

**MINUTES OF THE JANUARY 12, 2010 MEETING OF THE COMMITTEE OF THE
WHOLE OF THE BOARD OF DIRECTORS OF THE ILLINOIS FINANCE
AUTHORITY**

The Board of Directors (the “Board”) of the Illinois Finance Authority (the “IFA” or the “Authority”), pursuant to notice duly given, held a Committee of the Whole Meeting at 8:30 a.m. on January 12, 2010 at the Chicago Office of the IFA at 180 N. Stetson, Suite 2555, Chicago, IL 60601.

Members present:

1. William A. Brandt, Jr., Chairman
2. Terrence M. O’Brien
3. Dr. William J. Barclay
4. Bradley A. Zeller
5. John “Jack” Durburg (Temporary)
6. Roderick Bashir (Temporary)
7. Joseph McInerney (Temporary)
8. Roger Poole (Temporary)

Members absent:

1. Ronald E. DeNard
2. Juan B. Rivera
3. James J. Fuentes
4. Edward H. Leonard, Sr
5. Michael W. Goetz, Vice
Chairman

Vacancies:

One

Staff Members Present:

Chris Meister,
Executive Director
Yvonne Towers, CFO and CTO
Rich Frampton, V.P.
Art Friedson, CHRO
Kara Boulahanis, Project Coordinator
& Asst. Secretary to the Board
Pamela Lenane,
V.P.-Acting General Counsel

**Members participating by
telephone:**

1. Dr. Roger D. Herrin

Call to Order

Chairman Brandt called the meeting to order at 8:42 a.m. with the above members present. Chairman Brandt welcomed members of the Board and all guests. Chairman Brandt personally welcomed the three new Board Members, Mr. Bashir, Mr. McInerney and Mr. Poole, to their first Board Meeting. He reminded all Board Members that the March Board Meeting will be held in Peoria this year. He informed the new Board Members that it was the custom of the IFA to hold two meetings downstate each year. One meeting is held in Springfield and the other is held in a rotating location around the state.

Chairman’s Remarks

Chairman Brandt stated that there were two projects under way that he wished to share with the Board. Commonwealth Edison (ComEd), the Illinois electric utility, has approached the IFA regarding the possibility of issuing bonds for innovative energy projects. ComEd had expected to receive funding for these projects under the American Recovery and Reinvestment Act of 2009 (ARRA) but did not. The specific projects have not yet been determined, but ComEd has stated that they will finalize their plans and return to the Board soon.

Chairman Brandt shared that the next potential project holds a special significance for him. Shore Bank has played an important community banking role in many of the disadvantaged and underserved communities in and around the Chicagoland area by targeting customers that otherwise would not have been able to obtain credit. The bank has fallen on difficult times due to the economic downturn. Congresswoman Schakowsky and Senator Durbin approached the IFA with a request to work with ShoreBank and the FDIC. Some preliminary conversations with the legislature and ShoreBank’s representatives have occurred.

Any IFA assistance offered to ShoreBank would be specific to ShoreBank in light of its unique historic mission and not to the banking industry as a whole. The purpose of any proposed IFA assistance would be to help salvage ShoreBank's historical mission to aid economically disadvantaged communities and not to enhance its value in the event of a potential takeover. Any effort by the IFA to assist ShoreBank would be subject to a Memorandum of Understanding clearly setting forth the expectations and obligations of the relevant parties. The situation with respect to the project is still fragile. The Chairman plans to continue to update the Board of any developments related to the project.

Dr. Barclay stated that he was fully supportive of a program that would ensure ShoreBank's survival and prevent a situation similar to the FDIC's recent takeover of the Park National Bank in Oak Park. Chairman Brandt added that Former President Clinton was made aware of this issue and has weighed in on behalf of his foundation on the importance of saving ShoreBank.

Executive Director's Presentation

Executive Director Chris Meister presented an overview of the IFA's activities over the last 12 months, and its strategic positioning for the remainder of FY10.

Senior Staff Reports

Chairman Brandt then asked Ms. Yvonne Towers, Chief Financial and Technology Officer to make her report. Ms. Towers shared that the Healthcare sector has already met its target for Fiscal Year (FY) 2010 and has an additional \$1 million in projected revenue. This sector remains strong for the IFA.

