

**MINUTES OF THE REGULARLY SCHEDULED 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 its regularly scheduled meeting at 11:30 a.m., on June 13, 2006 at the Illinois State Library, 300 S. Second Street, Rooms 403-404, Springfield, Illinois:

Members present:

David C. Gustman, Chairman
Magda M. Boyles
James J. Fuentes
Demetris A. Giannoulis
Michael W. Goetz
Edward H. Leonard, Sr.
Juan B. Rivera
Joseph P. Valenti
Bradley A. Zeller

Members absent:

Dr. Roger D. Herrin
Martin H. Nesbitt
Terrence M. O'Brien

**Members participating by
telephone:**

Ronald E. DeNard
Andrew W. Rice
Lynn F. Talbott

GENERAL BUSINESS

Call to Order and Roll Call

Chairman Gustman called the meeting to order at 11:30 a.m. with the above members present. Chairman Gustman asked Carla Burgess Jones, Secretary, to call the roll. Ms. Burgess Jones called the roll. There being nine (9) members physically present and three (3) members present by telephone, Ms. Burgess Jones declared a quorum present.

Interim Executive Director's Report

Chairman Gustman welcomed everyone present and asked Interim Executive Director Rendleman to give her report. Interim Executive Director Rendleman announced that the Authority continued to outperform its goal relating to the number and dollar amount of bond transactions. Ms. Rendleman thanked everyone for their continued support of the Authority. Director Rendleman then announced that there would be 38 projects presented to the Board for approval at the meeting.

Acceptance of Financial Statements

Financial statements for period ending May 31, 2006 were accepted by all board members present.

Minutes

Upon a motion by Mr. Leonard and seconded by Mr. Rivera, Chairman Gustman requested a roll call vote to approve the minutes of the IFA's board meeting held on May 9, 2006. The motion was approved with 12 ayes, 0 nays, and 0 abstentions.

Projects

Chairman Gustman asked Interim Executive Director Rendleman to present the projects for consideration to the Board. Chairman Gustman reminded everyone that the Board considered each of the projects to be presented in detail at the 8:30 a.m. meeting of the Committee of the Whole. Chairman Gustman asked Director Rendleman to present the projects to the Board for approval. In an effort to accommodate the schedule of certain guests appearing at the meeting, Chairman Gustman asked Director Rendleman to begin with project No. 28 - Quad County Ready Mix Corp. and thereafter to proceed with the other projects. Director Rendleman presented the following projects to the Board for approval:

No. 28: I-ID-TE-6097 – Quad County Ready Mix Corp.

Request for final approval of the issuance of industrial revenue bonds in an amount not-to-exceed \$1,100,000 for the purpose of financing the acquisition of ten concrete ready-mix trucks. This project is expected to create seven new jobs. Volume cap in the amount of \$1,100,000 will be required for the project. (06-06-28).

Chairman Gustman asked if there were any guests attending the meeting with respect to this project. Funding manager, Steve Trout, introduced Mr. Herbert Hustedde, President of Quad County Ready Mix Corp., and Ms. Miyun Cho, GE Capital, to the Board. Mr. Hustedde thanked the Board for consideration of the project. Chairman Gustman asked if the Board had any questions. After all questions were asked and answered, Chairman Gustman requested leave to record the last unanimous vote in favor of this project. Leave was granted. The project was approved with 12 ayes, 0 nays, and 0 abstentions.

No. 1: A-DR-GT-6123 – Tony and Marsha Snow

Request for approval of the issuance of an Agri-Debt Guaranty of a loan in an amount not-to-exceed \$499,000, the proceeds of which will be used to fund the consolidation of existing real estate mortgages and equipment loans. (06-06-01).

No. 2: A-LL-TX-6111 – Trainor Elevator Limited Partnership

Request for approval of a participation loan in an amount not-to-exceed \$293,580 for the purpose of funding the acquisition and construction of additional storage facilities, large capacity grain legs and unloading facilities. (06-06-02).

