

**MINUTES OF THE JULY 10, 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 11:30 a.m., on July 10, 2007 at the Mid-America Club, 200 E. Randolph, Chicago, Illinois:

Members present:

David C. Gustman, Chair
Dr. William J. Barclay
Magda M. Boyles
Michael W. Goetz
Dr. Roger D. Herrin
Edward H. Leonard, Sr.
Terrence M. O'Brien
Andrew W. Rice
Juan B. Rivera
Lynn F. Talbott
Joseph P. Valenti

Members absent:

Ronald E. DeNard
James J. Fuentes
Bradley A. Zeller

Vacancies:

One (1)

**Members participating by
telephone:**

None

GENERAL BUSINESS

Call to Order and Roll Call

Chairman Gustman called the meeting to order at 11:35 a.m. with the above members present. Chairman Gustman welcomed members of the Board and all guests and, announced that July 1, 2007 was the beginning of the Illinois Finance Authority's new fiscal year. Chairman Gustman thanked all of the borrowers, professionals and others in the audience for their continued business and support of the Illinois Finance Authority.

Chairman Gustman asked Secretary, Carla Burgess Jones to call the roll. There being eleven (11) 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 thanked all of the guests in attendance at the meeting for their business during the past fiscal year and also for their continued support. Director Hubbard stated that the Illinois Finance Authority's financial position for the year ended June 30, 2007 remained strong with net income approximately \$1 million above budget. Ms. Hubbard announced that the IFA staff would present 16 projects to the Board for its consideration at today's meeting totaling \$918 million. She noted that the projects are expected to create approximately 1,936 new jobs and 2,355 construction jobs.

Acceptance of Financial Statements

Financial statements for the twelve-month period ending June 30, 2007 were accepted by the Board. Chairman Gustman noted that the financial statements were reviewed by the Board at the Committee of the Whole Meeting held at 8:30 a.m. 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 June 12, 2007 Meeting of the Board. Chairman Gustman asked for a motion to approve the minutes. Motion was moved by Mr. Rivera and seconded by Mr. Valenti. Secretary, Carla 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.

Budget

Chairman Gustman announced that the next order of business was to approve the Fiscal Year 2008 (July 1, 2007 – June 30, 2008) budget of the Illinois Finance Authority. Chairman Gustman announced that the budget was reviewed in detail by the Board members at the Committee of the Whole Meeting that was held at 8:30 a.m. A motion was made by Dr. Barclay and seconded by Ms. Talbott to approve the budget. Chairman Gustman requested leave to apply the last unanimous vote in favor of the approval of the budget; leave was granted. The budget was approved by a vote of 11 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 8:30 a.m. meeting of the Committee of the Whole Meeting. Director Hubbard presented the following projects to the Board for approval:

No. 1: **A-SL-GT-7147 Applewood Farms, LLC**
Request for approval of the issuance of a specialized livestock guarantee in an amount not-to-exceed \$225,000 to provide permanent financing for the purchase of 2,000 sows for additional breeding of their pig production facility. (07-07-01).

No. 2: **A-FB-TE-CD-7144 Bradley & Ashley Thompson**
Request for approval of the issuance of a beginning farmer bond in an amount not-to-exceed \$175,000 to provide permanent financing for the purchase of farmland, buildings, and equipment. (07-07-02).

A-FB-TE-CD-7146 Kyle Willenburg
Request for approval of the issuance of a beginning farmer bond in an amount not-to-exceed \$326,700 to provide permanent financing for the purchase of farmland. (07-07-02).

Chairman Gustman asked if the Board had any questions with respect to Project nos. 1 and 2. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project nos. 1 and 2. Leave was granted. Project nos. 1 and 2 were approved with 11 ayes, 0 nays, and 0 abstentions.

No. 3: H-HO-TE-CD-7137 Sedgebrook Retirement Community

Request for the approval of the issuance of Conduit 501(c)(3) bonds in an amount not to exceed \$150,000,000 to provide permanent financing for the following purposes: (1) to finance the purchase deposit for the option to purchase Sedgebrook Retirement Community, (2) to fund a debt service reserve fund, and (3) to pay for costs of issuance. (07-07-03).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 3. Funding Manager Pamela Lenane introduced Mr. Ian Brown, Executive Director of Sedgebrook Retirement Community. Mr. Brown thanked the Board and IFA for consideration of the project. Mr. Brown also described the project. Chairman Gustman asked if the Board had any questions with respect to Project no. 3. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 3. Leave was granted. Project no. 3 was approved with 11 ayes, 0 nays, and 0 abstentions.

No. 4: H-HO-TE-CD-7133 Little Company of Mary

Request for the approval of the issuance of Conduit 501(c)(3) bonds in an amount not to exceed \$90,000,000 to provide permanent financing for the following: (1) fund \$20 million in capital projects, (2) refund the Series 1997A fixed rate bonds for present value savings, and (3) refund the Series 2001 VRDBs with Auction Rate Securities. (07-07-04).

