

**MINUTES OF THE MAY 4TH, 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, May 4th, 2010 at the Prudential Plaza Conference Center at 130 E. Randolph Street, 7th Floor, Chicago, IL 60601.

Members present:

1. William A. Brandt, Jr., Chairman
2. Bradley A. Zeller
3. Terrence M. O’Brien
4. Roderick Bashir
5. Ronald E. DeNard
6. James J. Fuentes
7. Roger Poole
8. Joseph McInerney

Members absent:

1. Michael W. Goetz, Vice Chairman
2. Juan B. Rivera
3. Edward H. Leonard, Sr.
4. John “Jack” Durburg

Members participating by telephone:

1. Dr. Roger D. Herrin*
2. Dr. William J. Barclay

Vacancies:

One

*Dr. Herrin joined the call at 11:53 a.m.

GENERAL BUSINESS

Call to Order, Establishment of Quorum and Roll Call

Chairman Brandt called the meeting to order at 11:50 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 April 30, 2010 and minutes for both the April 13, 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 April 30, 2010 financial statements and minutes from both the April 13, 2010 Committee of the Whole and the Board of Directors meeting.

The motion was moved by Mr. Goetz and seconded by Mr. Poole. The April 30, 2010 financial statements and minutes from both the April 13, 2010 Committee of the Whole and the Board of Directors meetings were unanimously approved by members of the Board.

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: Gregory J. Dowdall

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$131,500 for the purchase of approximately 40 acres of farmland. This project is located in unincorporated Hancock County near Hamilton, IL.

No. 1B: Michael Nelson

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$273,750 for the purchase of approximately 157 acres of farmland and buildings. This project is located in unincorporated Warren County near Alexis, IL.

No. 1C: Lynette Hemker

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$115,000 for the purchase of approximately 60 acres of farmland and buildings. This project is located in unincorporated Bond County near Mulberry Grove, IL.

No. 1D: Jason McKay

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$177,500 for the purchase of approximately 80 acres of farmland. This project is located in unincorporated Fayette County near Beecher City, IL.

No. 1E: Matthew James Elam

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$220,000 for the purchase of approximately 104 acres of farmland. This project is located in unincorporated Bond County near Smithboro, IL.

No. 1F: Chad Edward Hawkey

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$153,000 for the purchase of approximately 80 acres of farmland. This project is located in unincorporated Marion County near Kinmundy, IL.

No. 2: American Water Capital Corp., on behalf of Illinois-American Water Company

Request for the approval of a final bond resolution for the issuance of up to \$25 million in water furnishing facilities revenue bonds. The proceeds of these bonds will be used to finance a series of 11 capital improvement projects to Illinois-American's water plants located statewide. Additionally, Bond Proceeds may also be used to pay capitalized interest during construction and pay certain costs of issuance. These projects are located in Champaign, Livingston, Madison, Peoria and St. Clair Counties.

No. 3: Par-Ko Enterprises, Inc.

Request for the approval of a one-time final resolution for funding of a participation loan in favor of Busey Bank in an amount not to exceed \$168,750. The proceeds of this issuance will be used to purchase a \$168,750 *pari passu* Participation Loan interest in a \$337,500 Mortgage Loan with Busey Bank. This Participation Loan is being approved subject to the execution of a Rider and/or Intercreditor Agreement satisfactory to IFA Counsel that will assure this combined \$337,500 IFA Participation/Busey Bank Loan will be repaid first in the event of foreclosure or disposition of the project assets. Proceeds of

the IFA Participation Loan will be used to: provide permanent financing for the construction of an 8,300 SF addition to the Borrower's existing 54,000 SF manufacturing facility located at 501 E Courtland Avenue in Morton, Illinois (Tazewell County) that is leased to Parker Fabrication, Inc. (the "Operating Company" and "Corporate Guarantor"). This project is located in Morton, IL. (Tazewell County)

No guests attended with respect to Project Nos. 1A, 1B, 1C, ID, 1E, 1F, 2 or 3. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 1A, 1B, 1C, ID, 1E, 1F, 2 or 3. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 1A, 1B, 1C, ID, 1E, 1F, 2 and 3. Project Nos. 1A, 1B, 1C, ID, 1E, 1F, 2 and 3 received approval with 10 ayes, 0 nays, and 0 abstentions.

