

**MINUTES OF THE FEBRUARY 9, 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, February 9, 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. Michael W. Goetz, Vice Chairman
3. Edward H. Leonard, Sr.
4. Terrence M. O’Brien
5. Dr. William J. Barclay
6. Bradley A. Zeller
7. John “Jack” Durburg (Temporary)
8. Roderick Bashir (Temporary)
9. Joseph McInerney (Temporary)
10. Roger Poole (Temporary)

Members absent:

1. Ronald E. DeNard
2. Juan B. Rivera
3. Dr. Roger D. Herrin
4. James J. Fuentes

**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 11:30 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 ten (10) members physically present Ms. Nystrom-Boulahanis declared the quorum met.

Acceptance of Financial Statements and Minutes

Financial statements for the period ending January 31, 2010 and minutes for both the January 12, 2010 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 January 31, 2010 Financial Statements and minutes from both the January 12, 2010 Committee of the Whole and the Board of Directors meeting.

The motion was moved by Mr. Goetz and seconded by Mr. Bashir. The January 31, 2010 financial statements and minutes from both the January 12, 2010 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:** – **Cody A. Purdom.**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$225,000 for the purchase of an undivided 1/3 interest in approximately 95 acres of farmland. This project is located in Marengo, IL (McHenry County).
- No. 1B:** – **David Belusko.**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$229,000 for the purchase of an undivided 1/2 interest in approximately 237.5 acres of farmland and related buildings. This project is located in Litchfield, IL (Montgomery County).
- No. 1C:** – **Matthew Ryan Belusko.**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$229,000 for the purchase of an undivided 1/2 interest in approximately 237.5 acres of farmland and related buildings. This project is located in Litchfield, IL (Montgomery County).
- No. 1D:** – **Jacob B. Semple.**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$139,750 for the purchase of approximately 79 acres of farmland. This project is located in West Liberty, IL (Richland County).
- No. 8:** **Scott Rippelmeyer.** An Amendment requested by Midland States Bank and Scott Rippelmeyer to release a \$40,000 Certificate of Deposit originally pledged as collateral for a 1988 Agri-Debt Guarantee with an original amount of \$150,000 and current balance of \$98,007
- No. 9:** **Blackhawk Biofuels, LLC.** Request by Fifth Third Bank for consideration of a Third Amendment to the Fifth Third Bank Term Loan with Blackhawk Biofuels, LLC.
- No. 7:** **Hellenic-American Academy Foundation.** Resolution Authorizing the Execution and Delivery of a First Amendment to the Bond and Loan Agreement and a Supplemental Tax Exemption Certificate and Agreement, which Amendments authorize (1) the substitution of Hellenic American Academy Foundation, NFP, an Illinois 501(c)(3) not for profit corporation, as Borrower in place of Sindesmos Hellenikes-Kinotitos of Chicago, a/k/a Holy Trinity Hellenic Orthodox Church, (2) a change in Interest Rate on the Bond; and (3) related matters (IFA Series 2007 Bonds, Hellenic-American Foundation NFP Project)
- No. 6:** – **The University of Chicago Medical Center.**

Request for final approval for the issuance of up to \$166.735 million of 501(c)(3) Bonds to (i) convert or refund most or all of the Series 2009A and 2009B variable rate bonds to a fixed interest rate, (ii) and 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, ID or 6. Additionally, no guests attended with respect to Resolution Nos. 7, 8 or 9. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 1A, 1B, 1C, ID, 6 or Resolution Nos. 7, 8 or 9. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 1A, 1B, 1C, ID, 6 and Resolution Nos. 7, 8 and 9. Project Nos. 1A, 1B, 1C, ID, 6 and Resolution Nos. 7, 8 or 9 received approval with 10 ayes, 0 nays, and 0 abstentions.

No. 3: – Friendship Village of Mill Creek, NFP (Greenfields of Geneva Project)

Request for the preliminary approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$125 million. The proceeds of this issuance will be used to (i) to construct and equip a new Continuing Care Retirement Community, (ii) repay monies used to finance pre-development costs, including the outstanding bond anticipation notes and other seed capital funds provided by various sources (iii) fund one or more Debt Service Reserve Funds, (iv) fund interest expense on the Bonds for a period of approximately 20 months, and (v) fund certain professional and bond issuance costs. This project is located in Geneva, IL (Kane County).

