 75 construction jobs over a 14 month period. (07-06-15).

Chairman Gustman asked if the Board had any questions with respect to Project nos. 13 through 15. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project nos. 13 through 15. Leave was granted. Project nos. 13 through 15 were approved with 10 ayes, 0 nays, and 0 abstentions.

No. 16: **N-PS-TE-CD-7093 - Loyola Academy**
Request for final approval of the issuance of 501(c)(3) Revenue Bonds in an amount not-to-exceed \$21,500,000 to: i) refinance the outstanding par value of the borrower's prior bonds issued through a predecessor authority of the IFA (Series 1993); ii) renovate existing academic buildings and athletic facilities; iii) purchase real estate; iv) pay capitalized interest; and v) fund professional and bond issuance costs. The project is expected to create 50 construction jobs over a 36 month period. (07-06-16).

Chairman Gustman asked if the Board had any questions with respect to Project no. 16. There being none, Chairman Gustman requested a motion for a roll call vote. Motion moved by Mr. Goetz and seconded by Mr. Leonard. Project no. 16 was approved with 9 ayes, 0 nays, and 1 abstention (Boyles). Member Boyles abstained because her employer (a law firm) represents the borrower on an unrelated matter.

No. 17: **N-NP-TE-CD-7081 - Peoria Association for Retarded Citizens, Inc. (aka Peoria ARC)**
Request for final approval of the issuance of Tax-Exempt 501(c)(3) Revenue Bonds in an amount not-to-exceed \$6,500,000 to refund the borrower's prior bonds issued by a predecessor authority of the IFA (Series 1997) and to pay costs of issuance. (07-06-17).

No. 18: **N-ND-TE-CD-6105 - Jewish Federation of Metropolitan Chicago, Jewish Charities Revenue Anticipation Note Program, Series 2007-2008A, 2007-2008B**
Request for final approval of the issuance of Revenue Anticipation Notes in an amount not-to-exceed \$35,000,000 to provide cash management savings to the borrower to be used to expand services provided to its affiliated organizations. (07-06-18).

- No. 19: **M-MH-TX-CD-7001 - Liberty Towers Associates II LP, an Illinois limited partnership (Liberty Towers Apartments)**
Request for final approval of the issuance of Taxable Affordable Rental Housing Revenue Refunding Bonds in an amount not-to-exceed \$5,500,000 to defease existing tax-exempt bonds issued by the Village of Libertyville. (07-06-19).
- No. 20: **N-NP-TE-CD-7121 - Bridgeway, Inc. and Broadway Foundation**
Request for final approval of 501(c)(3) Revenue Bonds in an amount not-to-exceed \$3,000,000 to: i) refinance bonds issued by a predecessor authority of the IFA (Series 1997); ii) finance a new project located in Monmouth, IL; iii) capitalize a debt service reserve fund; and iv) pay costs of issuance. The project is expected to create 10 new jobs and 15 construction jobs. (07-06-20).
- No. 21: **N-NP-TE-CD-7114 - Good Shepherd Manor Foundation**
Request for final approval of 501(c)(3) Revenue Bonds in an amount not-to-exceed \$1,800,000 to: i) refinance bonds issued by a predecessor authority of the IFA (Series 1997); ii) capitalize a debt service reserve fund; and iii) pay costs of issuance. (07-06-21).
- No. 22: **N-NP-TE-CD-7113 - Kankakee County Training Center for the Disabled, Inc.**
Request for final approval of the issuance of 501(c)(3) Revenue Bonds in an amount not-to-exceed \$1,850,000 to: i) refinance bonds issued by a predecessor authority of the IFA (Series 1997); ii) capitalize a debt service reserve fund; and iii) pay costs of issuance. (07-06-22).
- No. 23: **N-NP-TE-CD-7120 - RAVE, Inc. (Rehabilitation and Vocational Education), Inc.**
Request for final approval of the issuance of 501(c)(3) Revenue Bonds in an amount not-to-exceed \$2,200,000 to: i) refinance bonds issued by a predecessor authority of the IFA (Series 1997); ii) capitalize a debt service reserve fund; and iii) pay costs of issuance. (07-06-23).
- No. 24: **N-NP-TE-CD-7116 - Trinity Services, Inc.**
Request for final approval of the issuance of 501(c)(3) Revenue Bonds in an amount not-to-exceed \$2,550,000 to: i) refinance bonds issued by a predecessor authority of the IFA (Series 1997); ii) capitalize a debt service reserve fund; and iii) pay costs of issuance. (07-03-24).

