

**MINUTES OF THE DECEMBER 5, 2006 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 December 5, 2006 at the Mid America Club, 200 E. Randolph Street, 80<sup>th</sup> floor, Chicago, Illinois:

**Members present:**

David C. Gustman, Chair  
James J. Fuentes  
Michael W. Goetz  
Dr. Roger D. Herrin  
Martin H. Nesbitt  
Juan B. Rivera  
Lynn F. Talbott  
Joseph P. Valenti  
Bradley A. Zeller

**Members absent:**

Magda M. Boyles  
Ronald E. DeNard  
Demetris A. Giannoulis  
Terrence M. O'Brien  
Andrew W. Rice

**Members participating by  
telephone:**

Edward H. Leonard, Sr.

**GENERAL BUSINESS**

**Call to Order and Roll Call**

Chairman Gustman called the meeting to order at 11:55 a.m. with the above members present. Chairman Gustman apologized for the tardy start and noted that this was the last meeting of 2006. Chairman Gustman also thanked all of IFA's partners, including borrowers, counsels and bankers, for bringing transactions to the IFA. Chairman Gustman asked Carla Burgess Jones, Secretary, to call the roll. Ms. Burgess Jones called the roll. There being nine (9) members physically present and one (1) member participating via telephone, Ms. Burgess Jones declared a quorum present. Chairman Gustman noted special thanks to Member Leonard for participating via telephone because he resides in an area of the State affected by the power outages.

**Interim Executive Director's Report**

Chairman Gustman welcomed everyone present and asked Interim Executive Director Rendleman to give her report. Interim Executive Director Rendleman welcomed everyone and announced that the Board would be approving over \$700 million in projects that represent the diversity and value of the IFA market sectors, including a new project for a model health insurance program for small businesses. Interim Executive Director Rendleman also discussed that IFA revenues continue to exceed its fiscal year plan based in part on the partnerships that exist with the IFA.

**Acceptance of Financial Statements**

Financial statements for the five-month period ending November 30, 2006 were accepted by the Board. Chairman Gustman noted that the financial statements are reviewed by the Board at the 8:30 a.m. meeting of the Committee of the Whole of the Board.

## Minutes

Chairman Gustman asked Carla Burgess Jones, Secretary to take a roll call vote for approval of the minutes of the November 14, 2006 Meeting of the Board. Minutes of the November 14, 2006 were approved with 10 ayes, 0 nays, and 0 abstentions.

## Projects

Chairman Gustman asked Interim Executive Director Rendleman 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 of the Board. Director Rendleman presented the following projects to the Board for approval:

- No. 1:**            **A-AD-GT-6247 – Devan L. and Reta J. Harris**  
Request for approval of the issuance of an Agri-Debt Guarantee in an amount not-to-exceed \$314,000 to provide refinancing of existing real estate and equipment loans related to the borrower's business. (06-12-01).
- No. 2:**            **A-LL-TX-6251 – Clark B. Kelly**  
Request for approval of the issuance of a participation loan in an amount not-to-exceed \$262,500 to provide permanent financing of a 2,400 head swine finishing building. (06-12-02).
- No. 3:**            **A-LL-TX-6263 – Douglas R. and Brenda S. Dozier**  
Request for approval of the issuance of a participation loan in an amount not-to-exceed \$100,000 to provide permanent financing for the purchase of 80 acres of farm land. (06-12-03).
- No. 4:**            **A-FB-TE-CD-6238 – Kent Elmore**  
Request for approval of the issuance of Beginning Farmer Bonds in an amount not-to-exceed \$250,000 for the purchase of 140 acres of farmland in Mason, Illinois. (06-12-04).
- A-FB-TE-CD-6239 – Scott Thorngren**  
Request for approval of the issuance of Beginning Farmer Bonds in an amount not-to-exceed \$57,200 for the purchase of 22 acres of farmland in Milledgeville, Illinois. (06-12-04).
- A-FB-TE-CD-6240 – Matt and Felicia Duncan**  
Request for approval of the issuance of Beginning Farmer Bonds in an amount not-to-exceed \$104,975 for the purchase of approximately 77 acres of farmland in Boston, Illinois. (06-12-04).

**A-FB-TE-CD-6241 – Johnathon and Rhonda Bush**

Request for approval of the issuance of Beginning Farmer Bonds in an amount not-to-exceed \$236,250 for the purchase of approximately 74 acres of farmland in Morrison, Illinois. (06-12-04).