Ms. Pam Lenane, Vice President and Acting General Counsel, introduced Mr. Steve Yenchek, President and CEO of Friendship Senior Options. Mr. Yenchek thanked the Board for considering the Greenfields of Geneva project. He stated that this project would create a new community in Geneva that would be home to 200 older adults. He added that the project had already surpassed presale goals and Friendship Village was excited to extend their mission into Kane County.

Chairman Brandt thanked Mr. Yenchek for utilizing the Authority for his project. He added that there is another project from the same parent company and asked Mr. Frampton to please present that project.

No. 5: – Evangelical Retirement Homes of Greater Chicago, Inc. d/b/a Friendship Village of Schaumburg

Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$36 million. Proceeds and certain other funds will be used to: 1) refund the existing Series 2005C Variable Rate Demand Bonds issued by the IFA 2) fund approximately \$2.8 million of prior capital expenditures, 3) fund a Debt Service Reserve Fund, and 4) pay for certain costs of issuance associated with the Series 2010 Bonds. This project is located in Schaumburg, IL (Cook County).

Ms. Lenane then introduced Mr. Kim Klockenga, Chief Financial Officer, for Friendship Senior Options. Mr. Klockenga thanked the Board for their consideration and for their assistance refinancing Friendship Village's 2005 issue.

Chairman Brandt thanked Mr. Klockenga for attending the meeting and for utilizing the IFA. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 3 or 5. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 3 and 5 received approval with 10 ayes, 0 nays, and 0 abstentions.

No. 2: – Alexian Brothers Health System

Request for the preliminary approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$150 million. The proceeds of this issuance will be used to: 1) refund the remaining outstanding balance of the Alexian Brothers Health System Series 2005C Bonds, 2) fund a Project Fund for hospital modernization, 3) fund a

Debt Service Reserve, and 4) pay certain costs of issuance associated with the Series 2010 Bonds. This project is located in Elk Grove Village and Hoffman Estates, IL (Cook County).

Ms. Lenane presented Mr. Jim Sances, Chief Financial Officer of Alexian Brother Health System, a long time borrower of the IFA. Mr. Sances thanked the Board for their consideration of this project as it will reduce costs and allow Alexian Brother Health System to improve and expand.

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 No. 2 received approval with 10 ayes, 0 nays, and 0 abstentions.

No. 4: – Palos Community Hospital

Request for the preliminary approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$275 million. The proceeds of this issuance will be used to (i) provide financing to pay various capital expenditures associated with the acquisition, construction, and equipping of a new bed tower and for renovations to the existing hospital facility (ii) fund capitalized interest; (iii) fund a debt service reserve fund, if required, and (iv) to fund certain professional and bond issuance costs. This project is located in Palos Heights, Orland Park, Lemont and Oak Lawn, IL (Cook County).

Ms. Lenane introduced Mr. Hugh Rose, Chief Financial Officer of Palos Community Hospital. Mr. Rose presented a rendering of the proposed project. Mr. Rose explained that the project would be a major renovation and expansion of Palos Community Hospital. The project would include a new wing with 156 private rooms, 36 intensive care units, new operating rooms and a new entrance. Palos Community Hospital intends to break ground this year, with the project continuing until 2011. Once this project is completed Palos Community Hospital intends to undertake the renovation of the current facility. He thanked the Board for their consideration.

Chairman Brandt thanked Mr. Rose for his presentation. He asked if the Board had any questions. Mr. Bashir asked Mr. Rose what types of jobs would be created by this project. Mr. Rose responded that the jobs that would be created would be across a variety of sectors, including: additional nurses, support staff, janitorial staff and other types of personnel.

Chairman Brandt asked if the Board had any additional questions with respect to Project No. 4. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of No. 4 received approval with 10 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. Zeller and seconded by Mr. O'Brien, the meeting adjourned at 11:48 a.m.

Chairman Brandt reminded all guests that next month's meeting will be on March 9, 2010 at the Pere Marquette Hotel in Peoria, IL and to please check www.il-fa.com for more information.