Chairman Brandt asked Dr. Herrin if any energy projects would be presented to the Board in the near future. Dr. Herrin stated that the energy sector is still in the process of finalizing all guidelines and fees, but that the projects most likely to come before the Board before the end of FY '10 will be from ComEd or energy efficiency projects.

Chairman Brandt stated that if the IFA is able to close the projected healthcare projects and half a million dollars in energy revenue, then the IFA will have made more money in FY '10 than FY '09.

Ms. Towers then distributed a revised budget for FY '10. Chairman Brandt stated that the last budget projected \$300,000 in profits for the IFA. The current budget projects \$6.525 million in revenue generating \$600,000 in profits for FY '10.

Mr. McInerney asked about the IFA's practices for setting fees. Ms. Lenane responded that the IFA is constrained by the fees set by other state and local authorities. The IFA's fees are already on the higher end of the market. Mr. Durburg asked if the IFA has a margin goal. Director Meister responded that the IFA does not, as it would not be appropriate for a State Agency with primarily mission driven work. Mr. McInerney then asked if there was a benchmark against similar agencies in other states. Director Meister responded that there was not.

Dr. Herrin explained that the IFA is unlike a traditional business and that it did not work on the traditional profit spread. Mr. Zeller agreed adding that the IFA must balance meeting the goals as outlined in the mission of the IFA and making enough revenue to stay open. Chairman Brandt added that the IFA would like to have more of a presence downstate to further expand the mission driven programs such as local government and agriculture. He clarified that he particularly wanted to ensure that we cover the entire State, not just Central Illinois. He stated that he also

hoped that the Board Members from other areas would continue to spread the word about the IFA.

Director Meister added that the IFA is in the process of revamping and improving its exposure and that the marketing and promotion of the IFA remains a priority.

Ms. Towers returned to her presentation of the financials. She noted for the Board that projected revenues may or may not materialize, but expenses generally always materialize. She emphasized that forecasts will continue to be updated and provided to the Board as new information arises.

Ms. Towers then turned to the audit. She stated that the FY '09 annual financial audit by the Office of the Auditor General ("OAG") began in July of 2009 and the IFA's exit conference was conducted last week. The OAG compliance audit will be completed in the next two weeks. The 2009 OAG audit is on schedule with minimal findings.

Ms. Towers shared that the IFA is also experiencing some cost savings related to procurement. Currently, the IFA has a CMS State Procurement Officer (SPO) working with the IFA. The IFA is in the process of procuring services for financial advisor, legislative affairs, treasury and investment, venture capital and the human resources benefits package.

Mr. Zeller asked who had been selected as the IFA's lobbyist. Chairman Brandt responded that Mr. Howard Kenner had been selected.

Chairman Brandt explained that thanks to the addition of Art Friedson to the IFA's human resources team and the efforts of Chairman Brandt and Director Meister, the IFA has established a relationship with Central Management Services (CMS) that allows the IFA to utilize their services when appropriate and allows the IFA to go outside of CMS when appropriate. This relationship will be on display with the new H.R. benefits package for IFA's employees.

Committee Reports:

Chairman Brandt then asked Dr. Herrin to give the Energy Committee's report.

Dr. Herrin stated that the Energy Committee had met the previous afternoon. The top priority of the energy staff is currently the U.S. Department of Energy (DOE) application to the Financial Institute Partnership Program (FIPP) for Development Finance Organizations (DFOs) due on Friday, January 15, 2010. If accepted, this program will allow the IFA to act as a delegated lender on behalf of the DOE. The IFA would be able to offer a combined package of IFA moral obligation financing and DOE loan guarantees for renewable energy projects under Section 1705 of the American Recovery and Reinvestment Act (ARRA).

On December 14, 2009 the energy staff submitted an application to the DOE's Energy Efficiency Community Block Grant (EECBG) Retrofit Ramp-up Program for up to \$75 million in funds, of which up to \$15 million could be used for a debt service reserve fund to back a revolving loan program based on IFA's local government program for energy efficiency retrofits.

In the final update on the DOE, the IFA has been asked to present a project to the DOE for approval prior to the January 15, 2010 application deadline as part of the "First Mover" program. The IFA Energy Committee will be presenting White Oak Energy LLC to the Board later in the meeting for their approval.

