

**MINUTES OF THE SEPTEMBER 9, 2009 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, 2009 at the Conference Center at One Prudential Plaza, 7th Floor, 130 E. Randolph Street, Chicago, IL 60601.

Members present:

1. William A. Brandt, Jr., Chairman
2. Michael W. Goetz, Vice Chairman
3. Terrence M. O'Brien
4. Dr. Roger D. Herrin
5. Edward H. Leonard, Sr.
6. Bradley A. Zeller
7. Juan B. Rivera
8. Dr. William J. Barclay
9. James J. Fuentes

Members absent:

1. April D. Verrett
2. Ronald E. DeNard

Members participating by

telephone:

None

Vacancies:

Four

GENERAL BUSINESS

Call to Order, Establishment of Quorum and Roll Call

Chairman Brandt called the meeting to order at 11:48 a.m. with the above members present. Chairman Brandt welcomed members of the Board and all guests and asked the Assistant-Secretary, Kara Nystrom-Boulahanis to call the roll. There being nine (9) members physically present, Ms. Nystrom-Boulahanis declared a quorum present.

Acceptance of Financial Statements and Minutes

Financial statements for the period ending August 31, 2009 and minutes for both the August 11, 2009 Committee of the Whole and the Board of Directors meeting were presented to members of the Board. Chairman Brandt stated that the Authority's financial statements and 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 August 31, 2009 Financial Statements and minutes from both the August 11, 2009 Committee of the Whole and the Board of Directors meeting.

The motion was moved by Dr. Barclay and seconded by Mr. Goetz. The August 31, 2009 Financial Statements and minutes from both the August 11, 2009 Committee of the Whole and the Board of Directors meeting were unanimously approved by members of the Board.

Chairman's Remarks

Chairman Brandt opened his remarks by stating that a new schedule for all of the Committee of the Whole, Board and Sub-Committee meetings for the remainder of the fiscal year will be posted online tomorrow, barring any final changes or corrections from Board Members. He also reminded everyone that next month's meeting will be at the Illinois State Library in Springfield, IL. The Committee of the Whole meeting will begin at noon and the Board Meeting will follow at 3 p.m. to accommodate people traveling to Springfield.

Additionally, Chairman Brandt reminded everyone that instead of hosting two meetings in Springfield each year, one meeting will be in Springfield and the other will be held in a rotating downstate location. This year it will be in Peoria, IL at the Hotel Pere Marquette in March, 2010. He stated that the entire meeting schedule will be posted shortly and he encouraged all guests to attend.

Chairman Brandt then moved on to the Authority's additional \$3 Billion in clean coal and renewable energy bonding authority granted by SB 1906. He stated that the Board had established a new Energy Subcommittee chaired by Dr. Herrin. These meetings will also be scheduled and open to the public. The Energy Committee will be presenting guidelines and an organizational structure for the energy sector for adoption by the Board at today's meeting. In the very near future these guidelines will be posted online as well.

Senior Staff Reports

None.

Project Approvals

Chairman Brandt asked Mr. Rich Frampton to present the projects for consideration to the Board. 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.

Mr. Frampton presented the following projects for board approval:

- No. 1A:** **A-FB-TE-CD-8263 – Thomas & Wendy Dietmeier**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$87,500 for the purchase of 40 acres of farmland. This project is located in Orangeville, IL (Stephenson County).
- No. 1B:** **A-FB-TE-CD-8264 – Jeffrey R. Jensen**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$250,000 for the purchase of 70 acres of farmland. This project is located in Roseville, IL (Warren County).
- No. 1C:** **A-FB-TE-CD-8261 – Ryan VanFleet**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$150,000 for the purchase of 113.4 acres of farmland. This project is located in Plymouth, IL (Schuyler County)
- No. 1D:** **A-FB-TE-CD-8262 – Matthew & Angela Swanson**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$203,000 for the purchase of 59.8 acres of farmland. This project is located in LaHarpe, IL (Hancock County).
- No. 2:** **I-A-AD-GT-8265 – Keith G. Beer**
Request for final approval for the issuance of an Agri-Debt Guarantee in an amount not-to-exceed \$500,000. Proceeds from this financing will be used to refinance the Borrower's existing debts and divorce expenses. This project is located in Iuka, IL (Marion County)

No. 3: A-AD-GT-8266 – Hayden Farms Partnership, Ronald & Mary Hayden, Jeffrey & Heather Hayden, Timberline Farms, LLC

Request for final approval for the issuance of an Agri-Debt Guarantee in an amount not-to-exceed \$500,000. Proceeds from this financing will be used to refinance the Borrower's existing debts. This project is located in Pittsfield, IL (Pike County).

No. 4: B-LL-TX-8256 – Brett & Christine Zehr (Zehr Foods, LLC)

Request for final approval of the issuance of a participation loan in the amount of \$300,000. Proceeds from this financing will be used to finance the construction of a 16,000 square foot commercial building and the acquisition of equipment for use therein in order to supplement the proceeds of fire insurance. This project is located in Mackinaw, IL (Tazewell County).

