

MINUTES OF THE AUGUST 7, 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 August 7, 2007 at the Mid-America Club, 200 E. Randolph, Chicago, Illinois:

Members present:

David C. Gustman, Chair
Dr. William J. Barclay
Ronald E. DeNard
Michael W. Goetz
Edward H. Leonard, Sr.
Terrence M. O'Brien
Andrew W. Rice
Lynn F. Talbott
Joseph P. Valenti
Bradley A. Zeller

Members absent:

Magda M. Boyles
James J. Fuentes
Dr. Roger D. Herrin
Juan B. Rivera

Vacancies:

One (1)

Members participating by telephone:

None

GENERAL BUSINESS

Call to Order and Roll Call

Chairman Gustman called the meeting to order at 11:38 a.m. with the above members present. Chairman Gustman welcomed members of the Board and all guests and asked Secretary, Carla Burgess Jones to call the roll. There being ten (10) members physically present, Ms. Burgess Jones declared a quorum present.

Executive Director's Report

Director Hubbard first welcomed and thanked all guests for coming. Director Hubbard reported that the Illinois Finance Authority continues to see an increase in transactions and that for the month ending July 1, 2007 the IFA had net income of approximately \$200,000. Director Hubbard thanked all of the guests in attendance for their business during the past fiscal year and also for their continued support. Director Hubbard announced that the IFA staff would present 26 projects, totaling approximately \$2.5 billion, to the Board for its consideration at today's meeting. Director Hubbard noted that projects presented today are expected to create approximately 3,003 new jobs and 3,634 construction jobs.

Acceptance of Financial Statements

Financial statements for the period ending July 31, 2007 were accepted by the Board. Chairman Gustman noted that the Authority's financial position remains strong and that the Board reviewed the Authority's financial statements at the Committee of the Whole Meeting held at 8:30 a.m.

Minutes

Chairman Gustman announced that the next order of business was to approve the minutes of the July 7, 2007 Meeting of the Board. Chairman Gustman asked for a motion to approve the minutes. Motion was moved by Ms. Talbott and seconded by Mr. Goetz. Secretary, Carla Burgess Jones, took a roll call vote for approval of the minutes. The minutes 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 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-AI-TX-GT-7164 – Roanoke Milling Co., Inc.**
Request for approval of the issuance of an Agri-Industry Guarantee in an amount not-to-exceed \$425,000 to provide permanent financing for a feed mill expansion. This project is expected to create 6 new jobs and 12 construction jobs. (07-08-01).
- No. 2:** **A-SG-TX-GT-7163 – Jonathan L. Hank**
Request for approval of the issuance of a Specialized Livestock Guarantee in an amount not-to-exceed \$334,475. Proposed loan funds will be used to provide permanent financing for a 2,400 head swine finishing facility. This project is expected to create 7 construction jobs. (07-08-02).
- No. 3:** **A-FB-TE-CD-7172 – Cullen Grainger**
Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$220,800 to provide permanent financing for the purchase of farmland located in Carthage, Il. (07-08-03).
- A-FB-TE-CD-7173 – Scott D. Henson**
Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$75,000 to provide permanent financing for the purchase of farmland located in Paris, Il. (07-08-03).
- A-FB-TE-CD-7174 – Brent and Brooke Bishop**
Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$69,600 to provide permanent financing for the purchase of farmland located in Dennison, Il. (07-08-03).

Chairman Gustman asked if the Board had any questions with respect to Project nos. 1 through 3. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project nos. 1 through 3. Leave was granted. Project nos. 1 through 3 was approved with 10 ayes, 0 nays, and 0 abstentions.