No. 3 A-LL-TX-6115 – Darrell Runge

Request for approval of a participation loan in an amount not-to-exceed \$92,500 for the purpose of financing the purchase of 60 acres of farmland. (06-06-03).

No. 4 A-LL-TX-6118 – Phillip and Carla Lehman

Request for approval of a participation loan in an amount not-to-exceed \$205,000 for the purpose of purchasing 155.5 acres of farm land for corn and/or soybean production. (06-06-04).

No. 5 A-LL-TX-6124 & A-LL-TX-6125 – PitchCo. Inc.

Request for approval of a participation loan in an amount not-to-exceed \$750,000 for the purpose of financing additional sows and a second participation loan in an amount not-to-

exceed \$250,000 (for a total participation of \$1,000,000) for the purpose of financing improvements and renovations of an existing hog facility. This project is expected to create three new jobs and six construction jobs. (06-06-05).

No. 6: A-LL-TX-6126 – Sunrise Ag Service Company

Request for approval of a participation loan in an amount not-to-exceed \$1,000,000 for the purpose of funding the acquisition of various equipment related to the construction of a bulk petroleum plant. This project is expected to create 9 new jobs and 35 construction jobs. (06-06-06).

Chairman Gustman asked if there were any guests attending the meeting with respect to this project. Funding manager, Townsend Albright, introduced representatives of Sunrise Ag Service Company to the Board who provided the Board an overview of the Sunrise Ag Service Company project (see also project No. 9).

No. 7: B-LL-TX-6110 – Vern Stade d/b/a Stade Dairy Farm

Request for approval of a participation loan in an amount not-to-exceed \$200,000 for the purpose of financing construction of a farm building to house hay and vegetables for resale. This project is expected to create 24 new jobs. (06-06-07)

No. 8: A-SG-TX-GT-6114 – Christopher R. and Peggy Fredrickson

Request for approval of issuance a Specialized Livestock Guaranty for a loan in an amount not-to-exceed \$740,000, the proceeds of which will be used for the purpose of consolidating existing IFA guaranteed debt along with debt incurred by the borrower to make certain improvements. (06-06-08)

No. 9: A-ID-TE-CD-6103 – Sunrise Ag Service Company

Request for preliminary approval of the issuance of industrial revenue bonds in an amount not-to-exceed \$5,500,000 for the purpose of (i) purchasing land, machinery and equipment; (ii) funding building costs; and (iii) paying legal, professional, engineering and other costs. This project is expected to create nine new jobs and 35 construction jobs. Volume cap in the amount of \$5,500,000 will be required for the project. (06-06-09)

No. 10: A-FB-TE-CD-6012 – Matthew & Marva Schilling

Request for approval of issuance of a Beginning Farmer Bond in an amount not-to-exceed \$70,000 for the purpose of acquiring farmland. This project will use dedicated 2006 Volume Cap set-aside for Beginning Farmer Bond transactions. (06-06-10).

A-FB-TE-CD-6104 – Kevin Ikemire

Request for approval of issuance of a Beginning Farmer Bond in an amount not-to-exceed \$99,750 for the purpose of acquiring farmland. This project will use dedicated 2006 Volume Cap set-aside for Beginning Farmer Bond transactions. (06-06-10).

A-FB-TE-CD-6108 – Michael Kistner

Request for approval of issuance of a Beginning Farmer Bond in an amount not-to-exceed \$40,000 for the purpose of purchasing farmland. This project will use dedicated 2006 Volume Cap set-aside for Beginning Farmer Bond transactions. (06-06-10).

Chairman Gustman asked if there were any other guests attending the meeting with respect to project Nos. 1 through 10. There being none, Chairman Gustman asked if the Board had any questions with respect to project Nos. 1 through 10. After all questions were asked and answered, Chairman Gustman requested leave to record the last unanimous vote in favor of the projects. Leave was granted. The projects were approved with 12 ayes, 0 nays, and 0 abstentions.