Respectfully Submitted,

Kara Nystrom-Boulahanis, Assistant Secretary

**MINUTES OF THE FEBRUARY 9, 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 Tuesday, February 9, 2010 at the Chicago Office of the IFA at 180 N. Stetson, Suite 2555, Chicago, IL 60601.

Members present:

11. William A. Brandt, Jr., Chairman
12. Michael W. Goetz, Vice Chairman
13. Edward H. Leonard, Sr.
14. Terrence M. O’Brien
15. Bradley A. Zeller
16. John “Jack” Durburg (Temporary)
17. Roderick Bashir (Temporary)
18. Joseph McInerney (Temporary)
19. Roger Poole (Temporary)

Members absent:

1. Ronald E. DeNard
2. Juan B. Rivera
3. James J. Fuentes
4. Dr. William Barclay

Vacancies:

One

**Members participating by
telephone:**

1. Dr. Roger D. Herrin

Staff Members Present:

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

Call to Order

Chairman Brandt called the meeting to order at 8:36 a.m. with the above members present. Chairman Brandt welcomed members of the Board and all guests. Chairman Brandt reminded all Board Members that the March 2010 Board Meeting will be held in Peoria.

Chairman’s Remarks

Chairman Brandt opened the meeting with an update for the Board on two prospective transactions discussed the previous month: ComEd and ShoreBank. He stated that ComEd was still interested in pursuing projects with the Authority but is in the process of determining which specific projects they wish to propose.

Chairman Brandt then moved on to discuss the ShoreBank project. He stated that this project has not progressed past the non-disclosure agreement (NDA) mentioned at the previous Board Meeting. He added that in the interim, IFA became aware of participation loans that had been with ShoreBank, including a loan made in favor of Midway Broadcasting Company that had fallen into delinquency. The amount of the IFA’s Midway Broadcasting participation loan is approximately \$1MM. Chairman Brandt added that no other ShoreBank loans or projects through the Authority are in trouble. IFA’s procedures require accounting to fully reserve the outstanding balance of any loan more than 90 days past due. The IFA does not anticipate the actual loss to be the entire value of the loan. IFA staff are involved in this issue and are actively working with ShoreBank undertaking a due diligence review of the loan including the financial viability of the underlying Borrower and adequacy of the pledged collateral (and any impairments thereof).

Chairman Brandt added that if ShoreBank does return to the Authority as described in January, it will still need a significant infusion of equity. He clarified that ShoreBank may benefit from the reallocation of TARP monies being considered by Congress.

Dr. Herrin stated that he did not see a conflict of interest or potential issue with the IFA assisting ShoreBank regardless of the participation loan issue. Chairman Brandt agreed.

Executive Director's Presentation

Director Meister extended his compliments to Pam Lenane, Vice President & Acting General Counsel and Rich Frampton, Vice President, for their work arranging for speakers and hosting another National Association of Healthcare and Educational Facilities Financing Authority (“NAHEFFA”) meeting and webinar at the IFA’s Chicago office. The meeting was well attended and well received by the group.

He also extended his compliments to the Energy Team, Steve Trout, Vice President, Marnin Lebovits, Senior Funding Manager, Kim Du’Prey, Senior Funding Manager and Kara Boulahanis, Project Coordinator for their work on the Authority’s submission to the U.S. Department of Energy’s (DOE) Financial Institute Partnership Program (FIPP) for Development Finance Organizations (DFOs). The DOE’s consultants informed the IFA that 27 applications had been received under the program and that the IFA can anticipate receiving a (“favorable”) response in mid-March.

Director Meister informed the Board that along with Howard Kenner, the IFA’s new contract lobbyist in Springfield, he was working to file the IFA’s legislative agenda for Spring Session 2010. The IFA intends to pursue: (i) an increase in the Authority’s general bond authorization, (ii) multi-state bonding authority, (iii) revisions to the agriculture guarantee program as outlined in the Governor’s Economic Development Message, (iv) authorization for recovery zone bonds as outlined in the Governor’s Economic Development Message and finally (v) a joint bill with DCEO and IPA to resolve any issues that could impede the utilization of IPA’s energy bonding authority through the IFA.