No. 4: Institute for Transfusion Medicine

Request for the approval of a preliminary bond resolution for the issuance of up to \$30 million in 501(c)(3) not-for-profit bonds. The proceeds of these bonds will be used to: (i) fund the acquisition of a new building in Rosemont; (ii) fund the renovation, refurbishment and equipping of the subject facility and; (iii) pay expenses related to costs of issuance. This project is located in Rosemont, IL (Cook County).

No. 5: OSF Healthcare System

Request for the approval of a preliminary bond resolution for the issuance of up to \$160 million in 501(c)(3) not-for-profit bonds. The proceeds of this issuance will be used to current refund approximately \$142 million of OSF's variable rate bonds with fixed rate bonds. OSF wishes to rebalance their debt structure in what is currently an attractive market for fixed rate debt. At the same time, OSF plans to take the opportunity to finance reimbursement of certain prior capital expenditures. This project is located in Peoria, IL (Peoria County).

No. 7: Centegra Health Systems

Request for the approval of a final bond resolution for the issuance of up to \$30 million in 501(c)(3) not-for-profit bonds. Bond proceeds will be used to: fund capital expenditures and other improvements for the health care facilities of the Borrower including, but not limited to, an advanced GE Healthcare ("GE Healthcare") Clinical Information System Project including Enterprise Clinical Data Repository, Pharmacy Information System, Medication Administration and Reconciliation Technology, Inpatient Electronic Medical Record, Emergency Room Information System, Perinatology Information System and Surgical Information System. This project is located in McHenry, IL (McHenry County).

Chairman Brandt asked if the Board had any questions with regard to Resolution Nos. 4, 5, and 7. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Resolution Nos. 4, 5 and 7. Resolution Numbers 4, 5 and 7 received approval with 10 ayes, 0 nays, and 0 abstentions.

No. 10: Slovak American Charitable Association. Request for approval of a Resolution Authorizing the Execution and Delivery of a First Amendment to a Modification Agreement between Slovak American Charitable Association and MB Financial Bank relating to IDFA (IFA) Series 2000 Bonds (Slovak American Charitable Association Project) to (1) provide for the extension of the Current Interest Rate Holding Period, and (2) reset the interest rate in the extended holding period at a lower interest rate.

- No. 11:** **Columbia College Chicago.** Request for approval of a Resolution Authorizing the Execution and Delivery of Amendments to the Mortgage and Security Agreement between Columbia College Chicago and the Illinois Finance Authority (“IFA” or the “Authority”) relating to (1) Illinois Educational Facilities Authority (“IEFA”) Series 1998 Revenue Bonds, (2) IEFA Series 2003 Bonds, (3) IFA Series 2004 Bonds, and (4) IFA Series 2007 Bonds (collectively, the “Prior Bonds”), and Authorizing the Execution and Delivery of any Other Necessary Documents Required to Effect Such Amendment; and Authorizing and Approving Related Matters.
- No. 12:** **Fee Schedule for Healthcare Equipment Financing Transactions.** Resolution Establishing a Fee for the Illinois Finance Authority for Healthcare Equipment Financing Transactions.
- No. 13:** **Pere Marquette Hotel Associates, L.P.** Resolution to Authorize the extension of the Maturity Date of IFA Participation Loan with PNC Bank, as successor to National City Bank (IFA Participation Loan B-LL-TX-582: Pere Marquette Hotel Associates, L.P.)

Resolution No. 13 was approved subject to the conditions discussed at the Committee of the Whole meeting.

- No. 14:** **Extend the Tax Incentives for the Domestic Biodiesel Industry.** Resolution to the United States Congress to Quickly Enact Legislation to Extend the Tax Incentives for the Domestic Biodiesel Industry.

Chairman Brandt asked if the Board had any questions with regard to Resolution Nos. 10, 11, 12, 13 or 14. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Resolution Nos. 10, 11, 12, 13 and 14. Projects 10, 11, 12, 13 and 14 received approval with 10 ayes, 0 nays, and 0 abstentions.

