

**MINUTES OF THE COMPENSATION COMMITTEE OF THE BOARD OF
DIRECTORS OF THE ILLINOIS FINANCE AUTHORITY**

The Compensation Committee (the "Committee") of the Board of Directors of the Illinois Finance Authority (the "IFA"), pursuant to notice duly given, held a meeting at 10:30AM on June 12, 2007 at the Illinois State Library located at 300 S. Second Street, Author's Room, Springfield, Illinois.

MEMBERS PRESENT: David Gustman, Chairman Joseph Valenti	MEMBERS ABSENT: James Fuentes, Board Member
IFA STAFF PRESENT: Kym Hubbard, Executive Director Stuart Boldry, Chief Operating Officer, Assistant Secretary Carla Burgess Jones, Secretary	OTHER GUESTS IN ATTENDANCE: Kim Copp, General Counsel, Shefsky & Froelich Leslie Carey, Shefsky & Froelich Gary Polega, Laner Muchin (via telephone)

Call to Order

The meeting was called to order at 10:30AM by Chairman Gustman.

Approval of September 27, 2006 Minutes

Chairman Gustman asked Mr. Boldry if the minutes from last meeting were in order. Mr. Boldry indicated that he believed they were and presented them to Mr. Gustman and Mr. Valenti. Mr. Gustman asked the committee members for any comments, additions, or changes. As there were none, the minutes were accepted and approved by the Committee.

New Business

A. Comparison of State of Illinois Pension Plan ("Pension Plan") to IFA's Individual Account Plan (the "Plan")

Mr. Boldry introduced Mr. Polega, Laner Muchin, who represents IFA in matters relating to the Plan. Mr. Boldry reminded the Committee that at the last Committee meeting Committee members requested a comparison of the Pension Plan to the Plan. Mr. Boldry asked Mr. Polega to provide such comparison. Mr. Polega presented a brief summary of the results of a comparison of the Pension Plan to the Plan. Specifically, Mr. Polega noted that the Plan is a "defined contribution plan" and the Pension Plan is a "defined benefit plan." Mr. Polega explained the difference between these types of plans and also noted the differences in the eligibility and vesting requirements of the Plan versus the Pension Plan. Discussion ensued.

B. The IFA Individual Account Plan

Mr. Boldry and Mr. Polega reviewed for the Committee the key components of the Plan. Mr. Boldry also presented to the Committee information regarding staff participation in the Plan. Mr. Polega presented an update concerning the status of the Plan approval with the IRS. Specifically, Mr. Polega announced that because of changes in IRS rules, the Plan would be filed with the IRS on or after January 1, 2008 in an effort to receive a "favorable determination" letter relating to the Plan. Committee members asked questions regarding the IRS filing process. Mr. Polega answered these questions.

Mr. Boldry then discussed the reason for a Board Resolution asking the Board to approve continuation of the Plan. In particular, Mr. Boldry noted that last year the Board approved the Plan to be in effect until June 30, 2007. Mr. Boldry explained that because of the Plan's success, the IFA is requesting that the Committee recommend to the Board approval of a resolution to continue the Plan in the future. Mr. Boldry presented a draft resolution to the Committee. Ms. Copp explained the resolution to be presented to the Board at the Board meeting to be held at 3:00 p.m. Committee members reviewed the resolution and expressed their support of such resolution.

Lastly, Mr. Polega outlined the process that IFA must undertake to add and remove trustees from the Plan. Mr. Boldry indicated that there would be changes in the trustees and that this process would commence shortly in anticipation of holding the Plan's first trustee meeting sometime in July.

At this point, Mr. Polega, Ms. Burgess Jones, Ms. Copp and Ms. Carey left the meeting.

Personnel Matter

Committee members held discussions concerning a proposed severance arrangement for Ms. Jill Rendleman, former Interim Executive Director of IFA. Committee members asked Mr. Boldry about severance compensation paid to other IFA employees in the past. Mr. Boldry answered these questions. The Committee held a full discussion on the matter.

Adjournment

There being no further business before the Committee, Chairman Gustman adjourned the meeting at 11:30AM.

Respectfully submitted,

J. Stuart Boldry, Jr., Assistant Secretary