

**MINUTES OF THE JANUARY 15, 2008 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 15, 2008 at the Mid America Club, 200 E. Randolph Street, 80th floor, Chicago, Illinois:

Members present:

William A. Brandt, Jr., Chair
Michael W. Goetz, Vice Chair
Dr. William J. Barclay
Ronald E. DeNard
James J. Fuentes
Edward H. Leonard, Sr.
Terrence M. O'Brien
Juan B. Rivera
Lynn F. Talbott
Bradley A. Zeller

Members absent:

Magda M. Boyles
Dr. Roger D. Herrin
Andrew W. Rice
Joseph P. Valenti
April D. Verrett

Vacancies:

None

**Members participating by
telephone:**

None

GENERAL BUSINESS

Call to Order, Establishment of Quorum and Roll Call

Chairman Brandt called the meeting to order at 11:35 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 ten (10) members physically present, Ms. Burgess Jones declared a quorum present.

Chairman's Report

Chairman Brandt introduced himself as the Illinois Finance Authority's newly appointed chairman and thanked fellow board members for welcoming him and also thanked guests for attending. Chairman Brandt stated that projects being presented at today's meeting were thoroughly reviewed by each board member at the Committee of the Whole meeting held today at 8:30 a.m. Chairman Brandt then asked Director Hubbard to give the Director's Report.

Executive Director's Report

Director Hubbard welcomed and thanked all guests for coming. Director Hubbard reported that the Illinois Finance Authority's financial performance remains strong with total assets of over \$161 million and gross income of \$1 million over plan. Director Hubbard stated that the above plan performance is primarily due to fee income. Director Hubbard reported that 89 projects would be presented totaling over \$76 million and that approval of these projects are expected to create approximately 80 new jobs and 164 construction jobs.

Acceptance of Financial Statements

Financial statements for the period ending December 31, 2007 were presented to 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. Chairman Brandt asked for a motion to approve the financials. Motion was moved by Ms. Talbott and seconded by Mr. DeNard. Secretary, Carla Burgess Jones, took a roll call vote for approval of the financials. The financials were approved by a roll call vote with 10 ayes, 0 nays, and 0 abstentions.

Minutes

Chairman Brandt announced that the next order of business was to approve the minutes of the December 18, 2007 Special Meeting of the Board. Chairman Brandt announced that the December 18, 2007 minutes were approved at the regularly scheduled Committee of the Whole Meeting held today at 8:30 a.m. Chairman Brandt asked for a motion to approve the minutes. Motion was moved by Mr. Rivera and seconded by Mr. Goetz. Secretary, Carla Burgess Jones, took a roll call vote for approval of the minutes. The minutes were approved by a roll call vote with 10 ayes, 0 nays, and 0 abstentions.

Projects

Chairman Brandt asked Executive Director Hubbard to present the projects for consideration to the Board. Director Hubbard presented agricultural projects in a total approximate amount of \$1,394,400 to the Board for approval. Project 1 includes six (6) individual Beginning Farmer projects:

No. 1:

A-FB-TE-CD-7248 – Russell and Mary DeBaillie

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$250,000 to provide permanent financing to purchase approximately 56 acres of farmland. This project is located in Orion, Illinois. (08-01-01).

A-FB-TE-CD-7249 – Jeremiah Schlipf

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$200,500 to provide permanent financing to purchase approximately 55 acres of farmland. This project is located in Gridley, Illinois. (08-01-01).

A-FB-TE-CD-7250 – Leah Stoller

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$250,000 to provide permanent financing to purchase approximately 80 acres of farmland. This project is located in Gridley, Illinois. (08-01-01).

A-FB-TE-CD-7251 – Richard and Margaret Seibring

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$250,000 to provide permanent financing to purchase approximately 80 acres of farmland. This project is located in Paxton, Illinois. (08-01-01).

A-FB-TE-CD-7252 – Cory Dovenmuehle

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$100,000 to provide permanent financing to purchase approximately 7 acres of farmland with buildings. This project is located in Garden Prairie, Illinois. (08-01-01).

A-FB-TE-CD-7253 – Adam K. Walter

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$187,500 to provide permanent financing to purchase approximately 62.5 acres of farmland. This project is located in Grand Prairie, Illinois. (08-01-01).