No. 11: H-HO-TE-CD-6133 – Kewanee Hospital

Request for preliminary approval of the issuance of 501(c)(3) Bonds in an amount not-to-exceed \$40,000,000 for the purpose of: (i) funding new projects; (ii) reimbursing prior capital expenditures; (iii) refinancing certain outstanding debt; (iv) funding a debt service reserve fund; (v) funding capitalized interest and (vi) paying costs of issuance. This project is expected to create 150-175 construction jobs. (06-06-11).

No. 12: H-SL-RE-TE-CD-6109 – Lutheran Hillside Village

Request for preliminary approval of the issuance of 501(c)(3) Bonds in an amount not-to-exceed \$50,000,000 for the purpose of: (i) funding an escrow to advance refund outstanding Series 2001A and Series 2001B Bonds; (ii) funding a debt service reserve fund; and (iii) paying costs of issuance relating to the bonds. (06-06-12).

No. 13: H-SL-RE-TE-CD-6012 – Three Crowns Park

Request for preliminary approval of the issuance of 501(c)(3) Bonds in an amount not-to-exceed \$65,000,000 for the purpose of: (i) paying for development, marketing, construction and other related costs associated with the redevelopment project; (ii) establishing debt service reserve funds; (iii) funding interest payments, letter of credit, remarketing and other fees and ongoing issuance costs for a period of approximately 24 months and (iv) paying certain costs of issuance related to the bonds. This project is expected to create 40 new jobs and 125 construction jobs. (06-06-13).

Chairman Gustman asked if there were any guests attending the meeting with respect to project Nos. 11 through 13. There being none, Chairman Gustman asked if the Board had any questions. After all questions were asked and answered, Chairman Gustman requested leave to record the last unanimous vote in favor of project Nos. 11 through 13. Leave was granted. The projects were approved with 12 ayes, 0 nays, and 0 abstentions.

No. 14: H-HO-TE-CD-6013 – Delnor Community Hospital

Request for final approval of the issuance of 501(c)(3) Bonds in an amount not-to-exceed \$60,000,000 for the purpose of: (i) funding new projects; (ii) funding capitalized interest during the construction period, if necessary; and (iii) paying costs of issuance related to the bonds. This project is expected to create 100 new jobs and 200 construction jobs. (06-06-14).

Chairman Gustman asked if there were any guests attending the meeting with respect to this project. There being none, Chairman Gustman asked if the Board had any questions. After all questions were asked and answered, Chairman Gustman requested a roll call vote to approve project No.14. The project was approved with 11 ayes, 0 nays, and 1 abstention (Boyles). Ms.

Magda Boyles abstained from voting on the project because from time to time her law firm, Vedder Price, provides legal services to Delnor Community Hospital.

No. 15: H-SL-RE-TE-CD-6088 – Tabor Hills

Request for final approval of the issuance of 501(c)(3) Bonds in an amount not-to-exceed \$12,000,000 for the purpose of: (i) paying the cost of construction of a 95-unit supportive living facility; (ii) paying for letter of credit expenses; and (iii) paying for certain costs of issuance relating to the bonds. This project is expected to create 40 new jobs and 85 construction jobs. (06-06-15).

No. 16: H-HO-TE-CD-6022 – Beloit Memorial Hospital

Request for final approval of the issuance of 501(c)(3) Bonds in an amount not-to-exceed \$54,000,000 for the purpose of: (i) funding new projects; (ii) reimbursing capital expenditures; (iii) refinancing certain outstanding debt; (iv) funding a debt service reserve fund; (v) funding capitalized interest and (vi) paying costs of issuance relating to the bonds. This project is expected to create 95 new jobs and 155 construction jobs. (06-06-16).

Chairman Gustman asked if there were any guests attending the meeting with respect to project Nos. 15 and 16. There being none, Chairman Gustman asked if the Board had any questions. After all questions were asked and answered, Chairman Gustman requested a roll call vote to approve project Nos. 15 and 16. The projects were approved with 12 ayes, 0 nays, and 0 abstentions.

