

**MINUTES OF THE JULY 19, 2011, MEETING OF THE BOARD OF DIRECTORS OF THE ILLINOIS FINANCE AUTHORITY**

The Board of Directors (the “Board”) of the Illinois Finance Authority (the “IFA” or the “Authority”), pursuant to notice duly given, held a Board Meeting at 10:30 a.m. on Tuesday, July 19, 2011, at the Prudential Plaza Conference Center at 130 East Randolph Street, 7<sup>th</sup> Floor, Chicago, IL 60601.

<p><b>Members Present:</b></p> <ol style="list-style-type: none"> <li>1. William A. Brandt, Jr., Chairman</li> <li>2. Michael W. Goetz, Vice Chairman</li> <li>3. Gila J. Bronner</li> <li>4. John “Jack” Durburg</li> <li>5. James J. Fuentes</li> <li>6. Norman M. Gold</li> <li>7. Edward H. Leonard, Sr.</li> <li>8. Terrence M. O’Brien</li> <li>9. Heather D. Parish</li> <li>10. Roger E. Poole</li> </ol> <p><b>Via Telephone:</b></p> <ol style="list-style-type: none"> <li>11. Bradley A. Zeller (<i>The phone connection with Mr. Zeller was lost prior to the first roll call vote to establish quorum at 10:58. The connection with Mr. Zeller was reestablished at 11:00 a.m. and Mr. Zeller was added to the roll call for quorum. Chairman Brandt allowed a roll call vote to include Mr. Zeller on all the votes taken up to that point excluding the Acceptance of Financial Statements and Acceptance of Minutes both of which passed by affirmative motion.</i>)</li> </ol>	<p><b>Members Absent:</b></p> <ol style="list-style-type: none"> <li>12. Dr. William J. Barclay</li> <li>13. Hon. Barrett F. Pedersen</li> </ol> <p><b>Vacancies:</b> Two</p>	<p><b>Staff Present:</b></p> <p>Christopher B. Meister, Executive Director          Brendan M. Cournane, General Counsel          Richard K. Frampton, Vice President          Pamela A. Lenane, Vice President          Art S. Friedson, Chief HR Officer          Ximena Granda, Asst. CFO          James P. Senica, Sr. Funding Manager          Norma Sutton, Procurement Officer          Brad R. Fletcher, Legal/Financial Analyst          Nora O’Brien, Legal/Financial Analyst          Ahad F. Syed, Asst. Board Sect. /Admin. Asst.          Terrell Gholston, Intern          Vanessa Lin, Intern          Barton Rosser, Intern</p> <p><b>IFA Advisors Present:</b></p> <p>Courtney Shea, Sr. VP, Acacia Financial Group          Fiona McCarthy, Analyst, Acacia Financial Group          Shannon Williams, Associate, PFM Group</p>
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*I. Call to Order*

Chairman Brandt called the meeting to order at 10:50 a.m. with the above Members present. The Chairman welcomed Members of the Board, IFA staff and all guests.

*II. Chairman’s Remarks*

The Chairman announced that the IFA will be in receipt of an estimated \$1.0 Million from a settlement with JP Morgan Securities (and related entities). The IFA will also be undertaking a Strategic Planning Initiative to discuss market opportunities and the future role of the IFA in light of the discussion in Washington, D.C. regarding the possibility of ending tax-exempt financing for private entities.

Chairman Brandt announced to all present that Mr. Friedson, who is in attendance, has resigned from the IFA, and that his resignation would be effective at the end of today’s business day. The Chairman congratulated Mr. Friedson on his new job in the private sector. The Chairman thanked Mr. Friedson for his service to the IFA in the capacity of Chief Human Resources Officer and wished him well.

Director Meister also extended his congratulations to Mr. Friedson and thanked him for his service to the IFA.

III. Roll Call

The Chairman then asked the Board Secretary, Mr. Cournane, to call the roll. There being ten Members physically present and one Member via telephone a quorum was declared met.

IV. Acceptance of Financial Statements

Financial statements for the period ending June 30, 2011, were presented to the Board. Chairman Brandt stated that the Authority's Financial Statements were reviewed at the regularly scheduled Committee of the Whole Meeting held earlier this morning. The Chairman requested a motion to approve the June 30, 2011, Financial Statements.