Chairman Gustman asked if the Board had any questions with respect to Project nos. 1 through 4. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Projects nos. 1 through 4. Motion moved by Mr. Rivera and seconded by Mr. Valenti. Leave was granted. Project nos. 1 through 4 were approved with 10 ayes, 0 nays, and 0 abstentions.

**No. 5: H-SL-RE-TE-CD-6200 – Friendship Village of Mill Creek Illinois, LLC**

Request for final approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed \$5,500,000 to fund pre-construction financing costs comprised primarily of the design, development, and marketing costs of the project. This project is expected to create 4 new jobs and 10 construction jobs. (06-12-05).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 5. Funding Manager Pamela Lenane introduced Bob Alston, CEO and President of Tallgrass at Mill Creek and Joe Xanthopoulos, Vice-President Tallgrass at Mill Creek. Bob Alston thanked the Board and IFA for consideration of the project. 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-664 – Jackson Park Hospital Foundation**

Project withdrawn from the Board agenda.

**No. 7: N-NP-TE-CD-6253 – Northern Illinois Conference of the United Methodist Church**

Request for preliminary approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed \$3,400,000 to i) construct a community facility, ii) purchase furniture fixtures and equipment, iii) construct a parking area and iv) fund legal and professional issuance costs. This project is expected to create 55 new jobs and 100 construction jobs over 8 months. (06-12-07).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 7. Funding Manager Townsend Albright introduced Lonnie Chafin, Treasurer of the Northern Illinois Conference of the United Methodist Church. Mr. Chafin 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 10 ayes, 0 nays, and 0 abstentions.

**No. 8:**        **N-NP-TE-CD-6237 – Occupational Development Center, Inc.**  
Request for final approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed \$3,400,000 for the purchase and renovation of a 76,000 square foot facility and to pay costs of issuance. This project is expected to create 11 new jobs and 10 construction jobs. (06-12-08).

**No. 9:**        **N-NP-TE-CD-6236 – Bridgeway, Inc.**  
Request for final approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed \$2,100,000 to i) refinance two group homes located in Pekin, Illinois, ii) purchase and renovate two training facilities located in Oquawka and Pekin, Illinois and iii) construct a new facility in Macomb, Illinois. (06-12-09).

**No. 10:**       **N-NP-TE-CD-6180 – Victor C. Neumann Association**  
Request for final approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed \$7,000,000 to i) refinance existing debt, ii) renovate existing facilities and iii) pay certain costs of issuance. This project is expected to create 88 new jobs and 20 construction jobs. (06-12-10).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project nos. 8 through 10. Funding Manager Steve Trout introduced Fred Cornwall of the Illinois Association of Rehabilitation Facilities for Project no. 8. Mr. Cornwall thanked the Board and IFA for consideration of the project. Chairman Gustman asked if the Board had any questions with respect to Project nos. 8 through 10. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project nos. 8 through 10. Leave was granted. Project nos. 8 through 10 were approved with 10 ayes, 0 nays, and 0 abstentions.

**No. 11:**       **E-NP-TE-CD-6214 – St. Ignatius College Prep**  
Request for final approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed \$16,000,000 to finance land and building acquisition to expand athletic facilities and for various building and facility renovations at St. Ignatius's existing campus. This project is expected to create 1-2 new jobs and 20 construction jobs over 6 months. (06-12-11).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 11. Funding Manager Rich Frampton introduced Greg Gleason, Vice-President of Finance for St. Ignatius. Mr. Gleason thanked the Board and the IFA for 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 a motion for a roll call vote. Motion moved by Mr. Nesbitt and seconded by Mr. Valenti. Chairman Gustman asked Secretary Burgess Jones to take a roll call vote. Chairman Gustman abstained from voting on this project because his law firm has represented the letter of credit participant, The Northern Trust Company, in unrelated transactions. Project no. 11 was approved with 9 ayes, 0 nays, and 1 abstention (Gustman).

**No. 12:**        **L-GP-6242 – Adams County Water District**  
Request for final approval of a Local Government Interim Loan in an amount not-to-exceed \$185,000 to finance the purchase of land on which a new Regional Sanitary Sewer System will be constructed. (06-12-12).