Senior Staff Reports

Chairman Brandt asked Ms. Towers to make her presentation. He asked specifically that she present the loan loss reserve process.

Ms. Towers responded that IFA’s policy requires the Authority to set aside 5% of the total outstanding loan balance. It also requires the accounting staff to reserve the outstanding loan balance delinquent greater than 90 days. At the time of the Board Meeting, the IFA had \$3.6MM in reserves for loan losses. Ms. Towers emphasized that these were not all actual losses but merely loan loss reserves. She added that the accounting staff has been more aggressive than IFA’s policy requires in setting aside loan loss reserves, given the current economic environment.

Dr. Herrin inquired as to the status of the Board’s request that the Authority’s funding managers review their entire loan portfolio for any potential issues to allow IFA staff and the Board to respond proactively instead of reactively.

Ms. Towers shared with Dr. Herrin that in the event of a late payment, MABSCO, the Authority’s loan servicer, informs the accounting staff of any delinquencies in payments and then the accounting staff informs the funding managers.

Director Meister commented that the Midway Broadcasting Corp loan closed in 2007. The loan has also been hindered by the operational issues facing ShoreBank. ShoreBank’s credit committee delayed making a decision on a loan amendment for several months.

Mr. Frampton clarified that ShoreBank was unable to obtain a decision from their credit committee in time for the January meeting and then subsequently chose to turn the loan over to their “workout” department in late January instead of pursuing an amendment.

Mr. Durburg asked where the funds for the Participation Loan program originated. Director Meister informed Mr. Durburg that the Participation Loan program was funded through IFA’s general operating fund derived from closing fees and interest – not State appropriations. He then further elaborated the history of the Participation Loan Program.

Dr. Herrin stated that Board must have a write-up in the Board Book that shows any loans at the first sign of distress. This write-up would allow the Board to be aware of problem loans prior to being sent to a bank’s work out department. Chairman Brandt emphatically agreed that a write-up, as described by Dr. Herrin, for the Participation Loan portfolio would be exceptionally helpful. He added that he did not believe such a write-up was necessary for the Authority’s conduit transactions as the indenture trustees hold that role. He clarified that while conduit transactions do not pose a financial risk to the Authority, the IFA is very aware of the potential for reputation risk of a defaulted conduit transaction.

Ms. Lenane stated that Participation Loans do not have indenture trustees, and contractually obligate the banks originating the loan to inform the Authority of any material adverse events. She added that not all lenders follow established practices and procedures. Chairman Brandt asked if the Authority received semi-annual statements or another periodic report. Ms. Lenane responded that the Authority receives monthly reports from MABSCO. Chairman Brandt stated that the Board needs an ongoing report on any troubled projects.

Ms. Lenane added that at the time of the Board Meeting, the Authority had four conduit projects considered troubled. They were three continuing care retirement communities and a critical access hospital that all are in default under their bond covenants. All were working on workouts with their bond holders at the time of the meeting. None of these projects place funds of the Authority or the State at risk. She explained that all of the projects were considered viable at the time of origination but suffered with the downturn in the economy.

Mr. McInerney asked if it would be possible for the Board to receive an aging report for the entire portfolio. Ms. Towers stated that she would provide an aging report for the entire portfolio at the next Board Meeting.

Chairman Brandt reiterated his desire to have a report in the Board Book each month detailing any loans in default and those with the potential to default in the near term to allow the Board to assess the entirety of the problem instead of reviewing troubled projects on a one-off basis.

Dr. Herrin suggested that the new Chief Credit Officer be assigned this duty. Director Meister stated the new credit officer would join the IFA on February 22nd and that would, in fact, be a key duty.

Ms. Towers returned to her financial presentation. She stated that the Authority has completed the responses to the compliance audit findings and only four findings were reported. The CO8 finding was a repeat finding due to IFA’s reliance on third party trustees for report information. The CO8s had been a material finding for the past four years but thanks to the efforts of Joy Kuhn, Assistant Treasurer, it has been reduced to an immaterial finding for the FY 2009 audit. The other three findings were deemed material. They were IT-related as well and included 1) lack of encryption software for laptops; 2) lack of IFA bond database procedures; and 3) lack of a disaster recovery test.

