

**MINUTES OF THE SEPTEMBER 9, 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 September 9, 2008 at the Mid America Club, 200 E. Randolph Drive, 80th Floor, Chicago, Illinois.

Members present:

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

Members absent:

Dr. Roger D. Herrin

Vacancies:

4

**Members participating
by telephone:**

None

GENERAL BUSINESS

Call to Order, Establishment of Quorum and Roll Call

Chairman Brandt called the meeting to order at 11:41 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 thanked fellow Board members and guests for coming. Chairman Brandt announced that projects being presented today for approval were thoroughly reviewed at the Committee of the Whole Meeting held at 8:30 a.m. today.

Acceptance of Financial Statements

Financial statements for the period ending August 30, 2008 were presented to members of the Board 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 requested a motion to approve the minutes. Motion was moved by Mr. O'Brien and seconded by Mr. Goetz. The August 30, 2008 Financial Statements were unanimously approved by members of the Board.

Minutes

Chairman Brandt announced that the next order of business was to approve the minutes of the August 12, 2008 Meeting of the Board. Chairman Brandt announced that the August 12, 2008 minutes were reviewed at the regularly scheduled Committee of the Whole Meeting held today at 8:30 a.m. Chairman Brandt requested a motion to approve the minutes. Motion was moved by Mr. Rivera and seconded by Mr. O'Brien. The August 12, 2008 minutes were unanimously approved by members of the Board.

Authorized Officer's Report

Ms. Walker, Authorized Officer, reported that the Authority's financial position remains strong with total year-to-date assets at \$175M, current liabilities at \$1.6M, and equity at \$113M. Ms. Walker reported that at today's meeting funding managers will present 21 projects totaling \$1,928,510 for board approval.

Projects

Chairman Brandt asked Ms. Walker to present the following projects for consideration to the Board:

No. 1: A-FB-TE-CD-8138 – Allen Kasten

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$190,000 to provide permanent financing to purchase approximately 76 acres of farmland. This project is located in Hillsboro, Illinois. **(09-09-01)**.

A-FB-TE-CD-8139 – Rex Gehrig

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$160,000 to provide permanent financing to purchase approximately 73.5 acres of farmland. This project is located in Dunlap, Illinois. **(09-09-01)**.

A-FB-TE-CD-8140 – Justin Hardin

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$250,000 to provide permanent financing to purchase approximately 75 acres of farmland. This project is located in Coal Valley, Illinois. **(09-09-01)**.

A-FB-TE-CD-8141 – C. Steven & Rhonda Calvert

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$250,000 to provide permanent financing to purchase approximately 106 acres of farmland with buildings. This project is located in Sciota, Illinois. **(09-09-01)**.

No guests attended with respect to the four Beginning Farmer Bonds listed under Project No. 1. Chairman Brandt asked if the Board had any questions with respect to the four Beginning Farmer Bonds listed under Project No. 1. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of the four Beginning Farmer Bonds listed under Project No. 1. Leave was granted. Project No. 1 received final approval with 10 ayes, 0 nays, and 0 abstentions.

No. 2: A-ID-TE-CD-8144 – Yargus Manufacturing, Inc.

Request for preliminary approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed \$1.6 million. Bond proceeds will be used to finance or reimburse costs incurred to construct a new industrial building, acquire specific machinery and equipment, and pay legal and other professional costs. \$1.6 million of IFA 2009 Volume Cap will be required for this project. This project is expected to create 10 new jobs within the next two years, and 10 construction jobs over a four month period. This project is located in Marshall, Illinois. **(09-09-02)**.

No. 3: I-ID-TE-CD-8127 – Anderson Shumaker Company

Request for preliminary approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed \$10 million. Bond proceeds will be used to finance construction, acquisition of machinery and equipment, and to pay professional and certain bond issuance costs. The Company is seeking a \$10 million allocation in 2008 IFA Volume Cap. The project will be located in the City of Chicago which is an Home-rule community within an Empowerment Zone. This project is expected to create 18 new jobs and 60 construction jobs. This project is located in Chicago, Illinois. **(09-09-03)**.

No. 4: I-ID-TE-CD-8130 – Fitzpatrick Brothers, Inc.

