

**ILLINOIS FINANCE AUTHORITY
JUNE 14, 2005
BOARD MEETING**

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 14, 2005 in the Illinois State Library (Rooms 403 and 404) at 300 South Second Street, in Springfield, Illinois.

Members Present:
James J. Fuentes
Michael W. Goetz
David C. Gustman
Dr. Roger D. Herrin
Edward H. Leonard, Sr.
Martin H. Nesbitt
Joseph P. Valenti
Bradley A. Zeller

*Members Present Via Telephone:
Natalia Delgado
Terrence M. O'Brien

Members Absent:
Demetris Giannoulas
Timothy K. Ozark
Andrew W. Rice

*Ms. Delgado and Mr. O'Brien exited the meeting via teleconference at 12:20 p.m. after a vote was taken on project consideration Item No. 17 relating to Advocate Health Care Network.

GENERAL BUSINESS ITEMS

Call to order

Chairman Gustman called the meeting to order at 11:32 a.m., with the above members present.

Roll Call

Chairman Gustman asked Secretary Pisarcik to call the roll. There being eight members physically present, a quorum was declared. Secretary Pisarcik also noted that two members were present via telephone.

Chairman's Report

Chairman Gustman, after confirming that Board members Delgado and O'Brien could hear and be heard, thanked everyone present for traveling to Springfield for the meeting. Chairman Gustman recognized that many people in attendance were there because of the Board's consideration of a refunding for Advocate Health Care Network. As a result, Chairman Gustman announced that the discussion would begin with consideration of the Advocate Health Care Network refunding, Item 17 on the June 14, 2005 agenda.

Item 17 H-HO-TE-CD-586 Advocate Health Care Network

Advocate Health Care Network, with multiple locations, seeks final approval of refunding of 501(c)(3) bonds in an amount not-to-exceed **\$250 million** refinance existing bonds and pay issuance costs.

Chairman Gustman announced that the meeting would begin with comments from representatives (William Dempsey and Chiraq Mehta) of the Service Employees International Union ("SEIU"). The SEIU representatives addressed the Board concerning matters raised in SEIU's letter to the Board dated June 8, 2005, as well as additional information regarding Advocate Health Care. The Board members acknowledged receipt and consideration of the SEIU's letter, as well as a letter dated June 9, 2005 from Advocate Health Care Network. Chairman Gustman then provided representatives (Larry Majka, Dominic Nakis, Gail Hasbrouck, Tony Mitchell, and John Ruff) of Advocate the opportunity to address the Board concerning matters raised in SEIU's letter. Members of the Board then asked a series of questions of IFA's outside counsel and, after receiving satisfactory answers, certain Board members discussed various issues and matters relating to the refunding.

Upon a motion by Mr. O'Brien, seconded by Mr. Valenti, Chairman Gustman requested a roll call vote. The motion was approved with 8 ayes, 0 nays and 2 abstentions.

Interim Executive Director's Report

Director Rendleman gave an overview of the projects presented to the Members this month, noting there are \$997,805,000.00 in requests.

Acceptance of May 2005 Financial Statements

Chairman Gustman asked the Members if there were any questions/comments on the financial statements. There being none, the Financial Statements were unanimously accepted.

Acceptance of Minutes of May 2005 Board Meeting

Upon a motion by Mr. Valenti, and seconded by Mr. Leonard, Chairman Gustman requested a roll call vote. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present.

Project Considerations

AGRICULTURE:

Item-03 **A-SG-TX-GT-572 John C. Newcomer and John H. Newcomer**
John C. and John H. Newcomer, of Lanark, seek preliminary approval for a livestock guarantee in an amount not-to-exceed **\$950,000**.

Chairman Gustman requested leave of the Members to apply the last unanimous vote. Leave was granted. The motion was approved with 8 ayes, 0 nays and 0 abstentions/present.

Item-04 **A-DR-TX-606 William Jaegel**
William Jaegel, of Tonica, seeks preliminary approval of an agricultural guarantee in an amount not-to-exceed **\$450,000**.

Chairman Gustman requested leave of the Members to apply the last unanimous vote. Leave was granted. The motion was approved with 8 ayes, 0 nays and 0 abstentions/present.

Item-05 **A-DR-TX-596 Perry and Pam Jungels**
Perry and Pam Jungels, of Hinckley, seek preliminary approval of an agricultural guarantee in an amount not-to-exceed **\$400,000**.