Dr. Herrin then moved on to the projects being considered by the Energy Committee. Cinespace Movie Studios, the movie studio project in the former Ryerson Steel Plant, continues to progress. The developers hope to come before the Board for preliminary approval in the next few months.

Chairman Brandt stated that movie studio projects are a perennial occurrence at the IFA, but none have been financed yet. Director Meister added that unlike the previous movie studio project considered by the IFA, this particular developer has significant experience in the industry as well as \$26 million in equity.

Director Meister also noted that the Hotel Pere Marquette project will not come before the Board this month, but the project's developer, Mr. Gary Matthews, is in attendance at the Committee of the Whole Meeting to answer the Board's questions. Mr. Durburg stated that he was aware of the Pere Marquette Hotel project and wanted to know if it would be appropriate to ask tough questions of the developer as a new Board Member. Dr. Herrin emphatically stated that it was not only appropriate but Mr. Durburg's duty as a Board Member to ask tough questions of any project. Chairman Brandt explained to the Board that aside from lack of specificity on project costs, there is also a potential issue with the way this project could be perceived. The fee that the developer is requesting is large and is of concern.

Dr. Herrin agreed with Chairman Brandt regarding the fees. Dr. Herrin stated that he needed firm numbers from Mr. Matthews as to the exact project costs, and then the sources and uses. He wanted to emphasize that this would not be a conduit financing, but essentially a commercial loan to EM Properties.

Chairman Brandt clarified for the rest of the Board that if this project is approved as presented; it would allow the developer to take as much as \$9 million in fees out of the project at the completion of construction. Mr. Durburg offered his assistance underwriting this project as he has experience in this field. He also asked if this project would result in other hotels in Peoria closing.

Chairman Brandt explained that the Hotel Pere Marquette is an important civic facility that acts as the main event venue for the area. The project is also part of a downtown redevelopment plan for Peoria. Chairman Brandt cautioned that the State of Illinois has a history with hotel developments that is not positive and the IFA must avoid any similar entanglements.

Dr. Herrin reminded the rest of the Board that the Energy Committee has not yet set a firm fee structure for these projects as well.

Chairman Brandt asked Mr. Zeller to present the Agriculture Committee report. Mr. Zeller stated that the Agriculture Committee recommended all projects for approval. Mr. Zeller also shared that Mr. Eric Reed, Downstate Regional Manager, was speaking at the Farm Bureau today so Mr. Frampton will be presenting those projects in his stead.

Dr. Barclay then presented the Healthcare Committee report. He stated that Committee recommended approval for all the projects presented today.

Ms. Lenane added that the IFA will be hosting a two day National Association of Health and Education Facilities Finance Authorities (NAHEFFA) at the Chicago office later this January. This purpose of this meeting is to discuss the possibility of supporting federal legislation to allow non-profit organizations to issue Build America Bonds (BABs), and the effects of healthcare reform on hospitals. Further, a preliminary meeting with the organization that represents supportive living facilities will be held to discuss the possibility of a Medicaid receivables program.

Chairman Brandt asked if there were any other committee reports. There being none, he listed and described all of the existing committees (Agriculture, Audit, Diversity; Healthcare, Compensation/Nominating, Venture Capital, Energy) to the new Board Members and offered the opportunity to have them join the committee(s) of their choice.

Mr. McInerney volunteered to join the Audit and Venture Capital committees. Mr. Durburg volunteered for the Compensation Committee. Mr. Bashir requested to join the Healthcare and Diversity Committees. Lastly, Mr. Poole volunteered to join the Energy Committee. Chairman Brandt thanked the board members for their commitment and also reminded everyone that they were welcome to sit in on any committee meeting.

Chairman Brandt then turned to compensation. He explained, for the new Board Members benefit, that the IFA has not yet paid any bonuses under the FY '09 compensation plan. Due to the State's perilous fiscal situation and the IFA's own legitimate fiscal concerns, in June 2009, the IFA chose to defer any potential bonuses. The Compensation Committee recently reviewed the issue of the deferred bonuses and determined that only two staff members, Ms. Lenane and Mr. Reed, potentially qualified for such compensation. Unless any board member had any objection, Chairman Brandt would direct Director Meister to pay the bonuses to Ms. Lenane and Mr. Reed. No objections were raised and Director Meister was directed to authorize the payment of the FY '09 bonuses to Ms. Lenane and Mr. Reed.