Request for preliminary approval of Industrial Revenue Bonds in an amount not-to-exceed \$10 million. Bond proceeds will be used to finance the acquisition of 8 acres of land, construction of a manufacturing facility, acquisition of machinery and equipment, and to pay legal and professional costs associated with the bond issuance. Issuance of the bonds will require an allocation of IFA Volume Cap. However, Home-rule Volume Cap in an amount to be determined will be requested prior to year-end to be ceded from the City of Quincy, Illinois. This project is expected to bring manufacturing jobs to Illinois that are currently in St. Louis, Missouri. This project is expected to create 65 new jobs and 50 construction jobs. This project is located in Quincy, Illinois. **(09-09-04)**.

No. 5: I-ID-TE-CD-8137 – Hartzler Properties LLC and Express packaging of Arizona

Request for preliminary approval of Industrial Revenue Bonds in an amount not-to-exceed \$6.5 million. Bond proceeds will be used to finance the purchase of land, to renovate an existing manufacturing facility, purchase fixtures and equipment, and to fund legal and professional issuance costs. Issuance of the Bonds is subject to an allocation of

Volume Cap. The Applicant is seeking Volume Cap from the City of West Chicago and from other sources to combine with IFA Volume Cap for this project. This project is expected to create 95 new jobs and 50 construction jobs over a six month period. This project is located in West Chicago, Illinois. **(09-09-05)**.

No guests attended with respect to Project Nos. 2, 3, 4 and 5. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 2, 3, 4 and 5. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 2, 3, 4 and 5. Leave was granted. Project Nos. 2, 3, 4 and 5 received preliminary approval with 10 ayes, 0 nays, and 0 abstentions.

No. 8: B-LL-TX-8131 – Kellner LLC

Request for final approval of a Participation Loan in an amount not-to-exceed \$500,000. Loan proceeds will be used to finance the real estate portion of a new facility located in Springfield, Illinois. This project is expected to create 20 new jobs and 65 construction jobs. This project is located in Springfield, Illinois. **(09-09-08)**.

No. 9: B-LL-TX-8133 – Steve and Edward Cushing

Request for final approval of a Participation Loan in an amount not-to-exceed \$160,000. Loan proceeds will be used to finance the acquisition of an industrial building. This project is expected to create 2 new jobs. This project is located in Bloomington, Illinois. **(09-09-09)**.

No. 10: B-LL-TX-8134 – TCI Manufacturing and Equipment Sales, Inc.

Request for final approval of a Participation Loan in an amount not-to-exceed \$500,000. Loan proceeds will be used to finance the construction of a new manufacturing building. This project is expected to create 5 new jobs and 50 construction jobs over a six month period. This project is located in Walnut, Illinois. **(09-09-10)**.

No guests attended with respect to Project Nos. 8, 9 and 10. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 8, 9 and 10. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 8, 9 and 10. Leave was granted. Project Nos. 8, 9 and 10 received final approval with 10 ayes, 0 nays, and 0 abstentions.

No. 11: Tabled.

No. 13: Withdrawn.

No. 14: N-NP-TE-CD-8117 – Clearbrook

Request for final approval of 501(c)3 Bonds in an amount not-to-exceed \$5.4 million. Bond proceeds will be used to refinance Clearbrook's outstanding Series 2003 Bonds that were issued through the IDFA, and to refinance various taxable mortgages on its resident group homes and work center at a tax-exempt rate, finance the purchase of equipment and

fixtures, and to pay for costs of issuance. This project has locations in Arlington Heights, Hoffman Estates, Palatine and Rolling Meadows, Illinois. **(09-09-14)**.

No guests attended with respect to Project No. 14. Chairman Brandt asked if the Board had any questions with respect to Project No. 14. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 14. Leave was granted. Project No. 14 received final approval with 10 ayes, 0 nays, and 0 abstentions.

No. 18: H-HO-TE-CD-8051 – Silver Cross Hospital

Request for preliminary approval of 501(c)3 Bonds in an amount not-to-exceed \$275 million. Bond proceeds will be used to finance the construction of a replacement hospital, pay for capitalized interest, fund a debt service reserve, and pay costs of issuance. This project is expected to create 637 construction jobs. This project is located in New Lenox, Illinois. **(09-09-18)**.