Chairman Gustman asked if the Board had any questions with respect to Project nos. 17 through 24. There being none, Chairman Gustman requested a motion for a roll call vote. Motion moved by Mr. Zeller and seconded by Mr. Rivera. Project nos. 17 through 24 were approved with 10 ayes, 0 nays, and 0 abstentions.

No. 25: **N-PF-TE-CD-7075 - St. Coletta's of Illinois Foundation**
Request for final approval of the issuance of 501(c)(3) Bonds in an amount not-to-exceed \$4,650,000 to: i) refinance bonds issued by a predecessor authority of the IFA (Series 1997, 1998, 2000 and 2002); ii) finance the acquisition of one new group home; iii) capitalize a debt service reserve fund; and iv) pay costs of issuance. (07-06-25).

Chairman Gustman asked if the Board had any questions with respect to Project no. 25. There being none, Chairman Gustman requested a motion for a roll call vote. Motion moved by Mr. Valenti and seconded by Dr. Barclay. Project no. 25 was approved with 9 ayes, 0 nays, and 1 abstention (Boyles). Member Boyles abstained because her employer (a law firm) represents the borrower on an unrelated matter.

No. 26: **L-GP-7128 - City of Pittsfield**
Request for preliminary approval of the issuance of Local Government Bonds in an amount not-to-exceed \$8,300,000 to provide financing for the construction of a water treatment plant. (07-06-26).

No. 27: **L-GP-7142 - Village of Thompsonville**
Request for preliminary approval of Local Government Pooled Bonds in an amount not-to-exceed \$285,000 to refinance prior bonds that were originally used to make Village sewer system improvements. (07-06-27).

No. 28: **B-LL-TX-7130 - Globe Energy Eco-Systems, LLC (Globe USA)**
Request for approval of the issuance of a Participation Loan in an amount not-to-exceed \$600,000 to permanently finance a building and improvements. The project is expected to create 600 new jobs over a 5 year period and an average of 25 construction jobs over a 7 month period. (07-06-28).

No. 29: **I-ID-TE-CD-7094 - Walter Mulica, Belmont Sausage Company and 2201 Estes, LLC**
Request for final approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed \$8,000,000 to finance renovations, acquisition of equipment and to pay certain bond issuance costs. The project is expected to create 60 new jobs and 40 construction jobs. Issuance of these bonds is subject to an allocation of Volume Cap from the OMB and the Village of Elk Grove. (07-06-29).

Chairman Gustman asked if the Board had any questions with respect to Project nos. 26 through 29. There being none, Chairman Gustman requested a motion for a roll call vote. Motion moved by Mr. Leonard and seconded by Mr. Zeller. Project nos. 26 through 29 were approved with 10 ayes, 0 nays, and 0 abstentions.

No. 30: **E-NP-TE-CD-7095 - McKinley Foundation at the University of Illinois Urbana-Champaign (Presbyterian Hall)**

Request for preliminary approval of the issuance of 501(c)(3) Revenue Bonds in an amount not-to-exceed \$27,500,000 to finance: i) remodeling of existing buildings and construction of a new building for student housing and study, recreational, and parking space; ii) the deposit of moneys in a debt service reserve fund; iii) capitalized interest; and iv) certain costs of issuance. The project is expected to create 12 new jobs and 50 construction jobs over a 15 month period. (07-06-30).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 30. Funding Manager Nona Myers introduced Mr. Charles Oewell, Founding Partner, and Ms. Amanda Childress, Operations Manager of the McKinley Foundation. Mr. Oewell provided an overview of the history of the Foundation and the project. He noted that the bonds would be used to create greatly needed student housing at the University. Mr. Oewell and Ms. Childress thanked the IFA for its consideration.

Chairman Gustman asked if the Board had any questions with respect to Project no. 30. Some Board members asked questions which were answered by Mr. Oewell. There being nothing further, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 30. Leave was granted. Project no. 30 was approved with 10 ayes, 0 nays, and 0 abstentions.

No. 31: E-PC-TE-CD-7122 - Augustana College

Request for final approval of the issuance of 501(c)(3) Revenue Bonds in an amount not-to-exceed \$5,000,000 to finance all or a portion of the costs of: i) providing permanent financing and completing construction of two, 28-bed student apartment buildings; ii) financing a portion of the substantial renovation and conversion of the existing Carlsson Hall student residence building into an academic building for the Business, Psychology, and Education departments; and iii) financing a portion of the renovation and restoration of the borrower's original Old Main building. The project is expected to create 2 new jobs and 175 construction jobs over a 13 month period. (07-06-31).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 31. Funding Manager Rich Frampton introduced Mr. Paul Pearson, Vice President of Finance for Augustana College. Mr. Pearson described the project and thanked the Board and IFA for consideration of the project.