- No. 9:** **The Clare at Water Tower**
The objective of this Tender & Exchange Offer is to restructure the Borrower’s debt obligations by reducing its annual debt service payments to a level that can be sustained by present and anticipated future operations. The Bonds will be exchanged for that portion of Series 2005 A, B & C Bonds of the Authority that are tendered by the holders thereof (collectively the “Prior Bonds”) with each holder of Prior Bonds to receive: (a) Series 2010A Bonds in a principal amount equal to 70% of the principal amount of the Prior Bonds and (b) Series 2010B Bonds in a principal amount equal to 30% of the principal amount of such Prior Bonds, (the “Bond Exchange”). This project is located in Chicago, IL (Cook County).

No guests attended with respect to Project No. 9. Chairman Brandt asked if the Board had any questions with respect to Project No. 9. There being none, Chairman Brandt requested Secretary Nystrom-Boulahanis take a roll call vote. Project No. 9 received approval with 9 ayes, 0 nays, and 1 abstention. Chairman Brandt noted that he was abstaining from voting on this project as he was a member of the Board of Trustees of Loyola University, which has a nominal interest in this project.

- No. 6:** **NorthShore University HealthSystem (f/k/a Evanston Northwestern Hospital)**
Request for the approval of a preliminary bond resolution for the issuance of up to \$160 million in 501(c)(3) not-for-profit bonds. The proceeds of this issuance will be used to

convert or refund existing variable rate debt to fixed rate debt and to terminate two fixed payer swaps. This project is located in Evanston, IL (Cook County).

Ms. Pam Lenane, Vice President and Acting General Counsel introduced Mr. Adam Kates, Sr. Director, Treasury, NorthShore University HealthSystem. Mr. Kates thanked the Board for their consideration of this project and offered to answer any questions the Board might have.

Chairman Brandt thanked Mr. Kates for attending the meeting and bringing this project before the Board. He asked if the Board Members had any questions. Hearing none, Chairman Brandt requested Secretary Nystrom-Boulahanis take a roll call vote. Project No. 6 received approval with 10 ayes, 0 nays, and 0 abstentions.

No. 8: Friendship Village of Mill Creek, NFP (GreenFields of Geneva Project)

Request for the approval of a final bond resolution for the issuance of up to \$30 million in 501(c)(3) not-for-profit bonds. The proceeds of these bonds 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 BANs referenced below 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. Lenane introduced Mr. Kim Klockenga, Chief Financial Officer, Friendship Senior Options. Mr. Klockenga thanked the Board for their consideration of Friendship Senior Options' prior financings and today's financing. He added that he would be happy to answer any questions the Board may have.

Chairman Brandt thanked Mr. Klockenga for attending the meeting and bringing this project before the Board. He asked if the Board Members had any questions. Seeing none, Chairman Brandt requested leave to apply the last unanimous vote in favor of this project. Project No. 8 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 Dr. Herrin and seconded by Mr. Poole, the meeting adjourned at 12:09 p.m.

Chairman Brandt reminded all guests that next month's meeting will be on June 8, 2010 at the Conference Center at One Prudential Plaza, Chicago, IL and to please check IFA's web site at www.il-fa.com for more information.

Respectfully Submitted,

Kara Nystrom-Boulahanis, Assistant Secretary

BMINUTES OF THE MAY 4, 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, May 4, 2010 at the IFA’s Chicago Office at 180 N. Stetson Avenue, Ste. 2555, Chicago, IL 60601.

Members present:

1. William A. Brandt, Jr., Chairman
2. Bradley A. Zeller
3. Terrence M. O’Brien
4. Joseph McInerney
5. Ronald E. DeNard
6. James J. Fuentes
7. Roger Poole
8. Roderick Bashir*

Members participating by telephone:

1. Dr. Roger D. Herrin**
2. Dr. William J. Barclay***

Members absent:

1. Michael W. Goetz, Vice Chairman
2. Juan B. Rivera
3. Edward H. Leonard, Sr.
4. John “Jack” Durburg

Vacancies:

One

- * Mr. Bashir joined the meeting at 10:56 a.m.
**Dr. Herrin joined the meeting via phone at 10:30 a.m.
*** Dr. Barclay joined the meeting via phone at 9:35 a.m.