No. 4: P-SW-TE-CD-6203 – Western Illinois Ethanol Project, LLC

Request for the approval of the issuance of Solid Waste Disposal Facilities Bonds in an amount not-to-exceed \$37,000,000 and Tax-Exempt Water Facilities Bonds in an amount not-to-exceed \$8,000,000 to: (1) provide permanent financing for the acquisition and improvement of a 70-acre site in Griggsville, Il., (2) construct a 57,750,000 gallon capacity ethanol plant at the site, (3) acquire and install machinery and equipment and (4) pay cost of issuance. Issuance of these bonds is subject to an allocation of Volume Cap. This project is expected to create 40 new jobs and 200 construction jobs over a 16 month period. **(07-08-04)**.

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 4. Funding Manager Steven Trout introduced representatives from the Western Illinois Ethanol Project, LLC to give a brief summary of the project. The guests thanked the Board and IFA staff for their consideration. 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 10 ayes, 0 nays, and 0 abstentions.

No.5: H-HO-TE-CD-7162 – Hoosier Care, Inc. and Hoosier Care II, Inc.

Request for the approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed \$39,850,000. Proceeds will be used to: (1) advance refund certain tax-exempt bonds issued in 1999 by a predecessor to the Authority, the City of Loves Park, Il, the City of Sterling, Il and the Indiana Health Facility Financing Authority, (2) finance new money projects located in Champaign, Loves Park and Sterling, Il. and in Wabash, Brazil, Winchester and Ellettsville, Indiana, (3) fund a debt service reserve fund and (4) pay costs of issuance. This project is expected to create 5 new jobs and 5 construction jobs. **(07-08-05)**.

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 5. Pamela Lenane introduced Vice-President Wayne Toush of Medical Rehabilitation Centers, the entity that manages Hoosier Care, Inc. Mr. Toush gave a brief summary of the project and thanked the IFA and the Board for their consideration. Chairman Gustman noted that this project will be the first Authority multi-state transaction and is subject to multi-state legislation becoming law. 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 10 ayes, 0 nays, and 0 abstentions.

No. 6: H-HO-TE-CD-7160 – Advocate Health Care Network

Request for the approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed \$520,000,000 to provide permanent financing to: (1) fund new projects and reimburse Advocate Health Care Network for certain previous expenditures, (2) refinance certain existing outstanding bonds issued by a predecessor to the Authority, and (3) pay costs of issuance. This project is expected to create 75 new jobs and 900 construction jobs. **(07-08-06)**.

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 6. Pamela Lenane introduced guests from Advocate Health Care Network. The guests thanked the Board and IFA staff for consideration of the project and provided a brief summary of the project.

Chairman Gustman asked if the Board had any questions with respect to Project no. 6. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 6. Leave was granted. Project no. 6 was approved with 10 ayes, 0 nays, and 0 abstentions.

No. 7: H-HO-TE-CD-7165 – Sherman Health System and Sherman Hospital
Request for the approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed \$325,000,000 to provide permanent financing to: (1) fund the construction and equipping of a replacement hospital campus, (2) fund capitalized interest, (3) fund a reserve fund and (4) pay costs of issuance. This project is expected to create 61 new jobs and 350 construction jobs. (07-08-07).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 7. There being none, 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 10 ayes, 0 nays, and 0 abstentions.

No. 8: 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 to: (1) finance the purchase deposit for the option to purchase Sedgebrook Retirement Community, (2) fund a debt service reserve fund, and (3) pay costs of issuance. This project is expected to create 1,000 new jobs and 960 construction jobs. (07-08-08).

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 10 ayes, 0 nays, and 0 abstentions.

No. 9: WITHDRAWN

No. 10: N-PS-TE-CD-7159 – Christian Heritage Academy
Request for the approval of the issuance of Conduit 501 (c)(3) Bonds in an amount not-to-exceed \$8,300,000 to provide permanent financing to: (1) refund outstanding debt, (2) finance the expansion and renovation of a campus gymnasium, a multi-purpose and other campus renovations, (3) fund capitalized interest, and (4) fund professional and bond issuance costs. This project is expected to create 14 new jobs and 50 construction jobs over 12 months. (07-08-10).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 10. Townsend Albright introduced Mr. Richard Lukianuk, the headmaster of Christian Heritage Academy. Mr. Lukianuk gave a brief description of the project and the academy and thanked the Board and the IFA for their consideration of the project.

