

**MINUTES OF THE SEPTEMBER 11, 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 September 11, 2007 at the Mid-America Club, 200 E. Randolph, Chicago, Illinois:

Members present:

David C. Gustman, Chair
Dr. William J. Barclay
Ronald E. DeNard
James J. Fuentes
Michael W. Goetz
Terrence M. O'Brien
Andrew W. Rice
Juan B. Rivera
Lynn F. Talbott

Members absent:

Magda M. Boyles
Dr. Roger D. Herrin
Edward H. Leonard, Sr.
Joseph P. Valenti

Vacancies:

One (1)

**Members participating by
telephone:**

Bradley A. Zeller

GENERAL BUSINESS

Call to Order and Roll Call

Chairman Gustman called the meeting to order at 11:48 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 nine (9) members physically present, and one (1) member on the phone, Ms. Burgess Jones declared a quorum present.

Executive Director's Report

Director Hubbard welcomed and thanked all guests for coming. Director Hubbard reported that the Illinois Finance Authority continues to experience significant success and the volume of activity is growing. Director Hubbard reported that the Authority continues to work with the Governor's Office of Management and Budgets regarding Volume Cap and it's anticipated that final approval for increased volume cap will soon be approved. Director Hubbard announced that the IFA staff would present 27 projects, totaling approximately \$1.3 billion, to the Board for its consideration at today's meeting. Director Hubbard noted that projects presented today are expected to create approximately 482 new jobs and 2,221 construction jobs.

Acceptance of Financial Statements

Financial statements for the period ending August 30, 2007 were accepted by the Board. Chairman Gustman stated that the Authority's financial statements were reviewed 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 August 7, 2007 Meeting of the Board. Chairman Gustman asked for a motion to approve the minutes. Motion was moved by Mr. O'Brien 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 announced 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. Director Hubbard presented the following projects to the Board for approval:

- No. 1:** **A-LL-TX-7187 – Worksaver, Inc.**
Request for approval of the issuance of a Participation Loan in an amount not-to-exceed \$153,050 to provide permanent financing to purchase new manufacturing equipment. This project is expected to create 2 new jobs and is located in Litchfield, Illinois. **(07-09-01).**
- No. 2:** **A-LL-TX-7186 – Gerald and Genevieve Roberts**
Request for approval of the issuance of an Ag Participation Loan in an amount not-to-exceed \$55,000 to provide permanent financing to purchase a 9660 John Deere Combine. This project is located in Penfield, Illinois. **(07-09-02).**
- No. 3:** **A-YF-GT-6248 – Michael L. and Shari D. Flannigan**
Request for approval of the issuance of a Young Farmer Guarantee in an amount not-to-exceed \$191,250 to provide permanent financing for the purchase of 105 acres of farmland. This project is located in Mt. Vernon, Illinois. **(07-09-03).**
- No. 4:** **A-FB-TE-CD-7189 – Alan Bailey**
Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$105,000 to provide permanent financing for the purchase of 40 acres of farmland. This project is located in Virden, Illinois. **(07-09-04).**
- A-FB-TE-CD-7190 – Steven and Emily Manning**
Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$55,000 to provide permanent financing for the purchase of 40 acres of farmland. This project is located in Wayne City, Illinois. **(07-09-04).**
- A-FB-TE-CD-7191 – Adam T. Bertolino**
Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$250,000 to provide permanent financing for the purchase of 84.5 acres of farmland. This project is located in Witt, Illinois. **(07-09-04).**

A-FB-TE-CD-7192 – Jonathon Laue

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$65,000 to provide permanent financing for the purchase of 26 acres of farmland. This project is located in Beecher City, Illinois. (07-09-04).

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. 5: P-SW-TE-CD-7175 – Ethanex Energy North America, Inc.

Request for the approval of the issuance of Solid Waste Disposal Facilities Bonds in an amount not-to-exceed \$50,000,000 to provide permanent financing for the construction of a 132 million gallon capacity ethanol plant, the acquisition and installation of machinery and equipment, including qualifying solid waste disposal facilities, the capitalized interest and debt service reserve fund and pay cost of issuance. Issuance of these bonds is subject to an allocation of Volume Cap. This project is expected to create 65 new jobs and 400 construction jobs. This project is located in Waltonville, Illinois. (07-09-04).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 5. Steven Trout introduced David McKittrick, Executive Vice President & CFO of Ethanex who gave a brief summary of the project and thanked the Board, IFA and the Governor's Office of Management and Budgets for their consideration. Board Member Mr. Goetz commended the company for working with union construction workers. 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-7193 – Fairview Obligated Group

Request for the approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed \$60,000,000. Proceeds will be used to: (1) current and advance refund approximately \$45.2M of Series 2004 Bonds issued through a predecessor to the IFA for the benefit of the Fairview Obligated Group, (2) fund approximately \$6M of new money projects at the Downers Grove campus, (3) fund one or more debt service reserve funds; and (4) fund financing costs. This project is located in Downers Grove and Rockford, Illinois. (07-09-06).