No. 19: H-HO-TE-CD-8146 – The Carle Foundation

Request for preliminary approval of 501(c)3 Bonds in an amount not-to-exceed \$450 million. Proceeds from the sale of the Series 2008 Bonds will be used to refinance a taxable loan, finance the costs of acquisition, construction, renovations, and equipment, pay a portion of the interest on the Series 2008 Bonds, fund a debt service reserve and pay issuance costs. This project is expected to create 470 construction jobs. This project is located in Urbana, Illinois. **(09-09-19)**.

No guests attended with respect to Project Nos. 18 and 19. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 18 and 19. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 18 and 19. Leave was granted. Project Nos. 18 and 19 received preliminary approval with 10 ayes, 0 nays, and 0 abstentions.

No. 20: Withdrawn

No. 21: H-HO-TE-CD-8147 – Southern Illinois Healthcare

Request for final approval of 501(c)3 Bonds in an amount not-to-exceed \$185 million. Bond proceeds will be loaned to Southern Illinois Healthcare Enterprises, Inc. to be used to refund the IHFA Series 1998, 1998A and 1998B Bonds, to pay or reimburse Southern Illinois Hospital for construction costs, renovations, and equipment for certain healthcare facilities, refinance a taxable loan, fund debt service reserve, and pay costs of issuance. This project is expected to create 60 construction jobs. This project is located in Carbondale, Illinois. **(09-09-21)**.

No. 23: H-HO-TE-CD-8142 – Bromenn Healthcare

Request for final approval of 501(c)3 Bonds in an amount not-to-exceed \$50 million. Bond proceeds will be used to current refund the IFA Series 2004 FSA insured Auction Rate Bonds, fund a debt service reserve fund,

and pay certain related expenses. This project is located in Bloomington-Normal, Illinois. **(09-09-23)**.

No guests attended with respect to Project Nos. 21 and 23. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 21 and 23. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 21 and 23. Leave was granted. Project Nos. 21 and 23 received final approval with 10 ayes, 0 nays, and 0 abstentions.

Resolutions

No. 25: Zoll Real Estate. An Amendatory Resolution requesting to amend the loan agreement and related matters for the IFA Series 2007 Bonds, and to authorize a change in the interest payable.

No. 26: Jonchris LLC Project. An Amendatory Resolution requesting to amend bond documents for IDFA Bonds to authorize a new bank purchaser, substitute a new amortization schedule and the trustee, and to amend the optional pre-payment provisions.

No. 27: Withdrawn.

Chairman Brandt asked if the Board had any questions with respect to Amendatory Resolution Nos. 25 and 26. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Resolution Nos. 25 and 26. Leave was granted. Amendatory Resolution Nos. 25 and 26 received approval with 10 ayes, 0 nays, and 0 abstentions.

No. 22: H-HO-TE-CD-8090 – Advocate Health Care Network
Request for final approval of 501(c)3 Bonds in an amount not-to-exceed \$180 million. Bond proceeds will be used to finance the costs of the acquisition of certain assets of Condell Medical Center, fund new money projects, fund a debt service reserve fund, and pay costs of issuance. This project is expected to create 200 construction jobs. This project is located in Libertyville, Illinois. **(09-09-22)**.

Chairman Brandt asked if there were any guests attending the meeting with respect to Project No. 22. Ms. Pamela Lenane, Vice President, introduced Mr. Dominic Nakis, Sr. VP & CFO, Advocate Health Care Network. Mr. Nakis briefly described the project and thanked members of the Board for their consideration. Mr. Nakis also stated that Loop Capital Markets and Cabrera Capital Markets will serve as co-managers on the project. Vice Chairman Goetz thanked Mr. Nakis on behalf of the IFA's Health Care Committee for Advocate's inclusion of minority underwriting firms on this project. Dr. Barclay, Chair of the Healthcare Committee, also complimented the funding managers for their efforts in this regard. Chairman Brandt cited the members of both committees in pursuing the goal of expanded diversity in the financing teams of IFA projects. Chairman Brandt asked if the Board had any questions for Mr. Nakis. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 22.

Leave was granted. Project No. 22 received final approval with 10 ayes, 0 nays, and 0 abstentions.

Note: Mr. Zeller, IFA Board Member, exited the September 9, 2008 IFA Board Meeting at 12:01 p.m. Votes after this time reflect Mr. Zeller's absence from the remainder of the meeting.