Staff Members Present:

Chris Meister, Executive Director
Pam Lenane, Vice President & Acting General Counsel
Art Friedson, Chief Human Resources Officer
Rich Frampton, Vice President
Kara Boulahanis, Project Coordinator & Asst. Secretary to the Board

Staff Members Participating via Telephone:

Yvonne Towers, Chief Financial & Technology Officer
Eric Reed, Downstate Regional Manager
Jim Senica, Senior Funding Manager

Call to Order

Chairman Brandt called the meeting to order at 8:34 a.m. with the above members present. Chairman Brandt welcomed members of the Board and all guests.

Executive Director’s Presentation

Director Meister presented in accordance with the Board Book. He noted that the IFA Springfield office would be relocating, along with DCEO’s staff, to a new office building closer to the Capital Building. Director Meister added that the IFA will have an intake conference with their new auditors, E.C. Ortiz & Co. LLP during the week of May 10 – 14th.

Director Meister continued that the Senate Appropriations Committee hearing on April 28th was attended by himself, CFO Yvonne Towers and VP and Acting General Counsel Pam Lenane. No substantive issues were raised. IFA’s multi-state initiative, HB 5854 and IFA’s agriculture working capital loan initiative, SB 3719, passed both chambers in the month of April but neither had been signed by the Governor at the time of the meeting. Director Meister concluded his legislative update by stating that an agreement had been reached on the cede back of Recovery Zone Bond and Qualified Clean Energy Bond allocations under the Federal stimulus act .

Director Meister congratulated Mr. Rich Frampton, Vice President and the Roosevelt University financing team for the nomination of Roosevelt’s \$183 Million Bond issue as one of three finalists by the Council of Development Finance Authorities in its annual Best Bond Deal of the Year (2009) competition.

Director Meister stated that the IFA's joint application with the Department of Commerce and Economic Opportunity (DCEO) and the Midwest Energy Efficiency Alliance (MEEA) was not awarded any funds under the U.S. Department of Energy's highly competitive Retrofit Ramp-Up program. Director Meister offered his congratulations to the Chicago Metropolitan Agency for Planning (CMAP) and the City of Chicago for their award of \$25 million under this program.

Director Meister noted that several representatives of The Clare project and the affiliated organizations would be attending the Committee of the Whole Meeting at 10:30 a.m. He also stated that a discussion of an extension of the original Hotel Pere Marquette Loan would take place during the Committee of the Whole meeting as well.

Senior Staff Reports

Chairman Brandt asked Ms. Ximena Granda, Assistant Chief Financial Officer, to present the financials. Ms. Granda presented in accordance with the Board Report. She noted that the Audit Intake Conference for the FY 2010 audit was scheduled with E.C. Ortiz, IFA's new auditors, on May 10th, 2010.

Chairman Brandt added that after discussions with the Office of the Auditor General, the IFA has decided to proceed with Scott Balice on the venture capital fund valuation.

Committee Reports:

Chairman Brandt requested the committee reports be presented.

Mr. Zeller began by presenting the Agriculture Committee report. He stated that all of the projects presented for consideration today were recommended for approval by the Agriculture Committee.

Chairman Brandt then asked Dr. Barclay to present the Healthcare Committee Report. Dr. Barclay stated that with the exception of The Clare (which would be discussed further by the Committee of the Whole), the Healthcare Committee had recommended all projects presented at the meeting for approval. He stated Board Member Bashir, he and Pam Lenane had the opportunity to meet with Ziegler Securities regarding diversity in borrowing teams. Dr. Barclay relayed that he felt the meeting with Ziegler Securities was very productive. He stated that the Healthcare Committee discussed The Clare in great detail. A discussion of the issues related to the project ensued but no objections were noted.

Dr. Barclay asked Ms. Lenane to provide a capsule discussion of The Clare project to the Board, in advance of the discussion with the Borrower. Ms. Lenane presented in accordance with the Board Report. She noted for the Board that while some of the terms of the agreement remained confidential, the fact that a restructuring is being contemplated and many of the terms of that restructuring have been publicly posted on EMMA.

Mr. O'Brien asked Ms. Lenane what would result if the Board did not approve the restructuring agreement. Ms. Lenane explained that The Clare would most likely file for bankruptcy.