Chairman Gustman requested leave of the Members to apply the last unanimous vote. Leave was granted. The motion was approved with 8 ayes, 0 nays and 0 abstentions/present.

Item-06 **A-FB-TE-CD-603 John and Shelly Hunter**
A-FB-TE-CD-609 Brian Schwierjohn

Seeking Preliminary Approval of Beginning Farmer Bonds:

John and Shelly Hunter of Burnside, in an amount not-to-exceed **\$147,000**.
Brian Schwierjohn of Pocahontas, in an amount not-to-exceed **\$163,000**.

Chairman Gustman requested leave of the Members to apply the last unanimous vote. Leave was granted. The motion was approved with 8 ayes, 0 nays and 0 abstentions/present.

Item-07 **A-FB-TE-CD-568 Robert and Brandi Peterson**
A-FB-TE-CD-569 Kurt Uphoff
A-FB-TE-CD-570 Craig and Maura Miller
A-FB-TE-CD-582 Charlie Ford
A-FB-TE-CD-585 Cole Ervin

Seeking Final Approval of Beginning Farmer Bonds:

Robert and Brandi Peterson of Hudson, in an amount not-to-exceed **\$45,000.**

Kurt Uphoff of Minonk, in an amount not-to-exceed **\$125,000.**

Craig and Maura Miller of Monmouth, in an amount not-to-exceed **\$175,000.**

Charlie Ford of Lomax, in an amount not-to-exceed **\$160,000.**

Cole Ervin of Toledo, in an amount not-to-exceed **\$90,000.**

Chairman Gustman requested leave of the Members to apply the last unanimous vote. Leave was granted. The motion was approved with 8 ayes, 0 nays and 0 abstentions/present.

COMMUNITIES AND CULTURE

Item-08 ***N-ND-TE-CD-593 Jewish Federation of Metropolitan Chicago***

Jewish Federation of Metropolitan Chicago, with locations throughout the metropolitan Chicago area, is seeking final approval for 501(c)(3) bonds in an amount not-to-exceed **\$35 million** to expand services provided to its affiliated organizations.

Chairman Gustman requested leave of the Members to apply the last unanimous vote. Leave was granted. The motion was approved with 8 ayes, 0 nays and 0 abstentions/present.

Item-09 ***E-PS-TE-CD-538 Lake Forest Country Day School***

Lake Forest Country Day School, located in Lake Forest, is seeking final approval for 501(c)(3) bonds in an amount not-to-exceed **\$23 million**. Proceeds will be used to purchase land, for construction and renovation, purchases, capitalize interest and bond issuance costs. This project is expected to create **5 new jobs** and **250 construction jobs**.

Chairman Gustman requested leave of the Members to apply the last unanimous vote. Leave was granted. The motion was approved with 8 ayes, 0 nays and 0 abstentions/present.

Item-10 ***L-GP-TE-MO-608 Pooled Local Government Refunding Program***

Pooled Local Government Refunding Program, for statewide refunding of local government bonds is presented for the board's preliminary approval in an amount not-to-exceed **\$22 million** to advance refund outstanding bonds issued by the Illinois Rural Bond Bank on behalf of units of local government.

Chairman Gustman requested leave of the Members to apply the last unanimous vote. Leave was granted. The motion was approved with 8 ayes, 0 nays and 0 abstentions/present.

BUSINESS AND INDUSTRY:

Item-11 **I-ID-TE-CD-605 Regis Technologies, Inc. and its affiliates**
Regis Technologies, Inc. and its affiliates, located in Morton Grove, seeks preliminary approval of industrial development bonds in an amount not-to-exceed **\$3.5 million** for renovations, equipment purchases, and to refund the outstanding balance on the company's Series 1996 bonds. This project is expected to create **10 new jobs** and **5 construction jobs**.

Chairman Gustman requested leave of the Members to apply the last unanimous vote. Leave was granted. The motion was approved with 8 ayes, 0 nays and 0 abstentions/present.

Item-12 **I-ID-TX-CD-421 Midwest Molding, Inc., and Midwest Investments, LLC**
Midwest Molding, Inc., and Midwest Investments, LLC, located in Bartlett, seeks final approval for industrial development bonds in an amount not-to-exceed **\$6 million** to purchase land and equipment, construction and refinancing. This project is expected to create **61 new jobs** and **30 construction jobs**.

Chairman Gustman requested leave of the Members to apply the last unanimous vote. Leave was granted. The motion was approved with 8 ayes, 0 nays and 0 abstentions/present.