No. 6: I-ID-TE-CD-8095 – F&F Holdings, LLC (Murphy Machine Products, Inc. Project)

Request for final approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed \$5.0 million. Bond proceeds will be used to finance the acquisition of a building, renovations, machinery and equipment and pay certain bond issuance costs. The IFA will seek Volume Cap from the City of Chicago. The Company is seeking a \$5.0 million allocation in 2008 IFA Volume Cap. The new project will be located in the Village of Wood Dale which is a non Home Rule Community. As a result, the Village of Wood Dale does not receive an allocation of Volume Cap to support this project. This project is expected to create 11 new jobs, and 10 construction jobs. This project is located in Wood Dale, Illinois. **(09-09-06)**.

Chairman Brandt asked if there were any guests attending the meeting with respect to Project No. 6. On behalf of Ms. Sharnell Curtis-Martin, Ms. Walker introduced Mr. Allan Carroll, Financial Advisor, Carroll Financial. Mr. Carroll gave a brief description of the project and thanked members of the Board for its consideration. Chairman Brandt asked if the Board had any questions for Mr. Carroll. 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 final approval with 9 ayes, 0 nays, and 0 abstentions.

No. 7: I-ID-TE-CD-8104 – Monarch Holdings LLC and Monarch Services LLC (Monarch Steel Company, Inc. Project)

Request for final approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed \$7.5 million. Bond proceeds will be used to finance the acquisition of land, construction costs, acquire machinery and equipment and pay certain bond issuance costs. The Applicant will be seeking \$7.5 million in 2008 IFA Volume Cap. The proposed project is located in the City of Crest Hill, a non Home Rule community. As a result, the City of Crest Hill does not have an allocation of Volume Cap for this project. This project is expected to create 15 new jobs and 100 construction jobs. This project is located in Crest Hill, Illinois. **(08-08-07)**.

Chairman Brandt asked if there were any guests attending the meeting with respect to Project No. 7. On behalf of Ms. Sharnell Curtis-Martin, Ms. Walker introduced Mr. Peter Wynbrandt, President & CEO, Monarch Holdings. Mr. Wynbrandt gave a brief description of the project and thanked members of the board for its consideration. Chairman Brandt asked if the Board had any questions for Mr. Wynbrandt. 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 9 ayes, 0 nays, and 0 abstentions.

No. 12: N-NP-TE-CD-8091 – The Art Institute of Chicago

Request for preliminary approval of the issuance of 501(c)3 Revenue Bonds in an amount not-to-exceed \$150 million. Bond proceeds will be used to finance, refinance and reimburse a portion of the costs of capital improvements. This project is expected to create 98 new jobs and 200 construction jobs. This project is located in Chicago, Illinois. **(09-09-12)**.

Chairman Brandt asked if there were any guests attending the meeting with respect to Project No. 12. Mr. Rich Frampton, Vice President, introduced Mr. Eric Anyah, Sr., VP for Finance. Mr. Anyah thanked the Board for its consideration and gave a brief description of the project and mentioned that the Art Institute will contribute 50% of the equity needed to complete the project, and that the project is expected to be completed in May, 2009. Mr. Anyah also mentioned that the Art Institute's financing team is seeking to include the participation of an MWBE firm(s) on this project. Chairman Brandt asked if the Board had any questions for Mr. Anyah. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 12. Leave was granted. Project No. 12 received preliminary approval with 9 ayes, 0 nays, and 0 abstentions.

No. 16: L-SD-TE-CD-8129 – East Richland Community Unit School District No. 1

Request for final approval of 501(c)3 Bonds in an amount not-to-exceed \$20 million. Bond proceeds will be used to renovate the school and refinance existing debt. This project is expected to create 25-30 construction jobs over a 5 to 10-month period. This project is located in Olney, Illinois. **(09-09-16)**.

Chairman Brandt asked if there were any guests attending the meeting with respect to Project No. 16. Mr. Chris Collier from Edward Jones gave a brief description of the project and thanked the Board for its consideration. Chairman Brandt asked if the Board had any questions for Mr. Collier. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 16. Leave was granted. Project No. 16 received final approval with 9 ayes, 0 nays, and 0 abstentions.

No. 15: N-PS-TE-CD-8067 – Prairie Crossing Charter School

Request for final approval of 501(c)3 Bonds in an amount not-to-exceed \$10.5 million. Bond proceeds will be used to refinance an outstanding construction loan, refinance an outstanding Foundation loan, finance infrastructure improvements, and fund professional issuance costs. This project is expected to create 20 construction jobs over a 6-month period. This project is located in Grayslake, Illinois. **(09-09-15)**.