No guests attended with respect to Project no. 1. Chairman Brandt asked if the Board had any questions with respect to the Beginning Farmer Bonds presented. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project no.1 which includes six (6) individual Beginning Farmer Bonds. Leave was granted. Project no. 1 which includes six (6) individual Beginning Farmer Bonds received final approval with 10 ayes, 0 nays, and 0 abstentions.

No. 2: A-DR-GT-7255 – Thomas A. Smith

Request for final approval of the issuance of an Agri-Debt Guarantee in an amount not-to-exceed \$156,400 to provide for refinancing the borrower's current term debt. This project is located in Jackson, Illinois. (08-01-02).

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 10 ayes, 0 nays, and 0 abstentions.

No. 3: N-NP-TE-CD-7256 – ASPIRA Inc. of Illinois

Request for preliminary approval of the issuance of 501(c) 3 Revenue Bonds in an amount not-to-exceed \$25 million to finance the acquisition of a building and land, renovations, construction, fund a debt service reserve, pay capitalized interest and pay certain bond issuance costs. This project is expected to create approximately 40 new jobs and 50 construction jobs. This project is located in Chicago, Illinois. (08-01-03).

Chairman Brandt asked if there were any guests attending the meeting with respect to this project. Sharnell Curtis Martin, Senior Funding Manager introduced Mary Beth Welch, CFO. Ms. Welch gave a brief presentation and thanked the Board and the IFA for their consideration. Ms. Welch shared with the Board that the ASPIRA ribbon cutting is scheduled to take place on

January 29, 2008. Chairman Brandt then asked if the Board had any questions with respect to Project no. 3. There being none, Chairman Brandt requested a motion for a roll call vote. Motion moved by Mr. Goetz and seconded by Ms. Talbott. Project no. 3 received preliminary approval with 9 ayes, 0 nays and 1 abstention (Mr. Rivera). Mr. Rivera abstained because his spouse is an employee of ASPIRA Inc. of Illinois.

No. 4: N-PS-TE-CD-7201 – Sacred Heart Schools

Request for final approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed \$25 million to current refund approximately \$13.9M of Series 2003 Adjustable Demand Revenue Bonds issued by the IDFA, refinance an outstanding bank loan to purchase certain real estate, finance the expansion and renovation of a campus facility used for parents, alumni, and community outreach functions, and various campus infrastructure improvements including HVAC, and fund professional and bond issuance costs. This project is expected to create approximately 50 construction jobs over at 12-month period. This project is located in Chicago, Illinois. (08-01-04).

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 a motion for a roll call vote. Motion moved by Mr. DeNard and seconded by Dr. Barclay. Project no. 4 received final approval with 10 ayes, 0 nays and 0 abstentions.

No. 5: M-MH-TE-CD-7253 – DKI, Inc., and its affiliates, successors and assigns (Governor’s House Apartments)

Request for preliminary approval of the issuance of Affordable Rental Housing Bonds in an amount not-to-exceed \$4.75 million for the acquisition and substantial renovation of a vacant 96-unit affordable rental housing property located in University Park. Approximately \$4.75 million of Volume Cap will be required and will be provided from South Suburban Mayors and Managers Association’s 2005 Multi-family Carryforward. The Applicant is not requesting any IFA Volume Cap. The Village of University Park is a member of the South Suburban Mayors and Managers Association. This project is expected to create approximately 1.5 new jobs and 24 construction jobs. This project is located in University Park. (08-01-05).

Chairman Brandt asked if there were any guests attending the meeting with respect to this project. Rich Frampton, Vice President, introduced Mr. Dan Kotcher, President, DKI, Inc. Mr. Kotcher gave a brief presentation and thanked the Board and the IFA for their consideration. Mr. Kotcher shared with the Board that this project is the second project that has been financed by IFA and that he anticipates the renovations to take 9 months to complete. Chairman Brandt then asked if the Board had any questions with respect to Project no. 5. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project no. 5. Leave was granted. Project no. 5 received preliminary approval with 10 ayes, 0 nays, and 0 abstentions.

No. 6: M-MH-TE-CD-7261 – Anna Marion supportive Living, L.P. and its affiliates, successors, and assigns (River to River Anna SLF and River to River Marion SLF Projects)

Request for preliminary approval of Affordable Rental Housing Bonds in an amount not-to-exceed \$11.8 million to finance the acquisition of land, and the construction and equipping of two new 50-unit Supportive Living Facilities. Financing will facilitate construction and development of these properties under the State of Illinois' Supportive Living Facility Program. This project will facilitate development of these properties to provide affordable assisted living facilities in Southern Illinois. The Developer plans to allocate 45 of the 50 units in each property to qualified low and moderate income seniors. The Borrower is requesting that approximately \$11.8 million of 2007 Carryforward Volume Cap (or 2008 Volume Cap) will be provided by the Governor's Office of Management and Budget to finance these projects with Tax-Exempt Bonds. This project is expected to create approximately 16.5 new jobs and 40-139 construction jobs over a 12-month period. This project is located in Anna and Marion, Illinois. (08-01-06).