Chairman Brandt shared that this was the only grocery store in Mackinaw until it burned down almost a year ago. He then stated that the IFA was proud to assist in bringing a modern grocery store and jobs to this community.

No. 6: H-HO-TE-CD-8259 – Edward Hospital

Request for the preliminary approval of the issuance of 501(c)3 Bonds in an amount not to exceed \$55 million. The proceeds of this issuance will be used to current refund IHFA Series 2001C Bonds and pay costs of issuance. This project is located in Naperville, IL (DuPage County).

No. 7: E-PC-TE-CD-8260 – Trinity International University

Request for the preliminary approval of the issuance of 501(c)3 Bonds in an amount not to exceed \$23.5 million. The proceeds of this issuance will be used to finance and reimburse the costs of a new Student Center and refund existing debt. This project is located in Deerfield, IL (Lake County).

No. 9: E-PC-TE-CD-8249 – Concordia University Chicago

Request for final approval of the issuance of 501(c)3 Bonds in an amount not to exceed \$32 million. The proceeds of this issuance will be used to refund the outstanding par amount of IFA (IEFA) Series 2001 Bonds, and to fund various improvements at Concordia's River Forest campus. Campus renovations will also include mandated sprinkler system installations required by law in 2013. Bond proceeds will also be used to pay bond issuance costs. This project is located in River Forest, IL (Cook County).

No guests attended with respect to Project Nos. 1, 2, 3, 4, 6, 7, or 9. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 1, 2, 3, 4, 6, 7, or 9. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 1, 2, 3, 4, 6, 7, and 9. Leave was granted. Project Nos. 1, 2, 3, 4, 6, 7, and 9 received final approval with 9 ayes, 0 nays, and 0 abstentions.

Mr. Frampton then presented the following resolutions to the Board:

No. 10 Beecher Energy LLC Project. Resolution to authorize execution of an Amendment to the Trust Indenture and related documents to enable the replacement of the Remarketing Agent for \$2,500,000 IFA Series 2006 Bonds.

No. 11: Sexton Energy LLC Project. Resolution to authorize execution of an Amendment to the Trust Indenture and related documents to enable the replacement of the Remarketing Agent for \$7,500,000 IFA (IDFA) Series 2003 Bonds

No. 12: **Ruebenson Real Estate LLC and General Converting, Inc. Project.** Resolution to authorize execution of an Amended and Restated Trust Indenture and related documents to enable the replacement of the original Credit Facility Provider and the Remarketing Agent for \$5,080,000 IFA (IDFA) Series 1999A Bonds.

No. 13: **Chapin Hall Center for Children.** Resolution to authorize execution of a Supplemental Trust Indenture per S&P Structured Finance Group's suggestions to enable LOC Ratings for IFA (IEFA) Series 2003 Bonds.

No. 14: **Withdrawn**

No guests attended with respect to Amendatory Resolutions Nos. 10, 11, 12 or 13. Chairman Brandt asked if the Board had any questions with respect to Amendatory Resolutions Nos. 10, 11, 12 or 13. There being none, Chairman Brandt asked leave to apply the last unanimous vote in favor of the project. Leave was granted. Amendatory Resolutions 10, 11, 12 and 13 received final approval with 9 ayes, 0 nays, and 0 abstentions.

No. 15: **Liberty Towers Associates II L.P.** Resolution providing for the Extension of Maturity of \$5,010,000 Convertible Multi-Family Housing Revenue Refunding Bonds Series 2007A of the Illinois Finance Authority in Connection with the Conversion of such Bonds; Authorizing the Execution and Delivery of a First Supplement to Indenture of Trust, a Supplement to Official Statement, and an Arbitrage and Tax Certificate in Connection therewith; and related matters for the benefit of Liberty Towers Associates II L.P. and the 121-unit Liberty Towers Senior Apartments in Libertyville. (IFA File: M-MH-TX-CD-7001)

No. 16: **American Water Capital Corp. Project.** Resolution to Amend Prior Final Bond Resolution approved in February 2009 to confirm identity of Bond Trustee and Underwriter. \$28,500,000 IFA Series 2009 Bonds (IFA Project No.: PU-WD-TE-CD-8182).

No. 17: **SOS Children's Villages Illinois Project .** Resolution authorizing the issuance of not-to-exceed \$8,500,000 Adjustable Rate Bonds, Series 2009 and the execution and delivery of an Amended and Restated Loan Agreement, Trust Indenture, Tax Regulatory Agreement and related matters of IFA Series 2007 Adjustable Rate Demand Revenue Bonds (IFA Project No. N-NP-TE-CD-8255).

No. 18: **Linker Farms, Inc.** Request by Linker Farms, Inc and First State Bank to extend regularly scheduled principal and interest payments in the Bank for 90-days on a Guaranteed Loan.

No. 19: **Andy Shull.** Request by Peoples National Bank and Andy Shull to defer principal payments to Peoples National Bank for a period of six months on two outstanding Guaranteed Loans.