The motion was made by Ms. Bronner and seconded by Mr. O'Brien. The June 30, 2011, Financial Statements were unanimously approved by the Members of the Board.

V. Acceptance of Minutes

Minutes for both the Committee of the Whole and Board of Directors Meetings each held on June 14, 2011, and May 10, 2011, were presented to the Board. Chairman Brandt stated that the Authority's Minutes were reviewed at the regularly scheduled Committee of the Whole Meeting held earlier this morning. The Chairman requested a motion to approve the Minutes for both the Committee of the Whole and Board of Directors Meetings held on June 14, 2011 and May 10, 2011.

The motion was made by Ms. Bronner and seconded by Mr. O'Brien. The Minutes for both the Committee of the Whole and Board of Directors Meetings held on June 14, 2011, and May 10, 2011, were unanimously approved by the Members of the Board.

Telephone connection with Mr. Zeller was temporarily lost at the time of this vote. Mr. Zeller returned for subsequent votes.

VI. Project Approvals

Chairman Brandt asked Mr. Frampton, Vice President, to present the projects for consideration to the Board. The Chairman explained that all projects are reviewed by a staff Credit Committee and all agriculture, energy and healthcare projects are also reviewed at their respective committee's public hearing each month. Finally, each project was discussed at the Committee of the Whole Meeting held at 9:30 a.m. before today's Board Meeting.

Mr. Frampton presented the following projects for consideration:

*Agriculture - Beginning Farmer Bonds*

**Item No. 1A: Brent Zaagman - \$239,828 – 90 acres**

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$239,828 for the purchase of approximately 90 acres of farmland. This project is located in Hopkins Township, Whiteside County, IL.

**Item No. 1B: James W. Tarasuik, Jr. - \$67,000 – 40 acres**

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$67,000 for the purchase of approximately 40 acres of farmland. This project is located in Burgess Township, Bond County, IL.

**Item No. 1C: Doug E. & Lora M. Kocher - \$80,000 – 38 acres including buildings**

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$80,000 for the purchase of approximately 38 acres of farmland including buildings. This project is located in St. Marie Township, Jasper County, IL.

*Healthcare – 501(c)(3) Revenue Bonds*

**Item No. 2: Advocate Health Care Network - \$533,000,000 – Final**

**Advocate Health Care Network** (“Advocate”) is requesting approval of a Final Bond Resolution in an amount not-to-exceed \$533,000,000. Bond proceeds, together with other available monies of Advocate, will be used to (i) acquire, construct and equip several healthcare projects at various campuses, including a new ambulatory pavilion at Advocate Christ Medical Center in Oak Lawn, Illinois; (ii) restructure a portion of Advocate’s outstanding debt issued for its facilities statewide, if deemed necessary or advisable; (iii) fund a debt service reserve fund, if deemed necessary or advisable; (iv) finance certain working capital expenditures, if deemed necessary or advisable; and (v) pay costs of issuance.

*Higher Education, Cultural and Other Non-Healthcare 501(c)(3) Revenue Bonds*

**Item No. 4: Lawndale Educational and Regional Network Charter School (LEARN Charter School Project) - \$6,000,000 – Final**

**Lawndale Educational and Regional Network Charter School (LEARN Charter School Project)** (or "LEARN") is requesting approval of a Final Bond Resolution in an amount not-to-exceed \$6,000,000. Bond proceeds, together with other available monies of LEARN, will enable LEARN to (i) acquire, construct, renovate and equip a new school campus facility owned and operated by LEARN; (ii) refund certain outstanding Revenue Bonds in a current refunding; and (iii) pay costs of issuance.

*VII. Resolutions*

**Item No. 7: Resolution to Authorize a First Amendment to the Loan Agreement among the Illinois Finance Authority, Sunrise Ag Service Company, and Clayton Holdings LLC relating to IFA Series 2006 Industrial Revenue Bonds (Sunrise Ag Service Company Project)**

Authorizes certain changes to terms and provisions in the Loan Agreement.

**Item No. 8: Resolution to Adopt FY 2012 Budget**

Authorizes the Executive Director or his Designee(s) to Execute and Adopt the FY 2012 Budget as set forth in Exhibit A.