Executive Director Meister commended Ms. Towers for the way she managed the audit. He stated that she significantly reduced the number of findings in the final report. Chairman Brandt added that there was an Audit Committee meeting scheduled for the morning of the Board Meeting but it was cancelled as there was nothing to present. The meeting has been rescheduled to March, with further rescheduling possible depending on the status of the audit report. Chairman Brandt then asked Ms. Towers to redistribute draft audit reports and to distribute any reports nearing their final form for the Board to review as soon as they became available.

Chairman Brandt commended Ms. Towers and Director Meister for the speed with which the audit was conducted for FY 2009. He stated that the FY 2008 audit was finalized in July of 2009. This year's audit is already six months ahead of the previous year's schedule.

Mr. McNerney asked for an explanation of the difference between the consolidated report and the general fund report. Ms. Towers explained that the general fund is the Authority's operating fund and the consolidated report covers all of the Authority's funds.

Committee Reports:

Chairman Brandt then asked for the Agriculture Committee report.

Mr. Leonard stated that the Ag Committee recommended approval of all the agriculture projects presented at the meeting. Executive Director Meister added that the Authority had been granted \$25MM in volume cap for the agriculture programs.

Chairman Brandt stated that neither the Audit nor the Compensation Committee met in February. Chairman Brandt asked Dr. Herrin to give the Energy Committee report.

Dr. Herrin stated that the Energy Committee briefly discussed the program guidelines for the IFA's new energy efficiency initiative and a recommendation on a fee structure for the program. Dr. Herrin explained that he believed the Energy Committee would be ready to present a recommendation in March.

Dr. Herrin moved on to the energy projects. He stated that a preliminary resolution for White Oak was approved by the Board in January on a preliminary basis. At the time of the Board Meeting, the project was in the beginning stages of their application to the DOE. Dr. Herrin stated that Executive Director Meister went to Washington, D.C. with the Illinois delegation to meet with national leaders regarding the FutureGen project. The Alliance has been informed that the Department of Energy (DOE) intends to make their "go/no go" decision in the six to eight weeks following the Board meeting. The Authority is also working to remove any legislative barriers to funding the FutureGen project.

Executive Director Meister added that Exelon has joined the Alliance as well with a financial commitment of up to \$20MM. Chairman Brandt explained that the State of Illinois was working together to present a united front to Secretary Chu at the DOE.

Dr. Herrin continued with his presentation on projects. He stated that the Cinespace project is no longer active due to the original investor backing out of the project. At the time of the meeting, staff was also waiting on the additional information requested from the developer of the Pere Marquette. Dr. Herrin explained that Rain CII is a promising project that is not ready for presentation to the Board at this time. Southern Illinois Power co-op in Washington County had approached the Authority regarding possible permanent financing for their portion of the Prairie State Power Project. Illinois River Energy has also begun discussions with the Authority regarding their energy efficiency projects and a possible refinancing of their senior debt.

Dr. Herrin then turned to the Blackhawk Biofuels, LLC project before the Board. He stated that he personally supported the amendment and that the Energy Committee had also recommended approval.

Mr. Trout presented the Blackhawk Biofuels, LLC amendment:

No. 9: **Blackhawk Biofuels, LLC.** Request by Fifth Third Bank for consideration of a Third Amendment to the Fifth Third Bank Term Loan with Blackhawk Biofuels, LLC.

Dr. Herrin explained that this amendment allows Renewable Energy Group (REG) to merge with Blackhawk Biofuels, LLC as the Borrower and defers principal payments for six months. Chairman Brandt asked Mr. Trout to explain the history of this project for the new Board Members. Mr. Trout complied.

Chairman Brandt asked if this amendment decreased the Authority's exposure. Mr. Trout explained that it did not decrease the Authority's exposure but it did provide the project with additional liquidity, increasing its chances of success. Mr. Goetz explained that Authority's position would be significantly strengthened by this amendment. Mr. O'Brien asked if Fifth Third bank would also be extending their exposure. Mr. Trout explained that Fifth Third Bank was extending their financial commitment by an additional \$1MM. After a brief discussion the Board agreed that this amendment was the best choice for this project.