Project Reports

The Chairman then asked for the projects reports.

- No. 4: EM Properties, LTD (Hotel Pere Marquette Project)**
Request for the preliminary approval of the issuance of taxable bonds backed by the "additional security" of the moral obligation of the State of Illinois. The moral obligation financing will finance a portion of the energy efficient upgrades of the 270-room historic Pere Marquette Hotel that will be renovated and converted to a Marriott and a "to be" constructed 180-room Courtyard. The development is located in downtown Peoria on Main Street two blocks from the Caterpillar world headquarters. The developments adjacent and will be connected to the skywalk to the Peoria Civic Center. Proceeds will be used to acquire the land, rehabilitation of the Pere Marquette Hotel, construction of the 180-room Courtyard Hotel, construct the parking desk, pay costs of issuance and fund capitalized interest and bank fees.

Mr. Bill Claus, Funding Manager, introduced the Board to Mr. Gary Matthews, the project developer; and stated that Mr. Matthews attended the meeting to answer questions regarding his project. He clarified that the project had already been pulled from the agenda and would not be presented for approval this month.

Mr. Matthews stated that he understood the Board was concerned about the developer fees for his project. Mr. Matthews explained that the fee was only 9%, well within the industry average of 7 to 12%. He added that he would still be willing to compromise on the exact number or timing of the fees.

Mr. Durburg asked Mr. Matthews how he could reconcile the supply and demand in a small area such as Peoria, where most of the major economic agents (i.e. Caterpillar) are suffering from the economic downturn. Mr. Matthews responded that the nearby Embassy Suites hotel has had four rate increases in the recent past. He understands that that project is doing very well, despite the economy. Mr. Mathews stated his belief that older hotels are suffering in this economy while the

newest hotels in any area are not. Mr. Matthews stated that Peoria is lacking new, quality hotel rooms. He believes that with Marriott's 30 year management agreement, along with several other factors, this property will succeed.

Mr. McInerney asked what the "per key" value of the Embassy Suites was. Mr. Matthews responded it was between \$170 and \$180 "per key". Mr. McInerney requested an explanation of why the Embassy Suites' per key rate was lower than the Hotel Pere Marquette's. Mr. Matthews explained that the Hotel Pere Marquette project also includes an elevated walkway to the Civic Center and a 500 car parking lot that the Embassy Suites does not have.

Mr. Durburg asked if the project was contemplating any sort of agreement with Caterpillar for rooms. Mr. Matthews stated that Marriott was not interested in that sort of arrangement as they want to remain flexible. Mr. Matthews is not concerned, as Caterpillar has a long history with the Pere Marquette given the fact that their international headquarters and training center are within a few blocks of the hotel.

Dr. Herrin added that St. Francis Hospital will be developing a new children's hospital across the street from the proposed project. This is expected to be a premier children's hospital with people traveling from far away to receive treatment. This may be positive for the Hotel Pere Marquette.

Mr. Matthews pointed out that this project was structured by Marriott based on its analysis of the market. This project includes the Hotel Pere Marquette as a full service property and the yet-to-be-built Courtyard by Marriott property will be special service.

Mr. Durburg asked if the first mortgage on this property will be non-recourse. Mr. Matthews responded that it was recourse debt to him, personally. Mr. Durburg then asked if Mr. Matthews had prepared a pro forma for occupancy over the first few years. Mr. Matthews responded that he could not off the top of his head, but that he believed that Marriott had prepared and submitted that report. He believed Marriott projected 73% occupancy for the Courtyard and Pere Marquette in the first few years. The breakeven point for the project is 50% occupancy for the Pere Marquette and 53% for the Courtyard by Marriott Hotel. This data is based on three different feasibility studies that were conducted.

Dr. Herrin asked if the IFA had all of these studies. Mr. Matthews responded that he believed the IFA did. He added that Marriott disagreed with one of the studies that suggested both hotels be full service. Mr. Claus added that the IFA will need an "as built" study as well.

