

**MINUTES OF THE SEPTEMBER 14th, 2010 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 11:30 a.m. on Tuesday, September 14, 2010, at the Prudential Plaza Conference Center at 130 E. Randolph Street, 7th Floor, Chicago, IL 60601.

<p>Members Present:</p> <ol style="list-style-type: none"> 1. William A. Brandt Jr., Chairman 2. Michael Goetz, Vice Chairman 3. Dr. William Barclay 4. John “Jack” Durburg 5. James J. Fuentes 6. Joseph McInerney 7. Terrence M. O’Brien 8. Heather Parish 9. Roger Poole 	<p>Members Absent:</p> <ol style="list-style-type: none"> 10. Ronald E. DeNard 11. Norm Gold 12. Dr. Roger Herrin 13. Edward Leonard 14. Juan B. Rivera 15. Bradley A. Zeller <p>Members Participating by Telephone:</p> <p>None.</p> <p>Vacancies: None</p>	<p>Staff Present:</p> <p>Christopher Meister, Executive Director Brendan Cournane, General Counsel Kim Du’Prey, Sr. Funding Manager Brad Fletcher, Paralegal Rich Frampton, Vice President Arthur Friedson, Chief HR Officer Shannon Govia, Funding Mgr Assoc. Pam Lenane, VP Healthcare Ahad Syed, Administrative Asst.</p> <p>Staff Participating by Telephone:</p> <p>Eric Reed, Regional Manager</p> <p>Others Present:</p> <p>Lois Scott, President, Scott Balice Courtney Shea, Sr. VP, Acacia Financial Shannon Williams, Assoc., Scott Balice</p>
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GENERAL BUSINESS

Call to Order, Establishment of Quorum and Roll Call

Chairman Brandt called the meeting to order at 11:32 a.m. with the above Members present. Chairman Brandt welcomed Members of the Board and all guests. He then asked the Assistant Board Secretary Ahad Syed to call the roll. There being nine (9) members physically present Mr. Syed declared the quorum met. Chairman Brandt then called for the Financial Statements for the period ending August 31, 2010 and Minutes for both the August 10, 2010 Committee of the Whole and Board of Directors Meetings.

Acceptance of Financial Statements and Minutes

Financial statements for the period ending August 31, 2010, and minutes for both the August 10, 2010, Committee of the Whole and Board of Directors meetings were presented to 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 on 8:30 a.m. that day. Chairman Brandt requested a motion to approve the August 31, 2010, financial statements and minutes from both the August 10, 2010, Committee of the Whole and Board of Directors meeting.

The motion was approved by Mr. O'Brien and seconded by Dr. Barclay. The August 30, 2010, Financial Statements and Minutes from both the August 10, 2010, Committee of the Whole and Board of Directors meetings were unanimously approved by the Members of the Board.

Senior Staff Reports

None.

Project Approvals

Chairman Brandt asked Mr. Rich Frampton, Vice President, to present the projects for consideration to the Board. The Vice Chairman explained that all projects are thoroughly vetted by a staff Credit Committee and all agriculture, energy and healthcare projects are also reviewed at their respective committee's public meeting each month. Finally, each project is thoroughly reviewed at the Committee of the Whole meeting held at 8:30 a.m. before the Board Meeting.

Mr. Frampton presented the following projects for approval:

No. 1A: -- Derek R. Fritschle

Request for final approval of the issuance of a Beginner Farm Bond in an amount not-to-exceed \$125,000 for the purchase of approximately 78 acres of farmland with buildings and grain bins. This project is located in unincorporated Richland County, near Olney, IL.

No. 1B: -- Shawn P. and Amy S. Krass

Request for final approval of the issuance of a Beginner Farm Bond in an amount not-to-exceed \$205,000 for the purchase of approximately 20 acres of farmland with buildings and grain bins. This project is located in unincorporated McHenry County, near Garden Prairie, IL.

No. 1C: -- Brett Alan

Request for final approval of the issuance of a Beginner Farm Bond in an amount not-to-exceed \$150,600 for the purchase of approximately 46 acres of farmland. This project is located in unincorporated Clinton County, near Highland, IL.

No guests attended with respect to Project No. 1A, 1B, or 1C. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 1A, 1B or 1C. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 1A, 1B and 1C. Nos. 1A, 1B and 1C received approval with 9 ayes, 0 nays, and 0 abstentions.