Dr. Herrin signed off of the call at 9:46 a.m.

Chairman Brandt asked the Ms. Lenane to make the Healthcare Committee presentation on Dr. Barclay's behalf. Ms. Lenane stated that the Committee recommended all projects for approval. She stated that the Healthcare Team was working on a pool for supportive living facilities and already had two banks interested in potentially offering credit enhancement for the pool. This pool would be available to all senior supportive living facilities to allow them to become current on delayed State payments at a reasonable cost.

Ms. Lenane continued by stating that the Healthcare staff was also considering a pool for community, critical access and safety net hospitals to meet the electronic records requirements in the ARRA. She added that at the time of the Board Meeting, the Healthcare sector was already \$1.3MM ahead of the budget.

Director Meister asked Ms. Lenane to update the Board on the meeting with Jo Patten of the American Federation of State County and Municipal Employees (AFSCME) in follow up to the November Board Meeting. Ms. Lenane stated that the meeting had already occurred and Ms. Patton had made several requests. Some of these requests were already reflected in the board report for this month.

Ms. Lenane stated that the Healthcare Team was also working on a marketing plan for the energy efficiency program for hospitals.

Project Reports

The Chairman then asked for the project reports.

Mr. Reed explained to the Board that the Beginning Farmer Bond limit for 2010 was \$470,200. He stated following projects required \$800, 222 of the \$25 MM in agriculture volume cap awarded to the Authority. He then presented the following projects to the Board:

No. 1A: – Cody A. Purdom.
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$225,000 for the purchase of an undivided 1/3 interest in approximately 95 acres of farmland. This project is located in Marengo, IL (McHenry County).

Mr. Reed explained that there was an error in his board summary. He incorrectly stated the per acre price of the land. The price was approximately \$8,000 per acre.

Mr. O'Brien asked what collateral the Authority can seize when a project is an undivided interest in a farm land. After some brief discussion, Ms. Lenane agreed to research the subject and provide an answer to the Board as soon as possible. (Ms. Lenane also noted that the Bank serves as the Secured Lender and Bond Purchaser on Beginning Farmer Bonds.) IFA is a conduit on these financings.

No. 1B: – David Belusko
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$229,500 for the purchase of an undivided 1/2 interest in approximately 237.5 acres of farmland and related buildings. This project is located in Litchfield, IL (Montgomery County).

No. 1C: – Matthew Ryan Belusko.
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$229,000 for the purchase of an undivided 1/2 interest in approximately 237.5 acres of farmland and related buildings. This project is located in Litchfield, IL (Montgomery County).

No. 1D: – Jacob B. Semple.
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$139,750 for the purchase of approximately 79 acres of farmland. This project is located in West Liberty, IL (Richland County).

No. 8: Scott Rippelmeyer. An Amendment requested by Midland States Bank and Scott Rippelmeyer to release a \$40,000 Certificate of Deposit originally pledged as collateral for a 1988 Agri-Debt Guarantee with an original amount of \$150,000 and current balance of \$98,007

Mr. Reed explained that despite the lack of a current appraisal for this project, the loan to value is excellent. He noted that this project was recommended for approval by the Agriculture Committee.

Mr. Govia presented the following project:

No. 2: – Alexian Brothers Health System
Request for the preliminary approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$150 million. The proceeds of this issuance will be used to:
1) refund the remaining outstanding balance of the Alexian Brothers Health System Series 2005C Bonds, 2) fund a Project Fund for hospital modernization, 3) fund a Debt Service Reserve, and 4) pay certain costs of issuance associated

with the Series 2010 Bonds. This project is located in Elk Grove Village and Hoffman Estates, IL (Cook County).

Mr. Govia presented consistent with the board report. Ms. Lenane explained that this project was currently unrated but expects to be rated at A1 before issuance. Minimal discussion ensued and no objections were noted.