Chairman Gustman asked if the Board had any questions with respect to Project no. 4. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 4. Leave was granted. Project no. 4 was approved with 11 ayes, 0 nays, and 0 abstentions.

No. 5: H-HO-TE-CD-7035 OSF Healthcare System

Request for the approval of the issuance of Conduit 501(c)(3) bonds in an amount not to exceed \$500,000,000 to provide permanent financing for the following: (1) finance new construction on the campus of St. Francis Medical Center in Peoria, (2) fund capitalized interest, (3) refund the IFA Series 2002 Bonds, (4) pay-off the IFA 1985 Revolving Fun Pooled Financing Program loans, (5) reimburse OSF Healthcare System for prior capital expenditures, (6) pay-off taxable lines of credit used for initial project costs, (7) fund a debt service reserve fund, and (8) pay the costs of issuance including bond insurance. (07-07-05).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 5. Funding Manager Pamela Lenane introduced Mr. Dan Baker, CFO of OSF, and Ms. Anne Donahoe, Financial Advisor to OSF Healthcare System. Both Mr. Baker and Ms. Donahoe

thanked the Board and IFA for consideration of the project. Mr. Baker also described the purpose of the financing and history of the OSF Healthcare System.

Chairman Gustman asked if the Board had any questions with respect to Project no. 5. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 5. Leave was granted. Project no. 5 was approved with 11 ayes, 0 nays, and 0 abstentions.

No. 6: WITHDRAWN - H-NH-TX-CD-7124 Albany Care, LLC

No. 7: N-NP-TE-CD-7112 The Field House of Barrington, LLC

Request for the approval of the issuance of Conduit 501 (c)(3) bonds in an amount not to exceed \$30,000,000 to provide permanent financing for the following: (1) purchase land, (2) construction and equipping of an approximately 175,000 square foot indoor sports complex, (3) fund a debt service reserve account, and (4) pay professional and bond issuance costs. (07-07-07).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 7. Funding Manager Townsend Albright introduced Mr. Tom Laue, Proprietor of The Field House of Barrington. Mr. Laue 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. 7. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 7. Leave was granted. Project no. 7 was approved with 11 ayes, 0 nays, and 0 abstentions.

No. 8: N-NP-TE-CD-7155 Elim Christian Services

Request for the approval of the issuance of Conduit tax-exempt 501(c)(3) Revenue bonds in an amount not to exceed \$15,000,000 to provide permanent financing for the following: (1) construction, improvements, and renovation of the Autism Comprehensive Education Center, Main School, Adult Services Building, and campus, (2) refinance a bank line of credit that was used to finance the various capital improvements, (4) provide interim financing, and (5) pay costs of issuance. (07-07-08).

Chairman Gustman asked if the Board had any questions with respect to Project no. 8. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 8. Leave was granted. Project no. 8 was approved with 11 ayes, 0 nays, and 0 abstentions.

No. 9: N-NP-TE-CD-7150 The Uniform Law Foundation (The National Conference on Commissioners on Uniform State Laws)

Request for the approval of the issuance of Conduit 501 (c)(3) Revenue Bonds in an amount not to exceed \$2,800,000 to provide permanent financing for the purchase, renovation, and equipment of a condominium interest in a Downtown

Chicago office building which will be leased to the National Conference of Commissioners on Uniform State Laws. (07-07-09).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 8. Funding Manager Rich Frampton introduced Mr. John Sebert of the Foundation who spoke on behalf of Mr. Howard Swibel, President of The National Conference on Commissioners on Uniform State Laws. Mr. Sebert described the goals and missions of the Foundation and National Conference of Commissioners on Uniform State Laws. He also described the purposes of the financing. Mr. Sebert thanked the Board and IFA for consideration of the project and asked a question regarding the fee to be charged for the financing. Chairman Gustman noted that his fee request was not being presented to the Board but that his request could be addressed with IFA staff. Mr. Sebert stated that he understood and, in any case, desired approval of the project.

Chairman Gustman asked if the Board had any questions with respect to Project no. 9. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 9. Leave was granted. Project no. 9 was approved with 11 ayes, 0 nays, and 0 abstentions.

No. 10: **N-NP-TE-CD-7071 Presbyterian Homes**
Request for the approval of the issuance of Conduit 501(c)(3) Refunding Revenue Bonds in an amount not to exceed \$30,000,000 to provide permanent financing for the refunding of a previous bond issue, and to pay certain bond issuance costs. (07-07-10).

Chairman Gustman asked if the Board had any questions with respect to Project no. 10. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 10. Leave was granted. Project no. 10 was approved with 11 ayes, 0 nays, and 0 abstentions.