Chairman Brandt noted to the Board that the restructuring agreement would require 95% of the outstanding bondholders to consent, which is a very substantial threshold. Chairman Brandt added that the Board did not want The Clare to end up in bankruptcy, if it could be avoided.

Chairman Brandt explained to the Board that during the tenure of Executive Director Filan, he was made aware that some funds being held in trust for the residents or future residents of The

Clare may have been used to finance the day to day operations of the Clare. The Clare had provided written representation to the Authority that no funds held in trust were used for operations. Chairman Brandt noted that IFA considered an audit under Director Filan but deemed it too costly and time-consuming to undertake at the time.

Ms. Lenane stated that the Authority would be receiving indemnities from The Clare to protect the IFA in the event of bondholder or other third party suits. The indemnities will be secured by a pledge of \$1MM to be held in escrow in the event the IFA incurs any fees or other liabilities associated with The Clare project, however the indemnity is unlimited.

Chairman Brandt stated that he desired to have the \$1MM held in escrow be paid out as the last million, not as the first million dollars. This would provide IFA with additional security.

Ms. Lenane stated that she would speak with the representatives of The Clare project and return with additional information at 10:30 a.m.

Director Meister then presented the Energy Committee report in accordance with the board report.

Project Reports

Chairman Brandt then asked for the project reports.

Mr. Reed presented the following projects to the Board:

- No. 1A: Gregory J. Dowdall**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$131,500 for the purchase of approximately 40 acres of farmland. This project is located in unincorporated Hancock County near Hamilton, IL.
- No. 1B: Michael Nelson**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$273,750 for the purchase of approximately 157 acres of farmland and buildings. This project is located in unincorporated Warren County near Alexis, IL.
- No. 1C: Lynette Hemker**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$115,000 for the purchase of approximately 60 acres of farmland and buildings. This project is located in unincorporated Bond County near Mulberry Grove, IL.
- No. 1D: Jason McKay**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$177,500 for the purchase of approximately 80 acres of farmland. This project is located in unincorporated Fayette County near Beecher City, IL.
- No. 1E: Matthew James Elam**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$220,000 for the purchase of approximately 104 acres of

farmland. This project is located in unincorporated Bond County near Smithboro, IL.

- No. 1F: Chad Edward Hawkey**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$153,000 for the purchase of approximately 80 acres of farmland. This project is located in unincorporated Marion County near Kinmundy, IL.

Mr. Rich Frampton presented the following project for approval.

- No. 2: American Water Capital Corp., on behalf of Illinois-American Water Company**
Request for the approval of a final bond resolution for the issuance of up to \$25 million in water furnishing facilities revenue bonds. The proceeds of these bonds will be used to: finance a series of 11 capital improvement projects to Illinois-American's water plant located statewide. Additionally, Bond Proceeds may also be used to pay of capitalized interest during construction and pay certain costs of issuance. These projects are located in Champaign, Livingston, Madison, Peoria and St. Clair Counties.

Mr. Jim Senica presented the following project for approval.

- No. 3: Par-Ko Enterprises, Inc.**
Request for the approval of a one-time final resolution for funding of a participation loan in favor of Busey Bank in an amount not to exceed \$168,750. The proceeds of this issuance will be used to purchase a \$168,750 *pari passu* Participation Loan interest in a \$337,500 Mortgage Loan with Busey Bank. This Participation Loan is being approved subject to the execution of a Rider and/or Intercreditor Agreement satisfactory to IFA Counsel that will assure this combined \$337,500 IFA Participation/Busey Bank Loan will be repaid first in the event of foreclosure or disposition of the project assets. Proceeds of the IFA Participation Loan will be used to: provide permanent financing for the construction of an 8,300 SF addition to the Borrower's existing 54,000 SF manufacturing facility located at 501 E Courtland Avenue in Morton, Illinois (Tazewell County) that is leased to Parker Fabrication, Inc. (the "Operating Company" and "Corporate Guarantor"). This project is located in Morton, IL. (Tazewell County)

Mr. Bill Claus presented the following projects for approval:

- No. 4: Institute for Transfusion Medicine**
Request for the approval of a preliminary bond resolution for the issuance of up to \$30 million in 501(c)(3) not-for-profit bonds. The proceeds of these bonds will be used to: (i) fund the acquisition of a new building in Rosemont; (ii) fund the renovation, refurbishment and equipping of the subject facility and; (iii) pay expenses related to costs of issuance. This project is located in Rosemont, IL (Cook County).
- No. 5: OSF Healthcare System**
Request for the approval of a preliminary bond resolution for the issuance of up to \$160 million in 501(c)(3) not-for-profit bonds. The proceeds of this issuance

will be used to current refund approximately \$142 million of OSF's variable rate bonds with fixed rate. OSF wishes to rebalance their debt structure in what is currently an attractive market for fixed rate debt. At the same time, OSF plans to take the opportunity to finance reimbursement of certain prior capital expenditures. This project is located in Peoria, IL (Peoria County).

No. 6: NorthShore University HealthSystem (f/k/a Evanston Northwestern Hospital)
Request for the approval of a preliminary bond resolution for the issuance of up to \$160 million in 501(c)(3) not-for-profit bonds. The proceeds of this issuance will be used to convert or refund existing variable rate debt to fixed rate debt and to terminate two fixed payer swaps. This project is located in Evanston, IL (Cook County).

No. 8: Friendship Village of Mill Creek, NFP (GreenFields of Geneva Project)
Request for the approval of a final bond resolution for the issuance of up to \$30 million in 501(c)(3) not-for-profit bonds. The proceeds of these bonds 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 BANs referenced below 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. Shannon Govia presented the following project for approval.

No. 7: Centegra Health Systems
Request for the approval of a final bond resolution for the issuance of up to \$30 million in 501(c)(3) not-for-profit bonds. Bond proceeds will be used to: fund capital expenditures and other improvements for the health care facilities of the Borrower including, but not limited to, an advanced GE Healthcare ("GE Healthcare") Clinical Information System Project including Enterprise Clinical Data Repository, Pharmacy Information System, Medication Administration and Reconciliation Technology, Inpatient Electronic Medical Record, Emergency Room Information System, Perinatology Information System and Surgical Information System. This project is located in McHenry, IL (McHenry County).

Mr. Frampton presented the following resolutions for approval.

No. 10: Slovak American Charitable Association. Request for approval of a Resolution Authorizing the Execution and Delivery of a First Amendment to a Modification Agreement between Slovak American Charitable Association and MB Financial Bank relating to IDFA (IFA) Series 2000 Bonds (Slovak American Charitable Association Project) to (1) provide for the extension of the Current Interest Rate Holding Period, and (2) reset the interest rate in the extended holding period at a lower interest rate.

No. 11: Columbia College Chicago. Request for approval of a Resolution Authorizing the Execution and Delivery of Amendments to the Mortgage and Security Agreement between Columbia College Chicago and the Illinois Finance Authority ("IFA" or the "Authority") relating to (1) Illinois Educational Facilities Authority ("IEFA") Series 1998 Revenue Bonds, (2) IEFA Series 2003 Bonds,

(3) IFA Series 2004 Bonds, and (4) IFA Series 2007 Bonds (collectively, the “Prior Bonds”), and Authorizing the Execution and Delivery of any Other Necessary Documents Required to Effect Such Amendment; and Authorizing and Approving Related Matters.

No. 12: **Fee Schedule for Healthcare Equipment Financing Transactions.** Resolution Establishing a Fee for the Illinois Finance Authority for Healthcare Equipment Financing Transactions.

No. 14: **Extend the Tax Incentives for the Domestic Biodiesel Industry.** Resolution to the United States Congress to Quickly Enact Legislation to Extend the Tax Incentives for the Domestic Biodiesel Industry.

Ms. Lenane presented the following project for consideration.

No. 9: **The Clare at Water Tower**
The objective of the Tender & Exchange is to restructure the Borrower’s debt obligations by reducing its annual debt service payments to a level that can be sustained by present and anticipated future operations. The Bonds will be exchanged for that portion of Series 2005 A, B & C Bonds of the Authority that are tendered by the holders thereof (collectively the “Prior Bonds”) with each holder of Prior Bonds to receive: (a) Series 2010A Bonds in a principal amount equal to 70% of the principal amount of the Prior Bonds and (b) Series 2010B Bonds in a principal amount equal to 30% of the principal amount of such Prior Bonds, (the “Bond Exchange”). This project is located in Chicago, IL (Cook County).