Mr. Durburg then asked what the occupancy rate at the Embassy Suites was. Mr. Matthews stated that December was not a good month for the Embassy Suites, but that other than that occupancy has been high. Embassy Suites has projected that January through February will be rough as well but that occupancy will pick up in March with March Madness. It is currently at about 45%.

Mr. Durburg pointed out that to break even, the project must have 50% occupancy and the projections are for 73% occupancy. He asked how Mr. Matthews could account for that.

Mr. Matthews stated that the project will have other sources of revenue including shops, restaurants and the parking deck. Mr. Durburg asked if there would be a need for the additional parking. Mr. Matthews explained the site lay out and adjacent businesses on a large scale map of the proposed development, clarifying the need for additional parking.

Mr. Durburg then asked if Mr. Matthews will be competing with the Embassy Suites hotel. Mr. Matthews responded affirmatively.

Dr. Herrin stated that he would like Mr. Matthews to prepare a finalized total project cost, including acquisition and renovation, as well as a list of the pledged financials. The IFA can then determine if it is possible or appropriate for the IFA to fill any gaps in total financing.

Mr. Matthews explained that the City of Peoria will not close on the funds they have pledged until a guaranteed construction cost agreement has been reached with a contractor. This cannot be completed until the design for the project is completed, which is still in process.

Mr. Durburg asked who currently owns the Hotel Pere Marquette. Mr. Matthews responded that it was a long established partnership. Dr. Herrin asked if Mr. Matthews would be able to break down and identify the actual costs of the project. Mr. Matthews stated he would be able to in two to three weeks.

Chairman Brandt stated that the State of Illinois has not had a positive experience with hotels in the past, which could create problems for this deal. He added that while that alone is not a reason to forgo this project, it is an excellent reason to proceed with great caution. Chairman Brandt stated that the other primary concern for the Board is the lack of certainty on numbers. The IFA will need a final project cost before we can proceed any further.

Chairman Brandt then asked to move on to the next project. Mr. Marnin Lebovits, Senior Funding Manager, presented the following project:

No. 5: **White Oak Energy, LLC.**
Request for the preliminary approval of the issuance of taxable bonds backed by the “additional security” of the moral obligation of the State of Illinois in an amount not to exceed \$51 million. The proceeds of this issuance will be used to finance a portion of the construction of a 150 MW wind farm project, consisting of 100 GE 1.5 MW turbines. This IFA loan amount (not to exceed \$51 MM for the total of Series A and Series B) will be combined with the debt supported by other sources, the equity contributions of the project sponsor and other tax incentive funding, to fund the purchase of the project turbines, construction of the wind farm, the interconnection of the project into the electric power grid and to pay costs of issuance. This project is located in Unincorporated McLean County, Illinois.

Mr. Lebovits explained that this project is being presented for preliminary approval with conditions for the DOE First Mover program. The project has been evaluated by Illinois State University and they have affirmed the developer’s statements. Minimal discussion ensued and no objections were noted.

Mr. Frampton then presented the agriculture projects:

No. 1A: **Chad J. Kalaher**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$229,182 for the purchase of approximately 99.871 acres of farmland. This project is located in Chatman, IL (Montgomery County).

No. 1B: **Jonathan A. Laue**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$72,500 for the purchase of an undivided 1/2 interest equal to approximately 43.5 acres of farmland. This project is located in Beecher City, IL (Effingham County).

No. 1C: **Ronald E & Sandra J. Behrens**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$470,100 for the purchase of approximately 225 acres of farmland and related buildings. This project is located in Sterling, IL (Whiteside County).

Mr. Frampton explained that these are all bank purchased Beginning Farmer Bonds (BFB). Project 1C is the first project at the IFA’s new BFB limit. All of the projects were recommended for approval at the Agriculture Committee Meeting. Minimal discussion ensued and no objections were noted.

No. 2: **Seneca I-80 Railport Development LLC and its affiliates, successors and assigns**
Request for the preliminary approval of the issuance of freight transfer facilities revenue bonds in an amount not to exceed \$576.117 million. The proceeds of this issuance will be used to provide an Inducement Resolution to be submitted as an exhibit in connection with the Borrower’s application to the US Department of Transportation (“US DOT”) for a portion of the US DOT’s \$15 Billion national allocation for certain privately-owned intermodal transportation facilities of regional and national importance. This project is located in multiple cities in Central, East Central, Northern Illinois and Metro Chicago.