No. 17: N-NP-TE-CD-6105 – Jewish Federation of Metropolitan Chicago, Jewish Charities Revenue Anticipation Note Program, Series 2006-2007A/B

Request for final approval of the issuance of revenue anticipation notes in an amount not-to-exceed \$35,000,000 for the purpose of providing cash management savings to the Jewish Federation of Metropolitan Chicago to be used to expand services provided to its affiliated organizations. (06-06-17).

No. 18: M-MH-TE-CD-6033 – Concordia Place Apartments, L.P.

Request for final approval of the issuance of affordable rental housing bonds in an amount not-to-exceed \$800,000 for the purpose of financing cost overruns associated with unforeseen structural repairs to augment existing financing that financed the acquisition and substantial rehabilitation of an existing multi-family rental property in Chicago, IL. (06-06-18).

No. 19: L-G-MO-6099 – Long Creek Township

Request for final approval of the issuance of Local Government Bonds in an amount not-to-exceed \$1,370,000 for the purpose of advance refunding outstanding bonds issued by the Illinois Rural Bond Bank and paying issuance costs related to the bonds. (06-06-19).

Chairman Gustman asked if there were any guests attending the meeting with respect to project Nos. 17 through 19. There being none, Chairman Gustman asked if the Board had any questions. After all questions were asked and answered, Chairman Gustman requested leave to record the

last unanimous vote in favor of project Nos. 17 and 19. Leave was granted. The projects were approved with 12 ayes, 0 nays, and 0 abstentions.

No. 20: LSD-TE-CD-6122 – Waterloo Community Unit School District Number 5

Request preliminary approval of the issuance of tax exempt bonds in an amount not-to-exceed \$45,000,000 for the purpose of financing costs of building a new high school and refinancing existing long-term debt. (06-06-20).

Chairman Gustman asked if there were any guests attending the meeting with respect to this project. Ms. Nona Myers introduced the Superintendent of the Waterloo Community Unit School District Number 5 and other representatives of the project who provided the Board with an overview of the project. Chairman Gustman asked if the Board had any questions. After all questions were asked and answered, Chairman Gustman requested a roll call vote to approve project No. 20. The project was approved with 11 ayes, 0 nays, and 1 abstention (Boyles). Ms. Magda Boyles abstained from voting on the project because from time to time her law firm, Vedder Price, provides legal services to Waterloo Community Unit School District Number 5.

No. 21: B-LL-TX-6113 – BP Professional Building LLC

Request for approval of a participation loan in an amount not-to-exceed \$675,000 for the purpose of financing acquisition of a medical office building. This project is expected to create two new jobs. (06-06-21).

No. 22: B-LL-TX-6129 – Sonnenberg Asphalt Co., Inc./KKLL, Inc. with operating company Sonnenberg Paving & Landscaping Materials Company

Request for approval of a participation loan in an amount not-to-exceed \$718,000 for the purpose of financing the purchase of land, construction of a building and purchase of equipment. This project is expected to create 10 new jobs and 15 construction jobs. (06-06-22).

No. 23: B-LL-TX-6107 – Dale and Connie Carlton

Request for approval of a participation loan in an amount not-to-exceed \$402,750 for the purpose of financing the renovation and acquisition of a manufacturing facility in Danville, IL. This project is expected to create nine new jobs and six construction jobs. (06-06-23).

No. 24: B-LL-TX-6134 – Wire Mesh Corporation

Request for approval of a participation loan in an amount not-to-exceed \$1,000,000 for the purpose of financing the acquisition of land, construction of a new industrial building and acquisition of new equipment. This project is expected to create 100 new jobs and 75 construction jobs over a nine month period. (06-06-24).

No. 25: B-LL-TX-6135 – Paul and Susan Cimaroli

Request for approval of a participation loan in an amount not-to-exceed \$60,000 for the purpose of financing the acquisition of a commercial building in Princeton, IL. This project is expected to create one new job. (06-06-25)

Chairman Gustman asked if there were any guests attending the meeting with respect to this project. There being none, Chairman Gustman asked if the Board had any questions. After all questions were asked and answered, Chairman Gustman requested a roll call vote to approve project Nos. 21 through 25. The projects were approved with 12 ayes, 0 nays, and 0 abstentions.