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 10 ayes, 0 nays, and 0 abstentions

No. 11: **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 to: (1) purchase land, (2) construct and equip an approximately 175,000 square foot indoor sports complex, (3) fund a debt service reserve account, (4) pay capitalized interest and (5) pay professional and bond issuance costs. This project is expected to create 100 new jobs and 100 construction jobs. **(07-08-11).**

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 11. Funding Manager Townsend Albright introduced representatives from the Field House of Barrington. The guests provided a brief description of the project and thanked the Board and IFA for their consideration of the project.

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

No. 12: **N-NP-TE-CD-7155 – Elim Christian Services**
Request for the approval of the issuance of Conduit 501(c)(3) Revenue Bonds in an amount not-to-exceed \$15,000,000 to provide permanent financing to: (1) construct, improve and renovate the Autism Comprehensive Education Center, the Main School, the Adult Services Building and the campus, all located in Palos Heights, Il., (2) construct, improve and renovate the Adult Services Buildings located in Orland Park, Il., (3) refinance a bank line of credit, (4) provide interim financing and (5) pay costs of issuance. This project is expected to create 19 new jobs and 50 construction jobs. **(07-08-12).**

No. 13: **N-NP-TE-CD-7156 – Institute for the International Education of Students**
Request for the approval of the issuance of Conduit 501(c)(3) Lease Financing in an amount not-to-exceed \$2,800,000 to provide permanent financing for the acquisition of equipment and Information Technology software and to pay certain lease issuance costs. This project is expected to create 20 new jobs. **(07-08-13).**

- No. 14:** **L-GP-7167 – Village of Leland**
Request for the approval of the issuance of a Rural Development Loan in an amount not-to-exceed \$60,000 to provide permanent financing for the purchase of a natural gas fired generator at the water treatment facility for the Village of Leland. (07-08-14).
- No. 15:** **L-GP-7168 – Village of Lincolnwood**
Request for the approval of the issuance of a Local Government Bond in an amount not-to-exceed \$5,000,000 to provide permanent financing for the storm-water sewer system for the Village of Lincolnwood. (07-08-15).
- No. 16:** **LSD-TE-CD-7158 – Waterloo Community Unit School District Number 5**
Request for the approval of the issuance of a Local Government Bond in an amount not-to-exceed \$6,500,000 to provide financing for the cost of building a new high school. This project is expected to create 15 construction jobs over a six-month period. (07-08-16).
- No. 17:** **L-GP-7153 – Village of Green Oaks**
Request for the approval of the issuance of Local Government Pooled Bonds in an amount not-to-exceed \$3,600,000 to provide permanent financing to rebuild and repair a Village road and accompanying drainage and sewer repair. This project is expected to create 10 construction jobs. (07-08-17).

Chairman Gustman asked if the Board had any questions with respect to Project nos. 12 through 17. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project nos. 12 through 17. Leave was granted. Project nos. 12 through 17 was approved with 10 ayes, 0 nays, and 0 abstentions.

- No. 18:** **L-SD-TE-MO-7177 – Illinois Finance Authority (Local School District Funding Project Notes)**
Request for the approval of the issuance of School Funding Notes in an amount not-to-exceed \$175,000,000 to help fund targeted, local school districts facing financial difficulty associated with delays in the adoption of the State of Illinois budget for FY 2008. (07-08-18).

Chairman Gustman asked if the Board had any questions with respect to Project no. 18. There being none, Chairman Gustman requested a motion for a roll call vote. Motion moved by Ms. Talbott and seconded by Mr. Goetz. Project no. 18 was approved with 9 ayes, 1 nay (O'Brien), and 0 abstentions.