Mr. Frampton presented consistent with the Board report. Minimal discussion ensued and no objections were noted.

No. 3: **Adler School of Professional Psychology**
Request for final approval for the issuance of up to \$5.1 million of 501(c)(3) Bonds to finance leasehold improvements that will enable the Adler School of Professional Psychology to (1) consolidate its operations on two adjacent floors of a building, (2) provide Adler’s faculty and students with a dedicated building entrance that will improve safety and cohesiveness of the campus to both students and faculty, and (3) provide room for future expansion. This project is located in Chicago, IL (Cook County).

Mr. Frampton presented consistent with the Board report. He stated that no material changes had occurred since the preliminary resolution in October. Minimal discussion ensued and no objections were noted.

No. 6: **Provena Health**
Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$130 million. The proceeds of this issuance will be used to (1) to refund all or a portion of the outstanding Series 1998D and 1998D-R Auction Rate Demand Bonds, (2) possibly fund new money projects, and (3) to pay costs of issuance. This project is located in multiple cities in Central, East Central, Northern Illinois and Metro Chicago, IL.

Ms. Lenane presented consistent with the Board report. Minimal discussion ensued and no objections were noted.

No. 7: **Swedish Covenant Hospital**
Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$110 million. The proceeds of this issuance will be used to (1) to

refund all or a portion of the outstanding Series 2003A, 2003B, and 2008B Variable Rate Demand Bonds, (2) to establish a debt service reserve fund; and (3) to pay costs of issuance. This project is located in Chicago, IL (Cook County).

Ms. Lenane presented consistent with the Board report. Minimal discussion ensued and no objections were noted.

No. 8: Robert Wisz LLC and Doreen's Gourmet Pizza, Inc. Resolution to approve participation loan payment modifications by First Midwest Bancorp, Inc in favor of Robert Wisz LLC and Doreen's Gourmet Pizza, Inc.

Mr. Frampton explained that this project is requesting interest only payments for six months, beginning this month. They would like to defer all principal payments during that time. This organization is currently having working capitol issues and is trying to bring more cash into the business. The IFA will be receiving their new compressed natural gas trucks as collateral. Chairman Brandt reminded Mr. Frampton to have a notation placed on the title and to keep the title in the IFA's possession, as this is the only way in Illinois to obtain specific collateral in the case of a bankruptcy. Minimal discussion ensued and no objections were noted.

No. 9: FutureGen Project. A Resolution in Support of the Non-Profit Clean Coal FutureGen Project in Mattoon, Illinois.

Mr. Steve Trout, Vice President, explained that the FutureGen Alliance has asked IFA for a non-binding resolution of support for FutureGen, a near zero-emission advanced coal power plant that the Alliance hopes to develop in Mattoon with the U.S. DOE.

The Alliance has advised the State that DOE hopes to make a "go/no-go" decision on FutureGen by the end of January. The Alliance is seeking the State's assistance in closing a funding gap between the Project's estimated costs and amount of money expected to be available from grants from US DOE and contributions from the Alliance members for this project.

The Alliance has been conferring with the Governor's Office, DCEO, IFA and the Illinois Power Agency to develop options for closing the funding gap. The Alliance has approached IFA for the issuance of State moral obligation bonds to fund a portion of project costs. The Alliance anticipates that the bonds would be payable from a long-term power purchase agreement with a creditworthy entity, such as the Illinois Power Agency.

The Alliance is working with its financial advisors to develop a financing structure that meets credit standards and policies established by the IFA Board on September 9, 2009 for the issuance of bonds secured by State moral obligation for Clean Coal, Coal and Renewable Energy Projects. The Alliance recognizes that FutureGen has not developed sufficiently for IFA to evaluate the Project's creditworthiness. Minimal discussion ensued and no objections were noted.

Closing Remarks and Adjournment:

The meeting adjourned at 11:38 a.m.

Respectfully Submitted,

Kara Nystrom-Boulahanis, Assistant Secretary

MINUTES OF THE JANUARY 12, 2010 MEETING OF THE BOARD OF DIRECTORS OF THE ILLINOIS FINANCE AUTHORITY

The Board of Directors (the “Board”) of the Illinois Finance Authority (the “IFA” or the “Authority”), pursuant to notice duly given, held a Board Meeting at 11:30 a.m. on Tuesday, January 12, 2010 at the Conference Center at One Prudential Plaza, 7th Floor, 130 E. Randolph Street, Chicago, IL 60601.