No. 21: **Withdrawn**

No guests attended with respect to Amendatory Resolutions No. 15, 16, 17, 18, or 19. Chairman Brandt asked if the Board had any questions with respect to Amendatory Resolutions No. 15, 16, 17, 18, or 19. There being none, Chairman Brandt asked leave to apply the last unanimous vote in favor of the

amendatory resolutions. Leave was granted. Amendatory Resolutions 15, 16, 17, 18 and 19 received final approval with 9 ayes, 0 nays, and 0 abstentions.

Chairman Brandt noted that he was remiss in reminding everyone of the following day's Diversity Underwriter Event at the Doubletree Hotel in Oakbrook, IL, beginning at 8:30 a.m. He continued by saying that everyone was welcome and encouraged to attend. The IFA seeks to have the underwriting teams on projects that reflect the diverse city and state in which we live.

Mr. Frampton then presented the following projects with guests:

No. 5: H-HO-TE-CD-8268 – Lake Forest Hospital

Request for the preliminary approval of the issuance of 501(c)3 Bonds in an amount not to exceed \$60 million. The proceeds of this issuance will be used to (1) Finance the addition of an outpatient surgery center, radiation oncology center, and observation beds at the Grayslake Campus; (2) finance additional renovation projects at Grayslake site; (3) potentially fund small projects at the Lake Forest Campus; and (4) pay bond issuance costs. This project is located in Greyslake and Lake Forest, IL (Cook and Lake Counties).

Ms. Lenane, Assistant General Counsel and Vice President of IFA introduced Mr. Matthew Flynn, Chief Financial Officer of Lake Forest Hospital to the Board. Mr. Flynn thanked the Board for their consideration. He thanked Ms. Lenane and Mr. Govia for their help navigating this process and offered to answer any questions the Board might have. Chairman Brandt asked if any Board Members had questions.

Seeing none, Chairman Brandt asked for leave to apply the last unanimous vote in favor of this project. Leave was granted. Project No. 5 passed with 9 ayes, 0 nays, and 0 abstentions.

Mr. Frampton then presented the following project:

No. 8: E-PC-TE-CD-8260 – Roosevelt University

Request for the preliminary approval of the issuance of 501(c)3 Bonds in an amount not to exceed \$210 million. The proceeds of this issuance will be used (1) finance construction of the University's new Wabash Development Project, a new 32-story multi-use building that will include relocated and enlarged student service facilities and provide 500 beds of new and replacement student housing. (2) Additionally, the Bonds will current refund three outstanding prior series of IFA Bonds. This project is located in Chicago and Schaumburg, IL (Cook and Lake Counties).

Mr. Frampton then introduced Ms. Miroslava Mejia Krug, Senior Vice President for Finance & Administration and Chief Financial Officer for Roosevelt University. Mr. Krug thanked the Board for their consideration and then gave the following presentation.

Roosevelt University currently has a total enrollment of 7,700. 4,500 of those students are undergraduates and the remaining 3,200 are graduate students. This represents a 19% increase in full time enrollment from 2004 to 2008. The total number of credit hours this semester is projected to be the highest ever. To accommodate their rapidly growing student population Roosevelt University plans to build a building on Wabash Avenue in downtown Chicago that will house student services and student life on floors 0 to 5, academic facilities on floors 6 to 14 and student housing on floors 16 – 32.

The new student housing will have 611 beds. 363 beds will be replacement beds for the building being demolished. Roosevelt considers this a visionary and strategic project that will fundamentally change the

University. They believe it will allow their students to enjoy state of the art facilities that would not be possible in an older building. This issuance will also be used to refund previous bond issuances. This project will continue a 15 year relationship between IFA and Roosevelt University. Mr. Krug thanked the Board for their consideration once again.

Chairman Brandt thanked Ms. Krug and Roosevelt University for employing a minority and a woman owned underwriter. He then asked if any Board Members had further questions. Seeing none, Chairman Brandt asked for leave to apply the last unanimous vote in favor of this project. Leave was granted. Project No. 8 passed with 9 ayes, 0 nays, and 0 abstentions.

Chairman Brandt then announced that the Board would be voting on the guidelines and organizational structure for the new energy sector. He stated that the following report was presented by Dr. Herrin and the IFA staff assigned to this sector. He also reminded everyone that these guidelines were thoroughly reviewed at the Committee of the Whole meeting and would be available online shortly after this meeting. He then presented the following resolution:

No. 20: Resolution regarding the IFA Energy Committee and implementation guidelines.

Dr. Herrin made a motion to pass the above resolution. Mr. Goetz seconded it. Assistant Secretary Kara Nystrom-Boulahanis then took a roll call vote. The resolution passed unanimously with 9 ayes, 0 nays, and 0 abstentions. Chairman Brandt suggested that all interested parties and especially any prospective borrowers review these guidelines that will be posted on the IFA's website in the next several days.

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. Goetz and seconded by Mr. Rivera, the meeting adjourned at approximately 12:15 p.m.

Chairman Brandt reminded all guests that next month's meeting would be on Wednesday, October 14, 2009 in Springfield, IL at the Illinois State Library and encouraged everyone to attend.

Respectfully Submitted,

Kara Nystrom-Boulahanis, Assistant Secretary