

**MINUTES OF THE JANUARY 13, 2009 MEETING OF THE BOARD OF DIRECTORS
OF THE ILLINOIS FINANCE AUTHORITY**

The Board of Directors (the "Board") of the Illinois Finance Authority (the "IFA"), pursuant to notice duly given, held a Board Meeting at 11:30 a.m. on January 13, 2009 at the Mid America Club, 200 E. Randolph Drive, 80th Floor, Chicago, Illinois.

Members present:

William A. Brandt, Jr., Chairman
Dr. William J. Barclay
Ronald E. DeNard
James J. Fuentes
Edward H. Leonard, Sr.
Terrence M. O'Brien
April D. Verrett
Bradley A. Zeller

Members absent:

Michael W. Goetz
Dr. Roger D. Herrin
Juan B. Rivera

Vacancies:

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**Members participating
by telephone:**

None

GENERAL BUSINESS

Call to Order, Establishment of Quorum and Roll Call

Chairman Brandt called the meeting to order at 11:44 a.m. with the above members present. Chairman Brandt welcomed members of the Board and all guests and asked Secretary, Carla Burgess Jones to call the roll. There being eight (8) members physically present, Ms. Burgess Jones declared a quorum present.

Chairman's Remarks

Chairman Brandt thanked fellow Board members and guests for coming. The Chair emphasized that, despite economic conditions, the Authority will continue to seek creative ways to meet its statutory mission: creating and retaining jobs in Illinois.

Executive Director's Remarks

Executive Director Filan concurred with the Chairman's assessment of the economy, the agenda and the Authority's mission. In today's economy, access capital is a primary obstacle to expansion or even the survival of many companies. In light of the current situation, the Authority can play an even more vital role --- by providing access to capital that would otherwise not be available. This is one of the many reasons that the Authority is reviewing and working to improve its programs so that it can meet its job creation mission in an innovative manner.

The areas of Energy, Agriculture/Rural Development, and Healthcare are major priorities for the Authority. The Authority recognizes that given the State's vast resources - natural, transportation, human - that Illinois can truly be the center of the nation's energy future. This is the reason why the Authority is working with the University of Illinois ("U of I"), Southern Illinois University ("SIU") and Western Illinois University ("WIU") as well as DCEO and IEPA to form an Energy Partnership or Consortium ("Energy Consortium"). Through the Energy Consortium, the State can speak with one voice to Federal and State policy makers as well as to utilities, energy project developers and the private equity community to leverage the State's strengths into a clean, efficient energy future that also creates jobs.

Similarly, the Authority has engaged U of I, SIU, WIU and the Illinois Farm Bureau to ensure that the Authority's programs and policies are designed to effectively meet the needs of today's agricultural and rural economy.

Finally, with respect to healthcare, it remains a major component of the Authority's mission - and revenue stream. The staff of the Authority is working with the Department of Healthcare & Family Services to develop creative solutions to the capital needs of Illinois hospitals and health facilities.

Acceptance of Financial Statements

Financial statements for the period ending December 31, 2008, were presented to members of the Board and accepted by the Board. Chairman Brandt stated that the Authority's financial statements were reviewed at the regularly scheduled Committee of the Whole Meeting held today at 8:30 a.m. Financial Statements were unanimously approved by members of the Board.

Minutes

Chairman Brandt announced that the next order of business was to approve the minutes of the December 9, 2008 Meeting of the Board. Chairman Brandt announced that the December 9, 2008 minutes were reviewed at the regularly scheduled Committee of the Whole Meeting held today at 8:30 a.m. The December 9, 2008 minutes were unanimously approved by members of the Board.

Project Approvals

Chairman Brandt asked Ms. Walker to present the projects for consideration to the Board. Chairman Brandt announced that projects being presented today for approval were thoroughly reviewed at the Committee of the Whole Meeting held at 8:30 a.m. today.

Ms. Walker, Director of Financial Services, reported that at today's meeting 5 projects totaling \$650 million were being presented for board approval:

- No. 1:** **A-FB-TE-CD-8194 – Ellen North**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$150,000.00 to provide permanent financing to

purchase approximately 11.75 acres of farmland and equipment. This project is located in Monticello, Illinois. (09-01-01).

A-FB-TE-CD-8195 – Jacob Atherton

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$249,500.00 to provide permanent financing to purchase approximately 74 acres of farmland. This project is located in Mendota, Illinois. (09-01-01).

A-FB-TE-CD-8196 – Duane Bomleny

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$120,000.00 to provide permanent financing to purchase approximately 57.66 acres of farmland. This project is located in Geneseo, Illinois. (09-09-01).

A-FB-TE-CD-8197 – Craig & Leah Steidinger

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$128,000.00 to provide permanent financing to purchase approximately 57.62 acres of farmland. This project is located in Fairbury, Illinois. (09-01-01).

A-FB-TE-CD-8198 – Joe & Dianna Phillips

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$248,544.00 to provide permanent financing to purchase approximately 127.56 acres of farmland. This project is located in Effingham, Illinois. (09-01-01).