Members present:

1. William A. Brandt, Jr., Chairman
2. Terrence M. O’Brien
3. Dr. William J. Barclay
4. Bradley A. Zeller
5. John “Jack” Durburg (Temporary)
6. Roderick Bashir (Temporary)
7. Joseph McInerney (Temporary)
8. Roger Poole (Temporary)

Members absent:

1. Michael W. Goetz, Vice Chairman
2. Ronald E. DeNard
3. Juan B. Rivera
4. Dr. Roger D. Herrin
5. James J. Fuentes
6. Edward H. Leonard, Sr.

Members participating by telephone:

None

Vacancies:

One

GENERAL BUSINESS

Call to Order, Establishment of Quorum and Roll Call

Chairman Brandt called the meeting to order at 11:45 a.m. with the above members present. Chairman Brandt welcomed members of the Board and all guests. He then asked Assistant Secretary Kara Nystrom-Boulahanis to call the roll. There being eight (8) members physically present Ms. Nystrom-Boulahanis declared the quorum met.

Acceptance of Financial Statements and Minutes

Financial statements for the period ending December 31, 2009 and minutes for both the December 8, 2009 Committee of the Whole and Board of Directors meetings were presented to the Board. Chairman Brandt stated that the Authority’s financial statements and minutes were reviewed at the regularly scheduled Committee of the Whole meeting held at 8:30 a.m. that day. Chairman Brandt requested a motion to approve the December 31, 2009 Financial Statements and minutes from both the December 8, 2009 Committee of the Whole and the Board of Directors meeting.

The motion was moved by Mr. Bashir and seconded by Dr. Barclay. The December 31, 2009 financial statements and minutes from both the December 8, 2009 Committee of the Whole and the Board of Directors meetings were unanimously approved by members of the Board.

Chairman’s Remarks

Chairman Brandt welcomed Board Members and guests.

Senior Staff Reports

None.

Project Approvals

Chairman Brandt asked Mr. Rich Frampton, Vice President, to present the projects for consideration to the Board. Chairman Brandt announced that the projects presented undergo an extensive review process prior to presentation to the Board. All projects are thoroughly vetted by a staff credit committee. All agriculture, energy and healthcare projects are also reviewed at their respective committees' public meetings each month. Finally, each project is thoroughly reviewed at the Committee of the Whole meeting held at 8:30 a.m. before the Board Meeting.

Mr. Frampton presented the following projects for board approval:

- No. 1A:** **A-FB-TE-CD-8306– Chad J. Kalaher**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$229,182 for the purchase of approximately 99.871 acres of farmland. This project is located in Chatman, IL (Montgomery County).
- No. 1B:** **A-FB-TE-CD-8307– Jonathan A. Laue**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$72,500 for the purchase of an undivided 1/2 interest equal to approximately 43.5 acres of farmland. This project is located in Beecher City, IL (Effingham County).
- No. 1C:** **A-FB-TE-CD-8308– Ronald E & Sandra J. Behrens**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$470,100 for the purchase of approximately 225 acres of farmland and related buildings. This project is located in Sterling, IL (Whiteside County).
- No. 3:** **E-PC-TE-CD-8182– Adler School of Professional Psychology**
Request for final approval for the issuance of up to \$5.1 million of 501(c)(3) Bonds to finance leasehold improvements that will enable the Adler School of Professional Psychology to (1) consolidate its operations on two adjacent floors of a building, (2) provide Adler's faculty and students with a dedicated building entrance that will improve safety and cohesiveness of the campus to both students and faculty, and (3) provide room for future expansion. This project is located in Chicago, IL (Cook County).
- No. 5:** **RE-W-TX-MO 8312– White Oak Energy, LLC.**
Request for the preliminary approval of the issuance of taxable bonds backed by the "additional security" of the moral obligation of the State of Illinois in an amount not to exceed \$51 million. The proceeds of this issuance will be used to finance a portion of the construction of a 150 MW wind farm project, consisting of 100 GE 1.5 MW turbines. This IFA loan amount (not to exceed \$51 MM for the total of Series A and Series B) will be combined with the debt supported by other sources, the equity contributions of the project sponsor and other tax incentive funding, to fund the purchase of the project turbines, construction of the wind farm, the interconnection of the project into the electric power grid and to pay costs of issuance. This project is located in Unincorporated McLean County, Illinois.