No. 26: B-LL-TX-6063 – Bitwise Communications, Inc. d/b/a OmniLEC

Request for approval of a direct loan in an amount not-to-exceed \$250,000 for the purpose of financing the acquisition of new telecommunications equipment. This project is expected to create five new jobs. (06-06-26)

Chairman Gustman asked if there were any guests attending the meeting with respect to this project. Mr. Jim Senica introduced principals of Bitwise Communications to the Board who provided the Board with an overview of the project. Chairman Gustman asked if the Board had any questions. After all questions of the Board were asked and answered, Chairman Gustman requested leave to record the last unanimous vote in favor of this project. Leave was granted. The project was approved with 12 ayes, 0 nays, and 0 abstentions.

No. 27: I-ID-TE- 6120 – Aurora Bearing Company

Request for preliminary approval of the issuance of industrial revenue bonds in an amount not-to-exceed \$6,750,000 for the purpose of financing the acquisition and conversion of an industrial building located in Montgomery, IL. This project is expected to create 50 new jobs and 40 construction jobs. Volume cap in the amount of \$6,750,000 will be required for the project. (06-06-27)

No. 29: I-ID-TE- 6119 – DD Leasing, LLC

Request for final approval of the issuance of industrial revenue bonds in an amount not-to-exceed \$1,900,000 for the purpose of financing the acquisition of an asphalt grinder, concrete batch plant and auxiliary equipment for the manufacture of concrete. This project is expected to create five new jobs and 10 construction jobs. Volume cap in the amount of \$1,900,000 will be required for the project. (06-06-29)

No. 30: I-IRD-TX-CD-580/I-TX-LL-6127 – Beecher Sexton Energy, LLC

Request for final approval of the issuance of taxable industrial revenue bonds in an amount not-to-exceed \$2,700,000 for the purpose of financing the acquisition and installation of blowers, electric power generation and transmission equipment and facilities at a landfill and costs of issuance related to the bonds. In connection with the project, the Authority will fund an amount equal to the lesser of \$600,000 or 200% of the maximum annual debt service in a reserve to pay principal and interest on the bonds in the event that project cashflows are insufficient. This project is expected to create four new jobs and 25 construction jobs over a period of six months. (06-06-30)

No. 31: I-ID-TE-CD-680 – Meyer Industries, LLC

Request for final approval of the issuance of industrial revenue bonds in an amount not-to-exceed \$7,000,000 for the purpose of financing the acquisition of land and to construct and equip an industrial facility to manufacture air and bulk dry solids processing

equipment. This project is expected to create ten new jobs and 100 construction jobs. Volume cap in the amount of \$7,000,000 will be required for the project. (06-06-31)

No. 32: E-PC-TE-CD-6096 – The Federation of Independent Illinois Colleges and Universities Revenue Anticipation Note Program (Elmhurst College, Eureka College and Lincoln College)

Request for final approval of the issuance of revenue anticipation notes in an amount not-to-exceed \$12,700,000 for the purpose of providing working capital and funding issuance costs relating to the bonds. (06-06-32)

Chairman Gustman asked if there were any guests attending the meeting with respect to project Nos. 27 and 29 through 32. There being none, Chairman Gustman asked if the Board had any questions with respect to the above projects. After all questions of the Board were asked and answered, Chairman Gustman requested leave to record the last unanimous vote in favor of project Nos. 27 and 29 through 32. Leave was granted. The projects were approved with 12 ayes, 0 nays, and 0 abstentions.