HEALTHCARE:

Item-13 **H-HO-TE-CD-594 OSF Healthcare System**
OSF Healthcare System of Peoria, is seeking preliminary approval of 501(c)(3) bonds in an amount not-to-exceed **\$110 million** to refund existing bonds and pay issuance costs.

Dr. Herrin shared that he knows a member of OSF's Board, and wanted to be certain that his vote would not be a conflict of interest. Outside counsel to IFA concluded that no conflict exists.

Chairman Gustman requested leave of the Members to apply the last unanimous vote. Leave was granted. The motion was approved with 8 ayes, 0 nays and 0 abstentions/present.

Item-14 **H-HO-TE-CD-595 Alexian Brothers Health System**
Alexian Brothers Health System, located in Elk Grove Village and Hoffman Estates, is seeking preliminary approval of 501(c)(3) bonds in an amount not-to-exceed **\$265 million** to refund existing bonds and pay issuance costs.

Chairman Gustman requested leave of the Members to apply the last unanimous vote. Leave was granted. The motion was approved with 8 ayes, 0 nays and 0 abstentions/present.

Item-15 **H-SL-RE-TE-CD-599 The Landing at Plymouth Place**
The Landing at Plymouth Place, located in LaGrange Park, is seeking preliminary approval of 501(c)(3) bonds in an amount not-to-exceed **\$145 million** for construction and related costs, refund outstanding debt, and pay issuance costs.

Chairman Gustman requested leave of the Members to apply the last unanimous vote. Leave was granted. The motion was approved with 8 ayes, 0 nays and 0 abstentions/present.

Item-16 **H-SL-RE-TE-CD-521 Friendship Village of Schaumburg**
Friendship Village of Schaumburg, located in Schaumburg, is seeking final approval of 501(c)(3) bonds in an amount not-to-exceed **\$130 million** to refinance existing debt, enhance liquidity, construction costs and pay issuance costs. This project is expected to create **50 new jobs** and **300 construction jobs**.

Chairman Gustman requested leave of the Members to apply the last unanimous vote. Leave was granted. The motion was approved with 8 ayes, 0 nays and 0 abstentions/present.

Item-18 **CP-TE-CD-579 Aunt Martha's Youth Service Center**
Aunt Martha's Youth Service Center, with multiple locations, seeks final approval of 501(c)(3) bonds in an amount not-to-exceed **\$5.6 million** to refinance outstanding bonds, finance commercial mortgages and loans and pay issuance costs.

Chairman Gustman requested leave of the Members to apply the last unanimous vote. Leave was granted. The motion was approved with 8 ayes, 0 nays and 0 abstentions/present.

Project Revisions/Amendatory Resolutions

Item-19 **E. Kinast Distributors, Inc.**

E. Kinast Distributors, Inc seeks approval of an amendment to the Preliminary Bond Resolution, approved on September 14, 2004, to increase the bond issuance amount from \$3.6 million to an amount not-to-exceed \$4.2 million.

Item-20 **P & P Press**

P & P Press seeks a six month extension of the resolution initially approved on December 7, 2004 for a participation loan in an amount not-to-exceed \$650,000.

Item-21 **Cory Miller**

Cory Miller seeks an amendment to the Beginning Farmer Bond resolution approved on March 8, 2005 to increase the bond issuance amount from \$27,000 to \$98,010.

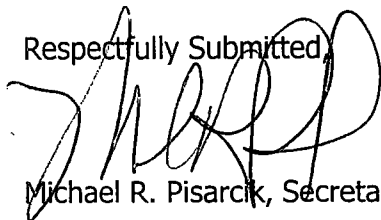
Item-22 **Martin and Rebecca Koster**

Martin and Rebecca Koster seek an amendment to the \$200,000 Participation Loan approval, granted on April 12, 2005, to eliminate the requirement that the Borrowers assign \$200,000 of life insurance as a condition to the making of said Loan.

Chairman Gustman requested leave of the Members to apply the last unanimous vote to each of the four resolutions. Leave was granted. The motion was approved with 8 ayes, 0 nays and 0 abstentions/present.

The Chairman asked if there was any other business to come before the Committee or if any member of the public wished to address the Committee. There being no further business, Chairman Gustman adjourned the meeting at approximately 1:48 p.m.

Respectfully Submitted,



Michael R. Pisarcik, Secretary