No guests attended with respect to Items Nos. 1A, 1B, 1C, 2, 4, 7 or 8. Chairman Brandt asked if the Board had any questions with respect to Items Nos. 1A, 1B, 1C, 2, 4, 7 or 8. There being none, Chairman Brandt requested a roll call vote in favor of Items Nos. 1A, 1B, 1C, 2, 4, 7 and 8.

Items Nos. 1A, 1B, 1C, 2, 4, 7 and 8 received approval with 11 ayes, 0 nays and 0 abstentions.

**Item No. 6: Resolution Approving the Transfer of Allocation for Bonding Authority of Midwestern Disaster Area Bonds by the Illinois Finance Authority to the Village of Gurnee, Lake County, Illinois, in an Aggregate Principal Amount not to exceed \$11,000,000 and Related Matters**

Authorizes the Transfer of Volume Cap of Midwestern Disaster Area Bonds in an amount not to exceed \$11,000,000 and Bonding Authority from the Illinois Finance Authority to the Village of Gurnee, Illinois.

Mr. Frampton introduced Mr. Kevin McCanna, President of Speer Financial, Inc. Speer Financial, Inc. is Financial Advisor to the Village of Gurnee.

Mr. McCanna thanked the Chairman, Members of the Board and IFA staff for their consideration and work on this project. Additionally, Mr. McCanna thanked the Authority for waiving their allocation to the Village of Gurnee and noted that the allocation will create local jobs.

Director Meister thanked Mr. McCanna for appearing and stated that under Governor Quinn's Jobs Plan the IFA is to allocate MDABs or to issue them to close projects. Director Meister stated that this was the first such project to come to the Board for approval in this fiscal year (beginning July 1, 2011) and noted that the IFA is appreciative of the Village of Gurnee's willingness to use this important and expiring resource.

Chairman Brandt asked if the Board had any questions with respect to Item No. 6. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Item No. 6.

Item No. 6 received approval with 11 ayes, 0 nays and 0 abstentions.

*VI. Project Approvals*

*Healthcare – 501(c)(3) Revenue Bonds*

**Item No. 3: CDH-Delnor Health System - \$190,000,000 – Final**

**CDH-Delnor Health System** ("CDH-Delnor") is requesting approval of a Final Bond Resolution in an amount not-to-exceed \$190,000,000. Bond proceeds will be used to (i) refund CDH-Delnor's Series 2004A Bonds and Series 2008A Bonds; and (ii) pay costs of issuance.

No guests attended with respect to Item No. 3. Chairman Brandt asked if the Board had any questions with respect to Item No. 3. Ms. Bronner stated that she would abstain due to the fact that she is related to a party that is involved with an entity working on this project. Chairman Brandt requested a roll call vote for Item No. 3.

Item No. 3 received approval with 10 ayes, 0 nays and 1 abstention (Bronner).

*VII. Resolutions*

**Item No. 5: Resolution Authorizing the Execution and Delivery of a Bond and Loan Agreement and Related Documents in Connection Therewith; and related matters in connection with IFA Series 2004 Industrial Revenue Bonds (Transparent Container Co., Inc. Project)**

Authorizes execution of a Bond and Loan Agreement to convert the Bonds from a Letter of Credit structure to a Direct Purchase structure.

No guests attended with respect to Item No. 5. Chairman Brandt asked if the Board had any questions with respect to Item No. 5. Mr. Gold stated that he would abstain due to the fact that he is currently Senior Counsel at Perkins Coie. Perkins Coie was listed as IDFA's (IFA's predecessor) Counsel on the original transaction in 2004 when Mr. Gold was not on the IFA Board of Directors. Chairman Brandt requested a roll call vote for Item No. 5.

Item No. 5 received approval with 10 ayes, 0 nays and 1 abstention (Gold).

*VIII. Other Business*

Chairman Brandt announced that the August 2011 meeting will be on the third Tuesday of the month or August 16, 2011, due to the seasonality of business. From the September meeting onward, the IFA will revert back to its normal schedule and will hold its meetings on the second Tuesday of the month or September 13, 2011.

*IX. Public Comment*

None.

*X. Adjournment*

Chairman Brandt then asked if there were any other business matters to come before the Board. Hearing none, the Chairman asked for a motion to adjourn. Vice Chairman Goetz motioned to adjourn and Mr. O'Brien seconded the motion. The Board unanimously agreed to adjourn at 11:10 a.m.

Minutes submitted by:

Ahad Syed

Assistant Board Secretary