No. 33: E-PC-TE-CD-6121 – Northern Illinois University Foundation

Request for preliminary approval of the issuance of 501(c)(3) bonds in an amount not-to-exceed \$15,495,000 for the purpose of financing construction of a new academic and athletic performance center for Northern Illinois University. This project is expected to create one new job and 19 construction jobs over a 13 month period. (06-06-33)

No. 34: E-PC-TE-CD-6128 – Northwestern University

Request for preliminary approval of the issuance of 501(c)(3) bonds in an amount not-to-exceed \$155,000,000 for the purpose of refunding outstanding Series 1997 Revenue Bonds. (06-06-34)

Chairman Gustman asked if there were any guests attending the meeting with respect to project Nos. 33 and 34. There being none, Chairman Gustman asked if the Board had any questions. After all questions were asked and answered, Chairman Gustman requested a roll call vote to approve project Nos. 33 and 34. The projects were approved with 11 ayes, 0 nays, and 1 abstention (Boyles). Ms. Magda Boyles abstained from voting on the project because from time to time her law firm, Vedder Price, provides legal services to Northern Illinois University and Northwestern University.

No. 35: E-PC-TE-CD-6085 – Educational Advancement Fund, Inc. (University Center Project)

Request for final approval of the issuance of 501(c)(3) student housing revenue refunding bonds in an amount not-to-exceed \$45,000,000 for the purpose of refunding a maximum of \$45,000,000 of the outstanding principal balance of Illinois Educational Facilities Authority, Series 2002 Student Housing Revenue Bonds in an effort to achieve interest rate savings on bonds eligible to be called in 2007. (06-06-35)

Chairman Gustman asked if there were any guests attending the meeting with respect to this project. Funding manager, Rich Frampton, introduced representatives of the Educational

Advancement Fund, Inc. to the Board. The representatives provided to the Board an overview of the project.

Resolutions/Project Revision/Amendatory Resolutions

No. 36: B-LL-TX-6041 - KK Stevens Publishing Company

Request approval to increase the Authority's participation in a loan from the originally-approved not-to-exceed amount of \$600,000 to \$700,000. (06-06-36).

No. 37: B-LL-TX-674 – Macon Metal Products Co., Inc.

Request approval to extend the Authority's commitment to participant in a loan in an amount not-to-exceed \$100,000 with Midland State Bank of Eflingham for the benefit of Macon Metal Products Co., Inc. to October 2006. (06-06-37).

No. 38: Resolution 2006-25.

Request approval of Resolution 2006-25 which will amend the Authority's Healthcare Initiative Private Placement Program (the "Program") for Small and Mid-Size Rural and Urban Not-For-Profit Hospitals, Critical Access Hospitals and Community Providers of Behavioral Healthcare Services in the State of Illinois to permit the public offering (as well as private placement) of bonds for those facilities designates as "critical access hospitals" under the Program.

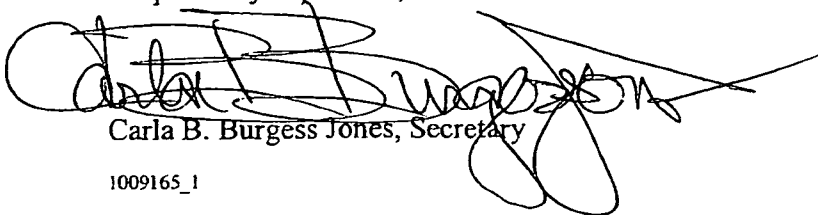
Day One Network (handout)

Request approval for the Authority to make a participation loan for Day One Network with Valley Bank rather than The Private Bank as originally approved by the Authority. (06-06-39).

Chairman Gustman asked if there were any other guests attending the meeting with respect to project Nos. 35 through 39. There being none, Chairman Gustman asked if the Board had any questions. After all questions were asked and answered, Chairman Gustman requested a roll call vote to approve project Nos. 35 through 39. The projects were approved with 12 ayes, 0 nays, and 0 abstentions.

Chairman Gustman asked if there was any other business to come before the Board. There being no further business Chairman Gustman requested a motion to adjourn. Upon a motion by Mr. Leonard and seconded by Mr. Goetz, the meeting adjourned at approximately 12:00 p.m.

Respectfully Submitted,



Carla B. Burgess Jones, Secretary

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