No. 2 KONE Centre Investment Fund, LLC

KONE Centre Investment Fund, LLC is requesting approval of a Final Bond Resolution in an amount not-to-exceed \$21,000,000. Bond proceeds of the proposed IFA Series 2010 Midwest Disaster Area Bonds will be combined with other sources of debt and equity, and will be loaned to KONE Centre Investment Fund LLC (as the “Borrower”), with such proceeds ultimately, through a series of transactions and loans attributable to the underlying New Market Tax Credit structure to Financial District Properties KP, LLC (the “Owner”), and Illinois limited liability company, to finance costs associated with the acquisition, construction, and equipping of a new, approximately 115,000 sq. ft., 8-story, multi-use office and residential building to be located on an approximately 2.184 acre site at One KONE Court (at the SE intersection of Seventeenth (17th) Street and Second (2nd) Avenue in Moline (Rock Island County), Illinois, and to finance costs of issuance on the subject Bonds (and collectively, the “Project”). The Project will be owned by the Owner and leased by the Owner to KONE, Inc. KONE will be the anchor tenant of the Project. Other portions of the Project will be leased to and used by various retail, office, and other commercial tenants. The Eight (8th) Floor of the Project will be sold as multi-family condominiums and will be financed separately by the Owner.

No. 4 The Peoples Gas Light and Coke Company

The Peoples Gas Light and Coke Company is requesting approval of a Final Bond Resolution in an amount not-to-exceed \$50,000,000. Bond proceeds will be combined with corporate funds of the Company, to current refund and prepay, in advance of their maturity, 100% of the outstanding principal of the Company’s Illinois Development Finance Authority Series 2003B Gas Supply Refunding Revenue Bonds which were issued to refund prior City of Chicago, Adjustable Rate Gas Supply Revenue Bonds, Series 2000A, which, in turn refunded prior Series 1985B Bonds originally issued by the City of Chicago. Proceeds of the Bonds were originally used to finance a portion of the costs of acquiring, constructing, and improving certain gas supply facilities located wholly within the corporate boundaries of the City of Chicago.

No. 5 950 Sivert Street LLC, an Illinois limited liability company to be formed on behalf of Wiegel Tool Works, Inc. and its affiliates, successors, or assigns

950 Sivert LLC, an Illinois limited liability company to be formed, on behalf of Wiegel Tool Works, Inc. and its affiliates, successors, or assigns is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed \$4,200,000. IFA Bond Proceeds will be combined with other funds of the Borrower, Wiegel Tool Works, Inc., or one or more of its affiliates, to finance the acquisition of a vacant industrial building located at 950 Sivert Street, Wood Dale, Illinois. Additionally, bond proceeds will be used to pay bond issuance costs.

No. 6 City of East St. Louis

The City of East St. Louis is requesting the approval of a Final Bond Resolution in an amount not-to-exceed \$2,500,000 will current refund: i) IFA (IDFA) Revenue Refunding Bonds, Series 2003, \$1,095,000 in outstanding principal, 5.00% due 11/15/2010 at par,

plus accrued interest of \$116,500, and ii) IFA Revenue Refunding Bonds, Series 2005, \$555,000 in outstanding principal, 5.00% due 11/15/2010 at par, plus accrued interest of \$59,875, iii) capitalize certain reserves (including debt service reserve), and iv) to pay costs of issuance.

No. 7 Little Company of Mary Hospital

Little Company of Mary is requesting approval of a Final Bond Resolution in an amount not-to-exceed \$75,000,000. Bond proceeds will be used to: i) pay or reimburse the Little Company of Mary Hospital (the "Corporation") or one or more of its affiliates for the payment of the costs of acquiring, constructing, renovating, remodeling and equipping certain health facilities owned by the Corporation and its affiliates; ii) pay a portion of the interest on the bonds, if deemed necessary or advisable by the Corporation; iii) fund one or more debt service reserve funds, if deemed necessary or advisable by the Corporation; iv) provide working capital, if deemed necessary or advisable by the Corporation; and v) pay certain expenses incurred in connection with the issuance of the bonds.

No. 8 Provena Hospital

Provena Hospital is requesting a Final Bond Resolution in an amount not-to-exceed \$75,000,000. Proceeds will be used to 1) to reimburse Provena for prior system-wide capital expenditures and 2) to pay costs of issuance.