**No. 13:**        **L-GP-6244 – City of Eldorado**  
Request for final approval of a Local Government Direct Loan in an amount not-to-exceed \$165,000 to finance the purchase of a new fire truck. (06-12-13).

Chairman Gustman asked if the Board had any questions with respect to Project nos. 12-13. There being none, Chairman Gustman requested a motion for a roll call vote. Motion moved by Mr. Fuentes and seconded by Mr. Zeller. Chairman Gustman asked Secretary Burgess Jones to take a roll call vote. Project nos. 12-13 were approved with 10 ayes, 0 nays, and 0 abstentions.

**No. 14:**        **B-LL-TX-6256 – Lostant Enterprises LLC, Dr. Eric Anderson & Dr. Rhonda J. Marty-Anderson**  
Request for approval of the issuance of a participation loan in an amount not-to-exceed \$276,000 to finance the construction of a new 4,900 square foot professional building located in Lostant, Illinois. The project is expected to create 1 new job and 15 construction jobs. (06-12-14).

**No. 15:**        **B-LL-TX-6257 – GFY Management Inc.**  
Request for approval of the issuance of a participation loan in an amount not-to-exceed \$247,000 to finance the acquisition of an industrial building located in Peoria, Illinois and the acquisition of manufacturing equipment. The project is expected to create 1 new job. (06-12-15).

**No. 16:**        **Power Holdings of Illinois, LLC**  
**P-SW-TE-CD-6261 – Environmental Improvement Facilities Bond**  
**I-ID-TX-MO-6262 – Clean Coal and Energy Moral Obligation Bond**  
Request for preliminary approval of the issuance of Environmental Improvement Facilities Revenue Bonds in an amount not-to-exceed \$150,000,000 and the issuance of Clean Coal and Energy Moral Obligation Bonds in an amount not-to-exceed \$300,000,000 to i) purchase and construct a coal gasification facility, ii) purchase machinery and equipment and iii) fund legal and professional costs. The project is expected to create 251 new jobs over 1 year and 1,000 construction jobs over 36 months. (06-12-16).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project nos. 14-16. Funding Manager Steve Trout introduced Steve Shaw and Michael Levine of Power Holdings, Inc. for Project no. 16. Mr. Levine thanked the Board and the IFA for consideration of the project. The Board asked several questions about the gasification process.

Chairman Gustman asked if the Board had any questions with respect to Project nos. 14 through 16. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project nos. 14 through 16. Leave was granted. Project nos. 14 through 16 were approved with 10 ayes, 0 nays, and 0 abstentions.

**No. 17: B-LL-TX-6252 – The Entrepreneurial Mutual Insurance Company**

Request for an equity investment in an amount not-to-exceed \$500,000 to be used to capitalize a surplus to establish a new independent insurance company established to provide health insurance coverage to small businesses at a reduced and more predictable cost than is currently available from other insurance options. The project is expected to create 10 new years over 2 years. (06-12-17).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 17. Funding Manager Steve Trout introduced Jerry Roper, Executive Director of the Chicagoland Chamber of Commerce and Claire Gregoire, Interim President of The Entrepreneurial Mutual Insurance Company. Mr. Roper thanked the Board and IFA for consideration of the project. Ms. Gregoire noted that the insurance program was initiated because small businesses that provide insurance have an economic burden that prevents the businesses from providing economic resources to other areas of business like job retention and training. The insurance program will increase economic development for small businesses. Chairman Gustman asked if the Board had any questions with respect to Project no. 17. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 17. Leave was granted. Project no. 17 was approved with 10 ayes, 0 nays, and 0 abstentions.

**No. 18: I-ID-TE-CD-6255 – American Ad Bag Company and/or Garmich, LLC**

Request for preliminary approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed \$7,000,000 to finance i) the construction and equipping of a new manufacturing facility, ii) the renovation and rehabilitation of an existing manufacturing facility, iii) the purchase of additional equipment and iv) legal and professional issuance costs. This project is expected to create 18 new jobs and 30 construction jobs over a 6-month period. The project will require \$7,000,000 of IFA Volume Cap. (06-12-18).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 18. 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 10 ayes, 0 nays, and 0 abstentions.