- No. 19:** **B-LL-7145 – 2046 Walnut LLC (Chicagoland Beverage Company)**
Request for the approval of the issuance of a participation loan in an amount not-to-exceed \$562,500 to provide permanent financing for the acquisition of a warehouse building and improvements immediately east of Chicagoland

Beverage's current location. This project is expected to create 8 new jobs within two years. (07-08-19).

Chairman Gustman asked if the Board had any questions with respect to Project no. 19. There being none, Chairman Gustman requested a motion for a roll call vote. Motion moved by Mr. DeNard and seconded by Mr. Goetz. Project no. 19 was approved with 9 ayes, 0 nays and 1 abstention (Valenti). Mr. Valenti abstained because he is an employee of MB Financial.

No. 20: **B-LL-TX-7169 – American Allied Railway Equipment Company**
Request for the approval of the issuance of a participation loan in an amount not-to-exceed \$340,000 to provide financing for the construction of a new manufacturing facility in El Paso, Il. This project is expected to create 6 new jobs and 75 construction jobs over 7 months. (07-08-20).

No. 21: **B-LL-TX-7166 – Village Market IGA, Inc.**
Request for the approval of the issuance of a participation loan in an amount not-to-exceed \$800,000 to provide permanent financing for the purchase of commercial buildings and real estate for expansion. This project is expected to create 35 new jobs and 50 construction jobs. (07-08-21).

Chairman Gustman asked if the Board had any questions with respect to Project nos. 20 and 21. There being none, Chairman Gustman asked Secretary Carla Burgess Jones to do a roll call vote. Motion moved by Mr. Talbott and seconded by Mr. Valenti. Project nos. 20 and 21 were approved with 10 ayes, 0 nays, and 0 abstentions.

No. 22: **B-LL-7145 – Third Pancake LLC, an Illinois limited liability company to be formed (Intelligentsia Coffee and Tea, Inc.)**
Request for the approval of the issuance of a participation loan in an amount not-to-exceed \$1,000,000 to provide permanent financing for the acquisition of a building located at 1850 W. Fulton. This project is expected to create 5-10 new jobs over two years. (07-08-22).

At this time, Chairman Gustman requested a vote on Project no. 27 because Project nos. 22 and 27 require the abstention of the same member of the Board.

No. 27: **Amendatory Resolution to Authorize the Execution and Delivery of a Modification Agreement and related documents for W.M. Plastics, Inc. (07-08-27).**
Request for an amendatory resolution to authorize the execution and delivery of a modification agreement and related documents for W.M. Plastics, Inc. Project, a project which received bond financing from a predecessor of the Authority.

Chairman Gustman asked if the Board had any questions with respect to Project nos. 22 and 27. There being none, Chairman Gustman asked Secretary Carla Burgess Jones to do a roll call vote. Motion moved by Ms. Talbott and seconded by Mr. Goetz. Project nos. 22 and 27 were approved

with 9 ayes, 0 nays, and 1 abstention (Valenti). Member Valenti abstained because he is an employee of MB Financial.

No. 23: I-FRT-TE-CD-7170 – CenterPoint Joliet Terminal Railroad LLC and its successors, affiliates, and assigns

Request for the approval of the issuance of Freight Transfer Facilities Revenue Bonds in an amount not-to-exceed \$1,137,000,000 to provide permanent financing for the acquisition of land, construction of rail improvements, and the construction of all or a portion of an estimated 12-15 million sq. ft. of warehousing and distribution facilities and related infrastructure located on an approximately 4,000 acre site. This project is expected to create 1,600 new jobs and 500 construction jobs. (07-08-23).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 23. Funding Manager Rich Frampton introduced Mr. Daniel Hemmer, SVP and General Counsel for Centerpoint Properties Trust. Mr. Hemmer thanked the Board and the IFA staff for their consideration of the project. Mr. Hemmer also provided a brief overview of the project.

