

**MINUTES OF THE August 10<sup>th</sup>, 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, August 10, 2010, at the Prudential Plaza Conference Center at 130 E. Randolph Street. 7<sup>th</sup> Floor, Chicago, IL 60601.

<p><b>Members Present:</b></p> <ol style="list-style-type: none"> <li>1. Michael Goetz, Vice Chairman</li> <li>2. Roderick Bashir</li> <li>3. Dr. William Barclay</li> <li>4. John “Jack” Durburg</li> <li>5. Dr. Roger Herrin</li> <li>6. Joseph McInerney</li> <li>7. Terrence M. O’Brien</li> <li>8. Roger Poole</li> </ol>	<p><b>Members Absent:</b></p> <ol style="list-style-type: none"> <li>1. William A. Brandt Jr., Chairman</li> <li>2. Ronald E. DeNard</li> <li>3. Edward Leonard</li> <li>4. James J. Fuentes</li> <li>5. Juan B. Rivera</li> <li>6. Bradley A. Zeller</li> </ol> <p><b>Members Participating by Telephone:</b> None</p> <p><b>Vacancies:</b> One</p>	<p><b>Staff Present:</b></p> <p>Christopher Meister, Executive Director          Brendan Cournane, General Counsel          Brad Fletcher, Paralegal          Rich Frampton, Vice President          Arthur Friedson, Chief HR Officer          Eric Reed, Regional Manager          Ahad Syed, Administrative Asst.          Yvonne Towers, CFO/CIO</p>
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**GENERAL BUSINESS**

*Call to Order, Establishment of Quorum and Roll Call*

Vice Chairman Goetz called the meeting to order at 11:30 a.m. with the above Members present. Vice Chairman Goetz welcomed Members of the Board and all guests. He then asked the Assistant Board Secretary Ahad Syed to call the roll. There being eight (8) members physically present Mr. Syed declared the quorum met. Vice Chairman Goetz then called for the Financial Statements for the period ending July 31, 2010 and Minutes for both the July 13, 2010 Committee of the Whole and Board of Directors Meetings.

*Acceptance of Financial Statements and Minutes*

Financial statements for the period ending July 31, 2010, and minutes for both the July 13, 2010, Committee of the Whole and Board of Directors meetings were presented to the Board. Vice Chairman Goetz stated that the Authority’s financial statements and minutes were reviewed at the regularly scheduled Committee of the Whole meeting held on 8:30 a.m. that day. Vice Chairman Goetz requested a motion to approve the July 31, 2010, financial statements and minutes from both the July 13, 2010, Committee of the Whole and Board of Directors meeting.

The motion was approved by Dr. Barclay and seconded by Mr. O'Brien. The July 31, 2010, Financial Statements and Minutes from both the July 13, 2010, Committee of the Whole and Board of Directors meetings were unanimously approved by the Members of the Board.

### *Senior Staff Reports*

None.

### *Project Approvals*

Vice Chairman Goetz asked Mr. Rich Frampton, Vice President, to present the projects for consideration to the Board. The Vice Chairman explained that all projects are thoroughly vetted by a staff Credit Committee and all agriculture, energy and healthcare projects are also reviewed at their respective committee's public meeting 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 approval:

**No. 1A: -- Brock Gittleson**

Request for final approval of the issuance of a Beginner Farm Bond in an amount not-to-exceed \$207,500 for the purchase of approximately 50 acres of farmland. This project is located in unincorporated Lee County, near Amboy, IL.

No guests attended with respect to Project No. 1A. Vice Chairman Goetz asked if the Board had any questions with respect to Project No. 1. There being none, Vice Chairman Goetz requested leave to apply the last unanimous vote in favor of Project No. 1A. Project No. 1A received approval with 8 ayes, 0 nays, and 0 abstentions.