Chairman Brandt asked if there were any guests attending the meeting with respect to Project No. 15. Mr. Townsend Albright, Senior Funding Manager, introduced Mr. Geoff

Deigan, Board Treasurer, Prairie Crossing. Mr. Deigan gave a brief description of the project and thanked the Board for its consideration. Chairman Brandt asked if the Board had any questions for Mr. Deigan. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 15. Leave was granted. Project No. 15 received final approval with 9 ayes, 0 nays, and 0 abstentions.

No. 17: **H-HO-TE-CD-8143 – Rush University Medical Center Obligated Group**
Request for preliminary approval of 501(c)3 Bonds in an amount not-to-exceed \$375 million. Bond proceeds will be used to provide financing to pay for costs of capital expenditures, finance or refinance the costs of terminating certain interest rate hedge agreements, refinance a line of credit, fund debt service reserve, and pay certain issuance costs. This project is expected to create 300 new jobs and 300 construction jobs. This project is located in Chicago and Aurora, Illinois. **(09-09-17)**.

Chairman Brandt asked if there were any guests from Rush University Medical Center attending the meeting with respect to Project No. 17. There being none, Chairman Brandt then asked if there were others wishing to address the board concerning Rush University Medical Center. Mr. Paul McKinley, a representative from V.O.T.E., stated his organization's concerns in regard to the Authority's financing of the Rush University Medical Center project. Mr. McKinley asked that the Board reconsider funding this project. Chairman Brandt addressed Mr. McKinley's concerns. Chairman Brandt then asked if the Board had any questions for Mr. McKinley. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 17. Leave was granted. Project No. 17 received preliminary approval with 9 ayes, 0 nays, and 0 abstentions.

No. 24: **H-HO-TE-CD-8118 – The University of Chicago Medical Center**
Request for final approval of 501(c)3 Bonds in an amount not-to-exceed \$185 million. Bond proceeds will be used to current refund the IHFA MBIA insured Variable Rate Demand Bonds Series 1994 and 1998, and pay costs of issuance. This project is located in Chicago, Illinois. **(09-09-24)**.

Chairman Brandt asked if there were any guests attending the meeting with respect to Project No. 24. Ms. Pamela Lenane, Vice President, introduced Mr. Lawrence Furnstahl, Chief Financial & Strategy Officer. Mr. Furnstahl addressed the Board and mentioned that the Board's approval of this project will enable The University of Chicago Medical Center to refinance its existing debt. Mr. Furnstahl cited Dr. Madera's testimony presented at the TEFRA hearing held on September 5, 2008. Chairman Brandt then asked if there were others wishing to address the Board concerning The University of Chicago Medical Center project. Mr. Paul McKinley, a representative from V.O.T.E., responded and addressed his organization's concerns with regard to this project. Mr. McKinley asked the Board not to approve this project. Mr. McKinley also presented a petition that stated his organization's concerns. Chairman Brandt addressed Mr. McKinley's concerns. Chairman Brandt then asked if members of the Board had any questions concerning the project. Ms. Verrett, IFA Board Member, asked if there was a representative from The University of Chicago Medical Center that could directly address Mr. McKinley's concerns. Ms. Lenane introduced Mr. Mark

Urquart, VP of Facilities Planning & Construction. Mr. Urquart directly responded to some of the concerns presented by Mr. McKinley to members of the Board. Ms. Queen Sister, a representative from the It Takes A Village Organization, also stated her organization's concerns in regard to the Authority's financing of The University of Chicago Medical Center project. Chairman Brandt also responded to Ms. Sister's concerns. Chairman Brandt asked if members of the Board had any questions concerning The University of Chicago Medical Center project. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 24. Leave was granted. Project No. 24 received final approval with 9 ayes, 0 nays, and 0 abstentions.

Other Business

Chairman Brandt asked if there was any other business to come before the Board. There being none, Chairman Brandt requested a motion to adjourn. Upon a motion by Mr. DeNard and seconded by Dr. Barclay, the meeting adjourned at approximately 12:48 p.m.

Respectfully Submitted,

Carla B. Burgess Jones, Secretary