No. 4: – Palos Community Hospital

Request for the preliminary approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$275 million. The proceeds of this issuance will be used to (i) provide financing to pay various capital expenditures associated with the acquisition, construction, and equipping of a new bed tower and for renovations to the existing hospital facility (ii) fund capitalized interest; (iii) fund a debt service reserve fund, if required, and (iv) to fund certain professional and bond issuance costs. This project is located in Palos Heights, Orland Park, Lemont and Oak Lawn, IL (Cook County).

Mr. Govia presented consistent with the board report. Ms. Lenane added that representatives from Palos Community Hospital would be attending the meeting and will be presenting a rendering of the proposed bed tower.

No. 6: – The University of Chicago Medical Center

Request for final approval for the issuance of up to \$166.735 million of 501(c)(3) Bonds to (i) convert or refund most or all of the Series 2009A and 2009B variable rate bonds to a fixed interest rate, (ii) and to pay costs of issuance. This project is located in Chicago, IL (Cook County).

Mr. Govia presented consistent with the board report. Ms. Lenane explained that this borrower has an excellent track record of utilizing minority and women owned underwriters and construction firms. Minimal discussion ensued and no objections were noted.

No. 3: – Friendship Village of Mill Creek, NFP (Greenfields of Geneva Project)

Request for the preliminary approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$125 million. The proceeds of this issuance will be used to (i) to construct and equip a new Continuing Care Retirement Community, (ii) repay monies used to finance pre-development costs, including the outstanding bond anticipation notes and other seed capital funds provided by various sources (iii) fund one or more Debt Service Reserve Funds, (iv) fund interest expense on the Bonds for a period of approximately 20 months, and (v) fund certain professional and bond issuance costs. This project is located in Geneva, IL (Kane County).

Mr. Bill Claus, Funding Manager, presented consistent with the Board report. Mr. Goetz asked if there would be minority representation on this transaction. Mr. Claus informed him there was none. Ms. Lenane added that it has historically been difficult to add minority and women underwriting firms on these non-rated start-up transactions. She added that at the time of the Board Meeting, IFA Healthcare staff was continuing discussions with the Borrower on that topic.

Mr. Bashir stated that the Healthcare Committee had a lengthy discussion on this issue. He asked for Chairman Brandt's permission to ask the current Underwriter and Borrower to meet with him and any other interested members of the Board to discuss this issue. Chairman Brandt emphatically agreed with Mr. Bashir's suggestion and suggested that he hold the meeting as soon as possible. A brief discussion of the differing factors contributing to the lack of minority representation on this type of project ensued.

No. 5: – **Friendship Village of Mill Creek, NFP (Greenfields of Geneva Project)**
Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$36 million. Proceeds and certain other funds will be used to: 1) refund the existing Series 2005C Variable Rate Demand Bonds issued by the IFA 2) fund approximately \$2.8 million of prior capital expenditures, 3) fund a Debt Service Reserve Fund, and 4) pay for certain costs of issuance associated with the Series 2010 Bonds. This project is located in Schaumburg, IL (Cook County).

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

No. 7: **Hellenic-American Academy Foundation.** Resolution Authorizing the Execution and Delivery of a First Amendment to the Bond and Loan Agreement and a Supplemental Tax Exemption Certificate and Agreement, which Amendments authorize (1) the substitution of Hellenic American Academy Foundation, NFP, an Illinois 501(c)(3) not for profit corporation, as Borrower in place of Sindesmos Hellinikes-Kinotitos of Chicago, a/k/a Holy Trinity Hellenic Orthodox Church, (2) a change in Interest Rate on the Bond; and (3) related matters (IFA Series 2007 Bonds, NFP Project)

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

Executive Director Meister noted one update on procurement. As of the day of the board meeting, the seven day procurement bulletin posting for financial advisors had expired and the Authority has officially selected Scott Balice and Acacia Financial Group, Inc., as advisors for the upcoming year.

Mr. Zeller asked if any progress has been made on the American Wind Energy Association WINDPOWER 2010 conference planning. Ms. Boulahanis explained that progress continued on a total budget for the conference. DCEO and IFA have worked together to reduce costs by almost half to approximately \$60,000 to be split between 5 and 7 groups. The IFA is currently considering contributing approximately \$15,000. She stated that more information would be available in the coming weeks.

Closing Remarks and Adjournment:

The meeting adjourned at 10:48 a.m.