No. 7: H-HO-TE-CD-7182 – The Admiral At The Lake

Request for the approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed \$175,000,000 to provide permanent financing to: (1) construct and equip a new Continuing Care Retirement Community, (2) finance a bank loan that was used to finance pre-development costs, (3) fund a debt service reserve fund, (4) capitalize interest, and (5) fund professional and bond issuance costs. This project is expected to create 200 construction jobs. This project is located in Chicago, Illinois. (07-09-07).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 7. Townsend Albright introduced Glen Birchacek, President & CEO of The Admiral On The Lake. Mr. Birchacek gave a brief overview of the project and thanked the IFA and the Board for their consideration. Chairman Gustman asked if the Board had any questions with respect to Project nos. 6 and 7. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project nos. 6 and 7. Leave was granted. Project nos. 6 and 7 were approved with 10 ayes, 0 nays, and 0 abstentions.

No. 8: H-HO-TE-CD-7176 – Holy Cross Hospital

Request for the approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed \$16,000,000 to provide permanent financing to: (1) refinance existing Illinois Health Facilities Authority debt through a current refunding of the Series 1994 Holy Cross Hospital bond issue for cost savings; (2) Pay costs of issuance. This project is located in Chicago, Illinois. (07-09-08).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 8. Pamela Lenane introduced Gary Zmrhal, CFO, Holy Cross Hospital. Mr. Zmrhal gave a brief overview of the project and thanked the IFA and the Board for their consideration. Dr. Barclay, Board Member, commented on the hospital's success and thanked Mr. Zmrhal and wished Holy Cross continued success. 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: 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. Bond proceeds together with other available funds will be used to: (1) fund new projects and reimburse Advocate Health Care Network for certain previous expenditures (2) refinance certain existing outstanding bonds issued by the Illinois Health Facilities Authority, a predecessor of the IFA and (3) pay costs of issuance. This project is located in multiple areas within Illinois. This project is expected to create 75 new jobs and 900 construction jobs. (07-09-09).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 9. Pamela Lenane introduced Dominic Nakis, Sr. VP and Gail Hasbrouch, General Counsel, Advocate Health Care. Mr. Nakis gave a brief overview of the project and thanked the Board and IFA staff for consideration of the project. Dr. Barclay, Board Member thanked Mr. Nakis for responding to his concerns and asked Mr. Nakis that minority firms be included in the pool of underwriters.

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 10 ayes, 0 nays, and 0 abstentions.

No. 10: 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. Proceeds will be used 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 located in Elgin, Illinois. This project is expected to create 61 new jobs and 350 construction jobs. (07-09-10).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 10. Pamela Lenane introduced Mr. Eric Krueger, CFO, Sherman Health Systems. Mr. Krueger gave a brief description of the project 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-7181 – Lake County Family YMCA

Request for the approval of the issuance of Conduit 501(c)(3) Revenue Bonds in an amount not to exceed \$6,500,000 to provide permanent financing. Bond proceeds will be used to refund existing IFA (IDFA) 2000 Bonds and to pay certain bond issuance costs. This project is located in Waukegan, Illinois. (07-09-11).

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-7180 – Construction & General Laborers District of Chicago and Vicinity Joint Training and Apprenticeship Fund a/k/a Chicagoland laborers Training and Apprenticeship Fund

Request for the approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed \$25,000,000 to provide permanent financing. Proceeds will be used to (1) construct and equip a 70,000 sq. ft. training facility, (2) capitalize interest, and (3) fund professional and bond issuance costs. This project is located in Chicago, Illinois. This project is expected to create 9 new jobs and 50 construction jobs over an 18 month period. (07-09-12).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 12. Townsend Albright introduced Mr. Peter Ruff, Fund Administrator, and Mr. Michael Kenney, Assistant. Mr. Ruff gave a brief description of the project and thanked the Board and the IFA for their consideration of the project. Mr. Rivera, Board Member, inquired about minority participation. Mr. Rivera's questions were addressed by Mr. Ruff. Mr. Goetz, Board Member, commented that he was pleased the project was brought to the IFA.

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 10 ayes, 0 nays, and 0 abstentions.