Ms. Lenane then introduced the following guests.

John Bibby, Jones Day
Lynn Coe, Jones Day
Steve Towbin, Shaw Gussis
Thomas M. Fahey, Ungaretti & Harris
Jim Broeking, Ungaretti & Harris
Mr. Alan Bell, Charity & Associates
Thomas Barry, Cain Brothers

Ms. Lenane stated that this is the first restructuring that the IFA or any of its predecessor entities had considered. She then introduced Mr. Alan Bell, IFA’s legal counsel. Mr. Bell explained the liability concerns and the mechanics of the \$1 million in escrow.

Mr. Fahey then explained the role of the Franciscan Sisters in the transaction and their financial relationship.

Chairman Brandt then explained that upon further consideration of the issues, he would recommend that the IFA accept \$750,000 in escrow with a one-time, non-refundable \$250,000 change fee payable to the IFA. This fee would be paid at closing.

Chairman Brandt continued that the Board agreed that a 95% compliance rate by the bondholders would be very difficult to achieve. He noted that Mr. O’Brien had requested an audit of The Clare’s financials due to concerns on IFA’s part. As the IFA is prepared

to forgo a costly and time consuming audit in favor of resolving this issue through written representations from The Clare stating that no funds were used for operations, the \$750,000 in escrow and the one-time \$250,000 fee as compensation for the risk IFA is incurring with this transaction.

Ms. Bashir joined the meeting at 10:56 am, shortly after Chairman Brandt concluded speaking.

Chairman Brandt reiterated that it was imperative that the IFA Board act on this request today, as there is a limited time frame for restructuring and any inaction by any parties could force The Clare into bankruptcy before the next meeting.

Mr. Fahey, representative of the Franciscan Sisters, thanked Chairman Brandt for the Board's consideration of the project. He stated that he could not speak on behalf of the stakeholders in regards to IFA's request, but he did note that the stakeholders were motivated to ensure this restructuring was successful.

Chairman Brandt stated that the Board had agreed to pass the resolution subject to The Clare agreeing to place \$750,000 in escrow for any liabilities IFA may incur on behalf of The Clare project and the payment of a \$250,000 non-refundable fee at the time of closing.

Mr. Fahey thanked the Board for their consideration.

Mr. Jim Senica then presented the following project for approval.

No. 13: **Pere Marquette Hotel Associates, L.P.** Resolution to Authorize the extension of the Maturity Date of IFA Participation Loan with PNC Bank, as successor to National City Bank (IFA Participation Loan B-LL-TX-582: Pere Marquette Hotel Associates, L.P.)

Mr. Senica explained that this request did not involve the proposed renovation and expansion of the Hotel Pere Marquette as a Courtyard by Marriott as requested by E.M. Properties at an earlier Board Meeting. Rather, this request is for extension of participation loan made to Pere Marquette Hotel Associates, L.P. by what is now PNC Bank.

Chairman Brandt clarified for the Board that PNC Bank reached out to the Authority before the expiration of loan on March 31st, 2010. In the subsequent discussion, PNC Bank requested that IFA extend the loan for 90 days to June 30th, 2010 with no modification to the loan terms. Chairman Brandt noted that IFA and PNC had considered a forbearance agreement but determined it would take more than 60 days to negotiate and execute.

Dr. Herrin suggested the IFA request an increase in the interest rate on the loan for the period of the extension. Chairman Brandt noted that IFA could request an increase on the interest rate, but PNC was not obligated to agree and it could result in a delay of this extension request. Mr. O'Brien suggested that it would be more prudent to agree to the

extension and inform PNC Bank that IFA would be making a demand for payment in full on June 30th, 2010. The Board agreed to this suggestion.

Chairman Brandt stated that the Board was prepared to grant the PNC Bank's request to extend the term of the loan from March 31st, 2010 to June 30, 2010 but would make a demand for payment in full on June 30th, 2010 as now recommended. Any extensions that may be requested in the future would be subject to execution of a forbearance agreement and also an interest rate increase.

Closing Remarks and Adjournment:

The meeting adjourned at 11:40 a.m.

Respectfully Submitted,

Kara Nystrom-Boulahanis, Assistant Secretary