A-FB-TE-CD-8199 – Ryan & Elizabeth Barrett

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$160,000.00 to provide permanent financing to purchase approximately 40 acres of farmland. This project is located in Paris, Illinois. (09-01-01).

A-FB-TE-CD-8200 – David Soltwedel

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$248,000.00 to provide permanent financing to purchase approximately 109.66 acres of farmland. This project is located in Effingham, Illinois. (09-01-01).

A-FB-TE-CD-8201 – Benjamin Bollman

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$30,600.00 to provide permanent financing to purchase approximately 10 acres of farmland. This project is located in Dundas, Illinois. (09-01-01).

No guests attended with respect to the eight Beginning Farmer Bonds listed under Project No. 1. Chairman Brandt asked if the Board had any questions with respect to the eight Beginning Farmer Bonds listed under Project No. 1. There being none,

Chairman Brandt requested leave to apply the last unanimous vote in favor of the eight Beginning Farmer Bonds listed under Project No. 1. Leave was granted. Project No. 1 received final approval with 8 ayes, 0 nays, and 0 abstentions.

No. 2: B-LL-TX-8193 – Midwest Investment Solutions, Inc. (Orbital Tool Technologies Corp. Project)

Request for final approval of the issuance of a Participation Loan in an amount not-to-exceed \$485,000.00. Loan proceeds will be used to provide permanent financing for a building addition. This project is expected to create 39 new jobs over two-years, and 20 construction jobs over 7 months **(09-01-02)**

No guests attended with respect to Project No. 2. 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. Leave was granted. Project No. 2 received final approval with 8 ayes, 0 nays, and 0 abstentions.

No. 4: N-NP-TE-8183 – Everest Academy of Lemont, Inc.

Request for preliminary approval of 501(c)3 Bonds in an amount not-to-exceed \$7.5 million. Bond proceeds will be used to finance the construction of Phase I of a new private school campus, refinance outstanding debt, fund capital improvement costs, and pay issuance costs. This project is located in Lemont, Illinois. **(09-01-04)**.

No guests attended with respect to Project No. 4. Chairman Brandt asked if the Board had any questions with respect to Project No. 4. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 4. Leave was granted. Project No. 4 received preliminary approval with 8 ayes, 0 nays, and 0 abstentions.

No. 5: Project Withdrawn

No. 3: M-MH-TE-CD-7261 – Marion Supportive Living, L.P. (River to River Marion SLF Project)

Request for final approval of Affordable Rental Housing Bonds in an amount not-to-exceed \$6.2 million. Bond proceeds will be used to finance the acquisition of land, construction costs, and equipment for a new Supportive Living Facility. This project is expected to create 18 new jobs and 20 construction jobs. This project is located in Marion, Illinois. **(09-01-03)**.

Chairman Brandt asked if there were any guests attending the meeting with respect to Project No. 3. Mr. Rich Frampton, Vice President, introduced Ms. Sherry Hamlin, Executive Director, River-to-River Residential Corporation. Ms. Hamlin, thanked the Board for its consideration and gave a brief description of the project. Chairman Brandt asked if the Board had any questions for Ms. Hamlin. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 3.

Leave was granted. Project No. 3 received final approval with 8 ayes, 0 nays, and 0 abstentions.

No. 6: H-HO-TE-CD-8202 – OSF Healthcare

Request for final approval of 501(c)3 Bonds in an amount not-to-exceed \$650 million. Bond proceeds will be used to refund FSA insured Auction Rate Bonds, potentially refund FSA insured Variable Rate Demand Bonds, potentially finance a portion of an information technology project, and potentially finance termination costs for 3 Swaps associated with IDFA Series 2005 and 2007 bonds. This project is expected to create 40 construction jobs. This project is located in Peoria, Illinois. **(09-01-06)**.

Chairman Brandt asked if there were any guests attending the meeting with respect to Project No. 6. Ms. Pamela Lenane, Vice President, introduced Ms. Michelle Carrothers, Director of Debt Management, OSF, and Anne Donahoe, Financial Advisor. Ms. Carrothers thanked the Board for its consideration and gave a brief description of the project and the purpose of the financing. Chairman Brandt asked if the Board had any questions for Ms. Carrothers. Board Member, Mr. DeNard addressed the absence of minority firms being included on the OSF project's financing team, and also stated that the Authority does have a policy on minority participation and that a commitment is expected from all organizations/companies that receive financial assistance through the Illinois Finance Authority. Dr. Barclay also encouraged OSF to comply with the Authority's policy on minority participation, particularly on a transaction of this size. Ms. Carrothers replied that OSF plans to interview two minority firms, and will then communicate with Ms. Lenane. Chairman Brandt asked if the Board had any more questions with respect to Project No. 6. There being none. Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 6. Leave was granted. Project No. 6 received final 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. Leonard, the meeting adjourned at approximately 11:58 a.m.

Respectfully Submitted,

Carla B. Burgess Jones, Secretary