No. 11: **WITHDRAWN – L-GP-7153 Village of Green Oaks**

No. 12: **I-ID-TE-CD-7148 Centa Corporation**
Request for the approval of the issuance of Conduit Industrial Revenue Bonds in an amount not to exceed \$3,850,000 to provide permanent financing for the acquisition, renovation, and equipping of an existing manufacturing facility. (07-07-12).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 12. Funding Manager Rich Frampton introduced Mr. Allan Carroll, President of Carroll Financial Group, a consultant to the Company. Mr. Carroll thanked the Board and IFA for consideration of the project.

Chairman Gustman asked if the Board had any questions with respect to Project no. 12. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 12. Leave was granted. Project no. 12 was approved with 11 ayes, 0 nays, and 0

abstentions. Chairman Gustman noted that the IFA's approval of the project is subject to the IFA receiving an allocation of sufficient volume cap for the project.

- No. 13:** **I-ID-TE-CD-7141 Versatile Card Technology, Inc.**
Request for the approval of the issuance of Conduit Industrial Revenue Bonds in an amount not to exceed \$7,500,000 to provide permanent financing for the renovation and 9,800 square foot expansion of two manufacturing plants as well as the acquisition and installation of equipment. (07-07-13).
- No. 14:** **I-ID-TE-CD-7127 Rupari Food Services, Inc.**
Request for the approval of the issuance of Conduit Industrial Revenue Bonds in an amount not to exceed \$10,000,000 to provide permanent financing for the construction of a new 60,000 square foot production/cold storage facility, the expansion and renovation of a ready-to-eat area, and the acquisition and installation of refrigeration equipment, cooking ovens, and warehouse equipment. (07-07-14).
- No. 15:** **I-ID-TE-CD-7151 The Jel Sert Company**
Request for the approval of the issuance of Conduit Industrial Revenue Bonds in an amount not to exceed \$10,000,000 to provide permanent financing for the purchase of new manufacturing equipment. (07-07-15).
- No. 16:** **I-IR-TE-CD-7118 47 Asphalt Company (K-Five Construction Corporation)**
Request for the approval of the issuance of Conduit Industrial Revenue Bonds in an amount not to exceed \$5,750,000 to provide permanent financing for the acquisition and installation of asphalt related manufacturing equipment and to pay costs of issuance. (07-07-16).
- No. 17:** **I-ID-TE-CD-7062 Hadady Corporation & Hadady Investment Company**
Request for the approval of the issuance of Conduit Industrial Revenue Bonds in an amount not to exceed \$7,300,000 to provide permanent financing for the construction of a 57,000 square foot manufacturing facility and for the acquisition of manufacturing equipment and machining center. (07-07-17).

Chairman Gustman asked if the Board had any questions with respect to Project nos. 13 through 17. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project nos. 13 through 17. Leave was granted. Project nos. 13 through 17 was approved with 11 ayes, 0 nays, and 0 abstentions. Chairman Gustman noted that the IFA's approval of Project nos. 13 through 17 is subject to the IFA receiving an allocation of sufficient volume cap for the respective projects.

- No. 18:** **E-PC-TE-CD-7149 Columbia College Chicago**
Request for the approval of the issuance of Conduit 501(c)(3) Bond Resolutions in an amount not to exceed \$55,000,000 to provide permanent financing for the following: (1) the acquisition and renovation of two new buildings, (2) the construction of a new building, (3) the renovation and equipping of a recently

acquired building, (4) the potential renovation and equipping of existing buildings, (5) dependent on market conditions, the potential refunding of an existing IFA (IEFA) Series 1998 Bond issue, and (6) to pay certain costs of issuance. (07-07-18).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 18. Funding Manager Rich Frampton introduced Mr. Kevin Doherty, Associate Vice President of Columbia College. Mr. Doherty provided a description of the purposes of the project and Columbia College's prior issuances with the IFA. Mr. Doherty thanked the Board and IFA for consideration of the project.

Chairman Gustman asked if the Board had any questions with respect to Project no. 18. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 18. Leave was granted. Project no. 18 was approved with 11 ayes, 0 nays, and 0 abstentions.

No. 19: WITHDRAWN - Resolution Adopting the Budget of the Illinois Finance Authority for FY 2008

No. 20: WITHDRAWN – Resolution Approving a Change in the Trustees of the Illinois Finance Authority 401(a) Contribution Plan

No. 21: Resolution to Approve and Adopt the Amended and Restated By-Laws of the Illinois Finance Authority. (07-07-21).

Chairman Gustman asked if the Board had any questions with respect to Resolution no. 21. He noted that resolution had been discussed in detail at the 8:30 a.m. Committee of the Whole Meeting. There being no questions, Chairman Gustman requested leave to apply the last unanimous vote in favor of Resolution no. 21. Leave was granted. Resolution no. 21 was approved with 11 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 Ms. Talbott and seconded by Mr. Goetz, the meeting adjourned at approximately 12:15 p.m.

Respectfully Submitted,

Carla B. Burgess Jones, Secretary