Chairman Gustman asked if the Board had any questions with respect to Project no. 31. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 31. Leave was granted. Project no. 31 was approved with 10 ayes, 0 nays, and 0 abstentions.

Resolutions/Project Revisions/Amendatory Resolutions

No. 32: Resolution authorizing the execution and delivery of a First Supplemental Bond Indenture and a First Supplemental Loan Agreement relating to the

Illinois Health Facilities Authority's \$17,000,000 Revenue Bonds, Series 1992A (Felician Health Care, Inc.); and authorizing, approving and ratifying certain other matters.

Request to execute and deliver a First Supplemental Bond Indenture and a First Supplemental Loan Agreement to substitute the corporate members under a master agreement and to authorize, approve and ratify certain other related actions. (07-06-32).

No. 33: Amendatory Resolution to Amend a Rural Development Loan to Defer Loan Principal Payments for Nine Months for Derel's BBQ. (B-LL-TX-658)

Request to extend principal payments due on a Rural Development Loan made to Darrel and Marilyn Mattingly from April 1, 2007 to October 1, 2007. (07-06-33).

Chairman Gustman asked if the Board had any questions with respect to Project nos. 32 and 33. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project nos. 32 and 33. Leave was granted. Project nos. 32 and 33 were approved with 10 ayes, 0 nays, and 0 abstentions.

No. 34: Withdrawn.

No. 35: Withdrawn.

No. 36: Resolution approving an extension of the Illinois Finance Authority's 401(a) Plan.

Approval to continue the IFA's 401(a) Plan beyond the current June 30, 2007 termination date until such time as the Board or the Compensation Committee of the Board determines that termination is in the best interest of the IFA. (07-06-36).

No. 37: Resolution establishing the meeting schedule of the Illinois Finance Authority for Fiscal Year 2008.

Adoption of resolution to establish and publish the IFA's fiscal year 2008 meeting schedule. (07-06-37).

No. 38: IMT Real Estate, LLC Participation Loan Extension Request. (B-LL-TX-6090)

Request to approve a six month extension, from May 9, 2007 to November 9, 2007, on the IFA's commitment to issue a participation loan to IMT Real Estate, LLC. (07-06-38).

No. 39: Precision Laser Manufacturing, Inc. Participation Loan Amount Increase and Commitment Extension Request. (B-LL-TX-6224)

Request to approve a \$50,000 increase of a participation loan and a six month extension, from May 14, 2007 to November 14, 2007, on the IFA's commitment to issue a participation loan to Precision Laser Manufacturing, Inc. (07-06-39).

- No. 40:** **GFY Management Inc. (B-LL-TX-6257)**
Request to approve a decrease in the interest rate on an IFA participation loan.
(07-06-40).
- No. 41:** **Resolution to Authorize the Conversion from a Taxable Convertible Mode to a Tax-Exempt Mode and Authorizing the Execution and Delivery of a Supplemental Trust Indenture, a Supplemental Loan Agreement, a Tax-Exemption Certificate and Agreement, and Related Documents for the Deemed Reissuance of DePaul University Series 2005C Revenue Bonds.**
Request to amend the original trust indenture and loan agreement and to extend the final maturity date and related documents in order to enable the conversion of prior bonds from taxable variable auction rate mode to tax-exempt variable auction rate mode. (07-06-41).
- No. 42:** **Network Innovations, Inc. – Change of Borrower’s Name to NI Investments, LLC. (B-LL-TX-722)**
Request to approve a change in the name of the borrowing entity on a participation loan. (07-06-42).

Chairman Gustman asked if the Board had any questions with respect to Project nos. 36 through 42. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project nos. 36 through 42. Leave was granted. Project nos. 36 through 42 were approved with 10 ayes, 0 nays, and 0 abstentions.

Chairman Gustman asked if there was any other business to come before the Board. There being no further business, Chairman Gustman requested a motion to adjourn. Upon a motion by Mr. Zeller and seconded by Ms. Boyles, the meeting adjourned at approximately 3:45 p.m.

Respectfully Submitted,

Carla B. Burgess Jones, Secretary

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