Mr. Frampton explained that this project was subject to the following conditions: (1) Review of additional project documents when available, including engineering, procurement and construction ("EPC") documents, Operating and Maintenance documents, etc. (2) Final financial plan and sensitivity analysis on key variables (3) Additional Engineering Consultant to IFA to review core areas: technology, financial

feasibility, etc. (4) Ratings of Ba/BB/BB or better from at least one of the nationally recognized independent rating agencies.

No. 6: H-HO-TE-CD-8311– Provena Health

Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$130 million. The proceeds of this issuance will be used to (1) to refund all or a portion of the outstanding Series 1998D and 1998D-R Auction Rate Demand Bonds, (2) possibly fund new money projects, and (3) to pay costs of issuance. This project is located in multiple cities in Central, East Central, Northern Illinois and Metro Chicago, IL.

No. 7: H-HO-TE-CD-8305– Swedish Covenant Hospital

Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$110 million. The proceeds of this issuance will be used to (1) to refund all or a portion of the outstanding Series 2003A, 2003B, and 2008B Variable Rate Demand Bonds, (2) to establish a debt service reserve fund; and (3) to pay costs of issuance. This project is located in Chicago, IL (Cook County).

No guests attended with respect to Project Nos. 1A, 1B, 1C, 3, 5, 6, or 7. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 1A, 1B, 1C, 3, 5, 6, or 7. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 1A, 1B, 1C, 3, 5, 6, and 7 received approval with 8 ayes, 0 nays, and 0 abstentions.

No. 2: I-FT-TE-CD-8302– Seneca I-80 Railport Development LLC and its affiliates, successors and assigns

Request for the preliminary approval of the issuance of freight transfer facilities revenue bonds in an amount not to exceed \$576.117 million. The proceeds of this issuance will be used to provide an Inducement Resolution to be submitted as an exhibit in connection with the Borrower’s application to the US Department of Transportation (“US DOT”) for a portion of the US DOT’s \$15 Billion national allocation for certain privately-owned intermodal transportation facilities of regional and national importance. This project is located in multiple cities in Central, East Central, Northern Illinois and Metro Chicago.

Mr. Jeff Kurtzweil of Clark St. Development, an agent for the project, attended with respect to Project No. 2. He thanked the Board for their consideration of this project. Mr. Kurtzweil explained that the project will reduce rail traffic in Chicago and is the first project of its kind that will serve the Eastern and South Eastern regions of the nation. The project will create approximately 1200 construction jobs and over 1000 permanent jobs in a county with 30% unemployment. Chairman Brandt asked if the Board had any questions with respect to Project No. 2. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 2 received approval with 8 ayes, 0 nays, and 0 abstentions.

No. 8: Robert Wisz LLC and Doreen’s Gourmet Pizza, Inc. Resolution to approve participation loan payment modifications by First Midwest Bancorp, Inc in favor of Robert Wisz LLC and Doreen’s Gourmet Pizza, Inc.

No. 9: FutureGen Project. A Resolution in Support of the Non-Profit Clean Coal FutureGen Project in Mattoon, Illinois.

No guests attended with respect to Resolution Nos. 8 or 9. Chairman Brandt asked if the Board had any questions with respect to Resolution Nos. 8 or 9. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Resolution Nos. 8 and 9. Leave was granted. Resolution Nos. 8 and 9 received approval with 8 ayes, 0 nays, and 0 abstentions.

Other Business

Chairman Brandt asked if there was any other business to come before the Board. There being none, Chairman Brandt requested a motion to adjourn. Upon a motion by Mr. O'Brien and seconded by Mr. Poole, the meeting adjourned at 12:21 p.m.

Chairman Brandt reminded all guests that next month's meeting will be on February 9, 2009 at the Prudential Plaza Conference Center at 130 E. Randolph Ave., 7th Floor, Chicago, IL 60601.

Respectfully Submitted,

Kara Nystrom-Boulahanis, Assistant Secretary