**No. 2 -- Annex II**

Annex II, LLC is requesting approval of a Final Bond Resolution in an amount not-to-exceed \$5,500,000 of Recovery Zone Facility Bonds. Bond proceeds will be used to finance the construction and equipping of a records storage facility located at the Rock City development in the Village of Valmeyer in Monroe County and to also pay bond issuance costs. As contemplated the Recovery Zone Facility Bond allocations will be voluntarily waived to IFA by Monroe County (the Host county) and Randolph County. Additionally, the IFA Board of Directors will also be considering a Resolution in connection with Agenda Item #11 below that will establish a Recovery Zone in Monroe County as required for any prospective Recovery Zone Facility Bond issuance.

**No. 3 -- KONE Centre Investment Fund, LLC**

KONE Centre Investment Fund, LLC is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed \$21,000,000. Bond proceeds of the proposed IFA Series 2010 Midwestern Disaster Area Bonds will be combined with other sources of debt and equity, will be loaned to KONE Centre Investment Fund, LLC (as the "Borrower"), with such proceeds ultimately, through a series of transactions and loans attributable to the underlying New Market Tax Credit Structure to Financial District Properties KP, LLC (the

“Owner”), an Illinois limited liability company, to finance costs associated with the acquisition, construction and equipping of a new approximately \$123,360 Net Rentable Square Foot, 8-story multi-use office and residential building to be located on an approximately 2.184 acre site at One Kone Court (at the Southeast corner of 17<sup>th</sup> Street and 2<sup>nd</sup> Avenue) in Moline (Rock Island County), Illinois, and to finance costs of issuance on the subject bonds (and collectively, the “Project”). The Project will be owned by the Owner and leased by the Owner to KONE, Inc. and will serve as the North American headquarters. KONE will be the anchor tenant of the project. Other portions of the project will be leased to and used by various retail, office and other commercial tenants, the 8<sup>th</sup> floor of the Project will be sold as multi-family condominiums and will be financed separately by the Owner.

**No. 4 -- Chicago Mission AAA Hockey Club**

Chicago Mission AAA Hockey Club is requesting approval of a Preliminary Bond Resolution for an amount not-to-exceed \$9,850,000. Bond proceeds will be used to finance a portion of the costs of the acquisition, renovation, and equipping of the Seven Bridges Ice Arena, in Woodridge, Illinois. Additionally, bond proceeds may be used to finance certain prior eligible costs, and to pay costs of issuance.

No guests attended with respect to Project Nos. 2, 3 or 4. Vice Chairman Goetz asked if the Board had any questions with respect to Project Nos. 2, 3 or 4. There being none, Vice Chairman Goetz requested leave to apply the last unanimous vote in favor of Project Nos. 2, 3 and 4. Project Nos. 2, 3 and 4 received approval with 8 ayes, 0 nays, and 0 abstentions.

**No. 6 -- Little Company of Mary Hospital**

Little Company of Mary Hospital (“the Corporation”) is requesting approval of a Preliminary Bond Resolution for an amount not-to-exceed \$75,000,000. Bond proceeds will be used to (i) pay or reimburse the Corporation, or one or more of its affiliates, for the payment of the costs of acquiring, constructing, renovating, remodeling and equipping certain health facilities owned by the Corporation and its affiliates; (ii) pay a portion of the interest on the bonds, if deemed necessary or advisable by the Corporation; (iii) fund one or more debt service reserve funds, if deemed necessary or advisable by the Corporation; (iv) provide working capital, if deemed necessary or advisable by the Corporation; and (v) pay certain expenses incurred in connection with the issuance of the bonds.

**No. 7 -- Mercy Hospital and Medical Center**

Mercy Hospital and Medical Center (the “Corporation”) is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed \$80,000,000. Bond proceeds will be used to pay or reimburse the Corporation for (i) the payment of certain costs of acquiring, constructing, and equipping a major construction and renovation project including renovation of the birthing centers and cardiac units and the installation of hospital-wide sprinkler and fire alarm systems to comply with the Life Safety Ordinance of the Chicago Fire Department and Fire Prevention Bureau, (ii) pay a portion of the interest accruing on the bonds during construction of the Project; (iii) provide for the refunding of JPMorgan Chase Bank Promissory Note and Equipment revolving line of credit currently outstanding in an aggregate principle amount of \$34.8 million; (iv) fund the Debt Service

Reserve Requirement for the benefit of the bonds; (v) and to pay certain expenses incurred in connection with the issuance of the bonds.