Chairman Gustman asked if the Board had any questions with respect to Project no. 23. There being none, Chairman Gustman asked Secretary Carla Burgess Jones to do a roll call vote. Motion moved by Mr. Goetz and seconded by Mr. DeNard. Project no. 23 was approved with 9 ayes, 0 nays, and 1 abstention. Chairman Gustman abstained because from time to time his law firm has done work for the borrower on unrelated matters.

No. 24: E-PC-TE-CD-7157 – Chicago School of Professional Psychology

Request for the approval of the issuance of Conduit 501(c)(3) Revenue Bonds in an amount not-to-exceed \$14,000,000 to provide financing to refund a previous bond issuance, refinance existing debt, finance construction and pay certain bond issuance costs. This project is expected to create 30 new jobs and 50 construction jobs. (07-08-24).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 24. Funding Manager Sharnell Curtis Martin introduced Mr. Jeff Keith, CFO, Chicago School of Professional Psychology. Mr. Keith gave a brief description of the project and thanked the Board and IFA for their consideration of the project.

Chairman Gustman asked if the Board had any questions with respect to Project no. 24. There being none, Chairman Gustman asked Secretary Carla Burgess Jones to do a roll call vote. Motion moved by Ms. Talbott and seconded by Mr. Goetz. Project no. 24 was approved with 10 ayes, 0 nays, and 0 abstentions.

No. 25: E-PC-TE-CD-7149 – Columbia College of Chicago

Request for the approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed \$55,000,000 to provide permanent financing to: (1) acquire and renovate two new buildings, (2) construct a new building, (3) renovate and equip a recently acquired building, (4) renovate and equip existing buildings, (5)

potentially refund bonds issued by a predecessor to the Authority and (6) pay certain cost of issuance. This project is expected to create 25 new jobs and 300 construction jobs over 30 months. (07-08-25).

No. 26: Resolution Delegating to the Executive Director Authority to Approve Certain Revisions to Participation Loans. (07-08-26).

Resolution delegating to the Executive Director the Authority to approve certain revisions to Participation Loans without obtaining Board Approval.

No. 28: Amendatory Resolution to Ratify the First Supplemental Trust Indenture and Approve the Execution and Delivery of a Second Supplemental Trust Indenture related to the DePaul University Series 2005B and 2005C Bonds. (07-08-28).

Resolution ratifying certain amendments with respect to \$22,275,000 aggregate principal amount of Auction Rate Revenue Refunding Bonds, DePaul University, Series 2005B, and \$35,675,000 Aggregate Principal Amount of Auction Rate Revenue Refunding Bonds, DePaul University, Series 2005C, of the Illinois Finance Authority made pursuant to a First Supplemental Trust Indenture; Authorizing and Approving the Execution and Delivery of a Second Supplemental Trust Indenture and Related Documents; Approving the Distribution of a Supplement to Reoffering Circular; and Authorizing and Approving Related Matters.

No. 29: WITHDRAWN

No. 30: Request to Release Collateral and Reduce the Amount of an Agri-Debt Guarantee for Farmers State Bank of Western Illinois to Mark and Brenda Dunn. (07-08-30).

Request to reduce an agri-debt guarantee and release collateral related to the agri-debt guarantee.

No. 31: Request to Release Collateral for a Young Farmer Guarantee for Farmers State Bank of Western Illinois to Mark and Brenda Dunn. (07-08-31).

Request to release collateral related to a young farmer guarantee.

Chairman Gustman asked if the Board had any questions with respect to Resolution nos. 26, 28, 30 and 31. There being no questions, Chairman Gustman requested leave to apply the last unanimous vote in favor of Resolution nos. 26, 28, 30 and 31. Leave was granted. Resolution nos. 26, 28, 30 and 31 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. DeNard and seconded by Mr. O'Brien, the meeting adjourned at approximately 12:30 p.m.

Respectfully Submitted,

Carla B. Burgess Jones, Secretary

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