No guests attended with respect to Project no. 6. Chairman Brandt asked if the Board had any 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 preliminary approval with 10 ayes, 0 nays, and 0 abstentions.

No. 7: A-LL-TX-7254 – Kent Sorrells

Request for final approval of the issuance of a Participation Loan in an amount not-to-exceed \$275,000 to finance the purchase of a new barge for transporting grain. This project is located in Raymond, Illinois. (08-01-07).

No guests attended with respect to Project no. 7. Chairman Brandt asked if the Board had any questions with respect to Project no. 7. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project no. 7. Leave was granted. Project no. 7 received final approval with 10 ayes, 0 nays, and 0 abstentions.

No. 8: I-ID-TE-CD-7247 – Superior Manufacturing Group, Inc. and/or its Affiliates, Successors, and Assigns

Request for final approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed \$7.85 million to finance or reimburse costs incurred to acquire land and a 241,280 square foot industrial building, renovate the building and acquire and install machinery and equipment, and pay legal and other professional costs. This project is expected to create approximately 22 new jobs within a 2-year period. This project is located in Bedford Park, Illinois. (08-01-08).

No guests attended with respect to Project no. 8. Chairman Brandt asked if the Board had any questions with respect to Project no. 8. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project no. 8. Leave was granted. Project no. 8 received preliminary approval with 10 ayes, 0 nays, and 0 abstentions.

Resolutions/Amendatory Resolutions

- No. 9:** **Beloit Memorial Hospital.** Resolution authorizing the execution and delivery of an Amended and Restated Bond Trust Indenture and an Amended and Restated Loan Agreement related to the Authority's Series 2004 Bonds and Series 2006A and B Bonds to permit the addition of a Letter of Credit to supplement the Radian Assurance bond insurance policy.
- No. 10:** **Adventist Health System/Sunbelt Obligated Group.** Resolution approving the restructuring of \$60M in aggregate principal amount of Illinois Development Finance Authority Revenue Bonds, Series 2000B, Auction Reset Securities (ARS), and authorizing the execution, delivery and/or approval of certain documentation related to such restructuring.
- No. 11:** **Lively Grove Energy Partners, LLC.** Request to Amend Preliminary Resolutions adopted December 18, 2007 to authorize the issuance of up to \$18,756,000 in Bonds for Lively Grove Energy Partners, LLC.
- No. 12:** **Prairie Power, Inc.** Request to Amend Preliminary Resolutions adopted December 18, 2007 to authorize the issuance of up to \$26,131,000 in Bonds for Prairie Power, Inc.
- No. 13:** **Southern Illinois Power Cooperative.** Request to Amend Preliminary Resolutions adopted December 18, 2007 to authorize the issuance of up to \$25,113,000 in Bonds for Southern Illinois Power Cooperative.
- No. 14:** **North Shore Arena, LLC.** Request to Amend a Resolution adopted November 13, 2007 for the North Shore Arena, LLC. Purpose of the Bonds are to (i) Change the Underwriter; (ii) Permit the Bonds to be sold in \$25,000 Minimum Denominations; and (iii) Modify the Indenture.
- No. 15:** **Brad and Pam Miller.** Resolution authorizing the execution and delivery of an Amended and Restated Loan Agreement, extending the term of Guarantee for Brad and Pam Miller (Loan #2001-SL-0099).

Chairman Brandt asked if the Board had any questions with respect to the Amendatory Resolutions. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Amendatory Resolution nos. 9 through 15. Leave was granted. Amendatory Resolution nos. 9 through 15 was approved with 10 ayes, 0 nays, and 0 abstentions.

Chairman Brandt asked if there was any other business to come before the Board. There being no further business, Chairman Brandt requested a motion to adjourn. Upon a motion by Mr. Goetz and seconded by Ms. Talbott, the meeting adjourned at approximately 12:01 p.m.

Respectfully Submitted,

Carla B. Burgess Jones, Secretary