**No. 8 -- Provena Hospital**

Provena Hospital is request for approval of a Preliminary Bond Resolution in an amount not-to-exceed \$85,000,000. Bond proceeds will be used to (i) reimburse Provena Health for prior system-wide capital expenditures and (ii) to pay costs of issuance for projects.

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

**No. 5 -- Old Town School of Folk Music**

The Old Town School of Folk Music, Inc. (the “School”) is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed \$10,000,000. Bond proceeds will be used to (i) finance or refinance taxable debt of the School, (ii) to construct and equip new studio and classroom facilities to be located in a 3-story, 27,100 sq. ft. LEED Silver-Certified building to be constructed at 4543-4549 N. Lincoln Avenue in Chicago and used to house dance studios, music classrooms, a 150-seat performance/dance/community gathering hall and related uses; (iii) pay costs related to the demolition of existing buildings and other site preparation work at the new site; and (iv) pay costs of issuance, capitalized interest and other professional costs associated with the proposed bond issue. GUESTS: Representing the Old Town School of Folk Music, Inc.

Mr Frampton introduced Mr. Bau Graves, Executive Director and Mr. Paul Aanonsen, Finance Director of the Old Town School of Folk Music and. Mr. Graves thanked the Board for the meeting and explained the colorful history of the Old Town School of Folk Music—the largest community arts school in the United States. The School employs 230 teaching artists and sixty-five administrative staff. He briefly outlined the School’s plan to make their new building LEED Silver certified and possibly LEED Gold. Mr. Graves is proud of the positive role the School has played in the vibrant, local community by increasing the flow of business and opportunities for cultural immersion.

Vice Chairman Goetz asked if the Board had any questions with respect to Project No. 5. There being none, Vice Chairman Goetz requested leave to apply the last unanimous vote in favor of Project No. 5. Project No. 5 received approval with 8 ayes, 0 nays, and 0 abstentions.

**No. 9 Resolution to Request Approval Allowing the Release of 1,000 Shares of Castle Bank stock currently held as collateral on an IFA Agri-Debt Guaranteed Loan by Citizens First National Bank of Somonauk to Dean and Cynthia Lundeen (Loan # 1998-GP-1088).**

**No. 10 Resolution to Request Approval regarding (1) the Release of Angelica E. Mollet from personal liability and (2) the Release of an assignment of Life Insurance on Angelica E. Mollet in the amount of \$50,000 on an IFA Young Farmer Guarantee by The Bank of Edwardsville to Jody G. Mollet. (Loan # 2001-YF-0098)**

**No. 11            Resolution to designate Recovery Zone in Monroe County under the America Recovery and Reinvestment Act of 2009.**

**No. 12            Resolution to Appoint Additional Assistant Secretaries**

No guests attended with respect to Resolutions Nos. 9, 10, 11 or 12. Vice Chairman Goetz asked if the Board had any questions with respect to Resolutions Nos. 9, 10, 11 or 12. There being none, Vice Chairman Goetz requested leave to apply the last unanimous vote in favor of Resolutions Nos. 9, 10, 11 and 12. Resolutions Nos. 9, 10, 11 and 12 received approval with 8 ayes, 0 nays, and 0 abstentions.

*Other Business*

None.

*Adjournment*

The Vice Chairman then asked if there was any other business to come before the Board. Hearing none, Vice Chairman Goetz requested a motion to adjourn. Upon a motion by Dr. Barclay and seconded by Dr. Herrin the Board unanimously voted to adjourn at 11:58 a.m.

Respectfully submitted by  
Ahad Syed  
Administrative Assistant  
Assistant Board Secretary