**No. 19: E-PC-TE-CD-6245 – University Educational Student Housing Corporation (Dwight Building Project)**

Request for preliminary approval of the issuance of Conduit 501(c)(3) Student Housing Bonds in an amount not-to-exceed \$95,000,000 to finance i) the acquisition and demolition of certain existing structures and ii) the renovation of existing buildings that will assist with the development of a new student housing facility. This project is expected to create 18 new jobs and 150 construction jobs over an 18-month period. (06-12-19).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 19. Funding Manager Rich Frampton introduced Benjamin Noble and Robert Buono of Smithfield Properties. Mr. Buono thanked the Board and IFA staff for consideration of the project. 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. Valenti and seconded by Mr. Nesbitt. Chairman Gustman asked Secretary Burgess Jones to take a roll call vote. Chairman Gustman abstained from voting on this project because his law firm represents Citigroup (underwriter on the transaction) on an unrelated matter. Project no. 19 was approved with 9 ayes, 0 nays, and 1 abstention (Gustman).

**No. 20: E-NP-TE-CD-6258 – The Newman Foundation at the University of Illinois (Champaign-Urbana)**

Request for final approval of the issuance of Conduit 501(c)(3) Revenue Bonds in an amount not-to-exceed \$45,000,000 to finance the construction and equipping of a student housing facility, deposit moneys in the Debt Service Reserve Fund to secure bonds, and pay certain costs of issuance of bonds. This project is expected to create 15 new jobs and 100 construction jobs. (06-12-20).

Chairman Gustman asked if there were any guests attending the meeting with respect to Project no. 20. There being none, Chairman Gustman asked if the Board had any questions with respect to Project no. 20. There being none, Chairman Gustman requested a motion for a roll call vote. Motion moved by Dr. Herrin and seconded by Mr. Zeller. Chairman Gustman asked Secretary Burgess Jones to take a roll call vote. Project no. 20 was approved with 10 ayes, 0 nays, and 0 abstentions.

**Resolutions/Project Revisions/Amendatory Resolutions**

**No. 21: Wire Mesh Corporation (#B-LL-TX-6134)**

Request to extend the IFA's commitment on its participation loan to Wire Mesh Corporation from December 13, 2006 to June 13, 2007. (06-12-21).

**No. 22: Loyola University Health System**

Request to amend and restate a resolution to provide for a bank letter of credit for a series of bonds. (06-12-22).

**Resolutions/Project Revisions/Amendatory Resolutions (continued)**

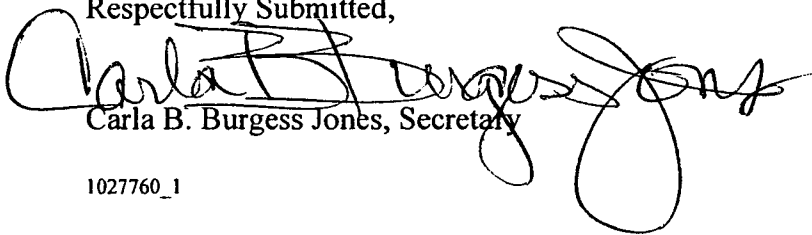
- No. 23: **Loyola University's Illinois Educational Facilities Authorities Commercial Paper Revenue Notes**  
Request to amend provisions of certain bond documents related to the delivery of certain financial information. (06-12-23).
- No. 24: **West Central Illinois Educational Telecommunications Corporation Project**  
Request to amend certain provisions of the trust indenture relating to the project to revise the qualification requirements for a successor remarketing agent. (06-12-24).

Chairman Gustman asked if the Board had any questions with respect to Resolutions and/or Amendatory Resolutions Nos. 21 through 24. There being none. Chairman Gustman requested leave to apply the last unanimous vote in favor of Resolutions and/or Amendatory Resolutions Nos. 21 through 24. Leave was granted. The resolutions were approved with 10 ayes, 0 nays, and 0 abstentions.

Chairman Gustman asked if there was any other business to come before the Board. Interim Executive Director Rendleman stated that the selection of the professionals that responded to the IFA's RFQ for Senior Financial Advisors was complete. Interim Executive Director Rendleman announced that D.A. Davidson and Scott Balice were selected as senior financial advisors to the IFA pursuant to the RFQ process.

There being no further business Chairman Gustman requested a motion to adjourn. Upon a motion by Mr. Fuentes and seconded by Mr. Goetz, the meeting adjourned at approximately 12:40 p.m.

Respectfully Submitted,



Carla B. Burgess Jones, Secretary

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