No. 13: **N-NP-TE-CD-7126 – Cornerstone Services, Inc.**
Request for the approval of the issuance of Conduit 501(c)(3) Refunding Revenue Bonds in an amount not-to-exceed \$4,200,000 to provide permanent financing. Bond proceeds will be used to refund existing IFA (IDFA) 1998 and 2002 Bond issues, refinance existing conventional debt, and pay for certain bond issuance costs. This project is located in Joliet, Illinois. (07-09-13).

No. 14: **WITHDRAWN.**

No. 15: **I-ID-TX-CD-618 – Theory and Computing Sciences Building Trust (Argonne National Laboratory – a federally owned property under the jurisdiction of the U.S. Department of Energy)**
Request for the approval of the issuance of Taxable Conduit Revenue Bonds in an amount not-to-exceed \$70,000,000 to provide permanent financing. Bond proceeds will be used to (1) finance the construction of an office and light duty laboratory facility, and surface a parking lot, (2) capitalize interest, and (3) fund legal and professional costs. This project is located in Darien, Illinois. This project is expected to create 80 new jobs and 100 construction jobs over a 12 month period. (07-09-15).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 15. Townsend Albright introduced Ms. Mary Spada, Contractor, Project Leader, Argonne National Laboratory. Ms. Spada gave a brief description of the project and thanked the Board and the IFA for their consideration.

Chairman Gustman asked if the Board had any questions with respect to Project no. 15. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 15. Leave was granted. Project no. 15 was approved with 10 ayes, 0 nays, and 0 abstentions.

No. 16: **L-GP-7196 – Village of Chatham**
Request for the approval of a Direct Loan in an amount not-to-exceed \$1, 500,000 to provide interim one year financing for the Village's water system infrastructure expenses. This project is located in Chatham, Illinois. (07-09-16).

No. 17: **L-GP-7194 – Tad Peter d/b/a South Fork Outfitting**
Request for the approval of the issuance of a Rural Development Loan in an amount not-to-exceed \$188,250 to provide permanent financing for an outfitting lodge. This project is located in Mendon, Illinois. This project is expected to create 4 new jobs and 6 construction jobs. (07-09-17).

No. 18: **L-GP-7195 – Village of Pleasant Plains**
Request for the approval of the issuance of a Rural Development Loan in an amount not-to-exceed \$115,000 to provide financing for Village storm sewer improvements. This project is located in Pleasant Plains, Illinois. (07-09-18).

No. 19: **B-LL-TX-7197 – MPH II Land Trust (Hoerr Construction)**
Request for the approval of the issuance of a Participation Loan in an amount not-to-exceed \$300,000. Loan proceeds will be used to finance the acquisition of land and the construction of a new industrial facility, and the acquisition of new machinery and equipment. The new facility is located in Congerville, Illinois. This project is expected to create 3 new jobs and 75 construction jobs over 7 month period. (07-09-19).

Chairman Gustman asked if the Board had any questions with respect to Project nos. 16 through 19. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project nos. 16 through 19. Leave was granted. Project nos. 16 through 19 was approved with 10 ayes, 0 nays, and 0 abstentions.

No. 20: **I-ID-CD-TE-6217 – Stromberg Allen and Company and SACO Real Estate Company LLC**
Request for the approval of the issuance of Conduit Industrial Revenue Bonds in an amount not-to-exceed \$8,000,000 to provide financing to purchase and renovate an existing, vacant manufacturing facility in Tinley Park that will enable Stromberg Allen and Company to expand, while also retaining its operations in Illinois. This project is located in Tinley Park, Illinois. This project is initially expected to create 8 new jobs plus 2 to 8 more within two years, and 10 construction jobs for a 3 to 5 month period. (07-09-20).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 20. Rich Frampton introduced Mr. Bill Kruchko, President, Stromberg Allen and Company. Mr. Kruchko gave a brief description of the project and thanked the Board and the IFA for their consideration.

Chairman Gustman asked if the Board had any questions with respect to Project no. 20. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 20. Leave was granted. Project no. 20 was approved with 10 ayes, 0 nays, and 0 abstentions.

No. 21: **I-ID-TE-CD-7178 – Quality Metal Finishing Co.**
Request for the approval of the issuance of Conduit Industrial Revenue Refunding Bonds in an amount not-to-exceed \$1,300,000 to provide permanent financing. Bond proceeds will be used to refund the outstanding principal balance of IFA (IDFA) Series 1996 Industrial Revenue Bonds. This project is located in Byron, Illinois. This project is expected to create 53 new jobs. (07-09-21).

No. 22: **I-ID-TE-CD-6255 – American Ad Bag Company and Garmich-Illinois, LLC**