No. 9 Beloit Health System

Beloit Health System is requesting a Preliminary Bond Resolution in an amount not-to-exceed \$42,000,000. Proceeds will be used to 1) Refinance Series 2006A bonds and 2) pay costs of issuance.

No guests attended with respect to Project Nos. 2, 4, 5, 6, 7 or 8. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 2, 4, 5, 6, 7 or 8. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 2, 4, 5, 6, 7 and 8. Project Nos. 2, 4, 5, 6, 7 and 8 received approval with 9 ayes, 0 nays, and 0 abstentions.

No. 3 Navistar International Corporation

Navistar International Corporation is requesting the approval of a Final Bond Resolution in an amount not-to-exceed \$145,000,000. Bond proceeds will finance (i) a portion of the cost of acquiring, constructing, equipping and installing certain qualified capital improvements at nine buildings comprising approximately 1.224 Million Square Feet of space located at 2601-2701 Lucent Lane in the City of Lisle, Illinois, (ii) constructing various building additions currently estimated to add 26,420 Square Feet of space to certain of the buildings, (iii) finance leasehold improvements and equipping related to an existing 522,520 SF warehouse facility that will be expanded to 860,000 SF located at 2700 Haven in the City of Joliet, Illinois 60435 prior to occupancy by Navistar

(collectively, the “Project”), (iv) pay capitalized interest during construction of the Project, if deemed necessary or advisable, and (v) to pay certain costs of issuance of the Bonds.

Mr. Frampton introduced Mr. Luganville of Navistar. Mr. Luganville thanked the Members of the Board, Director Meister and Mr. Frampton for welcoming him to the meeting. Mr. Luganville displayed a schematic to the Board Members and the audience of the Lisle Campus. Mr. Luganville explained that Navistar is looking to move its world headquarters to Lisle, IL. Navistar is expecting the project to be a 860,000 square foot expansion. Chairman Brandt thanked Mr. Luganville for his presentation and for bringing jobs to the State and Chicagoland region.

Chairman Brandt asked if the Board had any questions with respect to Project No. 3. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 3. Project No. 3 received approval with 9 ayes, 0 nays, and 0 abstentions.

- No. 10 Resolution to approve an Amended and Restated Trust Indenture and a First Amendment to the Loan Agreement, which provides for the addition of a new interest rate mode, and related matters in connection with the Outstanding 501(c)(3) Revenue Bonds (The Thresholds Project Series 2005)**

- No. 11 Resolution approve an Amended and Restated Indenture of Trust and an Amended and Restated Loan Agreement related to the Revenue Refunding Bonds, Series 1999A (Beacon Hill), Revenue Refunding Bonds, Series 2005A (Beacon Hill), and Revenue Refunding Bonds, Series 2005B (Beacon Hill) extendable rate adjustable securities (EXTRAS) issued by the Illinois Finance Authority and predecessors**

- No. 12 Resolution authorizing the execution and delivery of a First Supplemental Bond Trust Indentures relating to the Variable Rate Demand Revenue Bonds, Series 2008E issued for the benefit of Elmhurst Memorial Healthcare to revise qualifications of the Remarketing Agent**

- No. 13 Resolution Authorizing an Amendment to the Series 1995 & Series 1996 Bond Trust Indenture and Loan Agreements to provide for the issuance of beneficial interests in the Series 1995 Bonds and the Series 1996 Bonds through a book entry only system (NorthShore University Health System)**

- No. 14 Resolution in Support of FutureGen 2.0**

- No. 15 Delegation of Signatory Authority to Certain Officers**

No guests attended with respect to Resolutions Nos. 10, 11, 12, 13, 14, or 15. Chairman Brandt asked if the Board had any questions with respect to Resolutions Nos. 10, 11, 12, 13, 14, or 15. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Resolutions Nos. 10, 11, 12, 13, 14, and 15. Resolutions Nos. 10, 11, 12, 13, 14, or 15 received approval with 9 ayes, 0 nays, and 0 abstentions.

Other Business

None.

Adjournment

The Chairman then asked if there was any other business to come before the Board. Hearing none, Chairman Brandt requested a motion to adjourn. Upon a motion by Mr. O'Brien and seconded by Vice Chairman Goetz, the Board unanimously voted to adjourn at 11:59 a.m.

Respectfully submitted by
Ahad Syed
Administrative Assistant
Assistant Board Secretary