

**MINUTES OF THE SEPTEMBER 9, 2009 MEETING OF THE COMMITTEE OF THE  
WHOLE 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 Committee of the Whole Meeting at 8:30 a.m. on September 9, 2009 at the Chicago Office of the IFA at 180 N. Stetson, Suite 2555, 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. Ron DeNard

**Members participating by  
telephone:**

None

**Vacancies:**

4

*Call to Order*

Chairman Brandt called the meeting to order at 8:58 a.m. with the above members present. Chairman Brandt welcomed members of the Board and all guests.

*Chairman’s Remarks*

Chairman Brandt opened the meeting by announcing that the Board will be thoroughly briefed on the progress the Energy Committee has made in the past month on guidelines and a fee structure for the Energy Initiative. Chairman Brandt noted that he would be speaking at the opening session of the National Association of Health and Education Authorities Fall 2009 Conference to welcome the attendees to Chicago. Additionally, Chairman Brandt became aware of an opportunity to assist a smaller Illinois community, Warsaw that needs to repair damage caused by flooding in 2008. They are planning to be on the October Board Meeting agenda for financing.

Chairman Brandt updated Board Members regarding re-appointments and appointments to the Board.

Additionally, he announced that there will be an Underwriter’s Diversity Forum on September 10, 2009 in Oak Brook, IL at the Doubletree Hotel. Chairman Brandt told Ms. Lenane to use every means at her disposal to ensure this event had the attendance necessary to be a success.

*Senior Staff Reports*

Mr. Frampton presented his report, consistent with the Senior Staff Report. Mr. Frampton also noted progress on the Warsaw local government financing. Chairman Brandt stated that he was happy with the progress made on the Warsaw financing, but he hoped other similar deals are not being missed. Mr. Frampton agreed and stated it is the duty of our Funding Managers to reach out to these communities. Mr. Frampton also introduced Kim Du’Prey as a local government specialist.

Mr. Frampton resumed discussing the local government financing pool; stating there will be a group of 8 to 12 borrowers moving forward in October. The pool is expected to be approximately \$5 million.

Mr. Brandt discussed Midwestern Disaster Relief Bonds to help communities that were affected by the Flood of 2008. IFA could possibly help issue these bonds and collect issuance fees.

On the legislative front, Mr. Meister stated that SB 1906, the state energy financing tool, was signed into law at the end of July. It will be effective 1/1/10. Also, the Beginning Farmer Bond limit has increased to \$450,000 from \$250,000 with a built in inflationary increase each year to match the Federal Legislation.

Mr. Rivera asked if there would be an update on venture capital. Mr. Boldry stated that he continued to try to sit in on as many Board Meetings as was feasible.

### *Financials*

Ms. Towers then presented the financials, consistent with the Senior Staff Report and including a comparison of the revenue projections for this year and the actual revenue from the previous 5 years.

Ms. Towers stated that IFA's revenue was \$7.2 million last year and \$10.1 million two years ago. IFA has lost 50% of its revenue in the past 3 years. Chairman Brandt felt this precipitous drop was at least partially due to the economy but noted that Mr. Filan helped the IFA to significantly reduce operating costs. Ms. Towers stated that currently the budget seems workable, but it is very early in the year.

Ms. Towers stated that even though we are ahead of last year at this time; there is only \$3.5 million in activity projected for this year, not including Energy projects. Chairman Brandt stated that the IFA will likely spend money on Energy before any is earned. He stated that later when the Energy Committee makes their presentation Board Members will see that it will be more lucrative than some of our other bond structures. The reality of expenditures out before revenues in will be difficult for the IFA however.

Ms. Towers stated that the official budget approved by the Board will not change, but forecasts will be made of energy revenue and will be shared with the Board. Ms. Towers added that all sectors, including energy, would be updated as would expense projections.

Mr. Frampton stated that IFA staff will have to continue to find new solutions to ongoing financing challenges. Mr. Brandt stated he thought it was incumbent upon the Board and the Committees to come up with innovative solutions to this ongoing challenge.

Dr. Herrin stated that he believed additional smaller deals, similar to the Village of Warsaw deal discussed earlier, would be one solution. Mr. Brandt stated that his message is to live within our means; but he realized this would be difficult with the energy agenda.

Ms. Towers then mentioned that the audit would begin again the following day. She stated that she would keep the Board apprised of any findings or concerns. Some special reporting may be required if IFA receives stimulus monies.

Mr. Meister stated that the IFA has hired the Bronner Group to review where we have credit risk and to lay the foundation of monitoring and portfolio management. Sara Siegel was a CFO at a

predecessor entity and now is working with the Bronner Group. Mr. Meister then introduced Ms. Seigel.

*Committee Reports:*

Chairman Brandt stated that the Energy Committee would present last. He asked the Healthcare Team to make the first committee presentation.

Dr. Barclay asked that Ms. Lenane to report on the status of the Healthcare sector. Ms. Lenane's reported from the Healthcare Committee and her report was consistent with that in the Senior Staff Report.

Mr. Reed then reported from the Agriculture Committee and his report was consistent with that in the Senior Staff Report.

Chairman Brandt then asked the Energy Committee to give its presentation.

Dr. Herrin told the Board Members that there was a new handout that was a finalization of the document discussed at the Energy Committee meeting on September 8, 2009. He offered to give a general overview and then asked Mr. Bill Young, Consultant to the Energy Initiative, to provide the details. He stated that there has been a lot of work on an organizational structure done by John Filan, Scott Balice, staff and Mr. Young. Mr. Young has joined IFA's energy team. Mr. Young has created a structure that more closely resembles a bank's vetting process, which Dr. Herrin believes is necessary. The Energy Committee also agreed to present a fee structure.

Mr. Young then presented the proposed energy guidelines, Risk Asset Acceptance Criteria (RAACs), including an approval process, a pricing sheet and guidelines for portfolio management and transaction monitoring.

Mr. Rivera asked if IFA would be limiting Developer Fees. Mr. Young responded that we wouldn't be specifically limiting them but that there is a requirement that net of all fees, developers must have a minimum of 20% equity so they are exposed to any loss as well. He stated the team was less worried about fees and more concerned about ensuring that all developers have real cash equity in their projects next of any grants or fees. The goal is to minimize the risk of loss as well as incentivize economic development.

Mr. Goetz stated that he would like to commend the entire Energy Committee and staff for their great work.

Mr. Rivera stated that one concern that has come up in the Venture Capital Committee is the value of the collateral. He wanted to know with the innovative nature of many of these projects how the team intended to value collateral. Mr. Young stated that the team wants to avoid projects that don't have very secure cash flows. One of the requirements is a long term Power Purchase Agreement (PPA) from an investment grade counter-party.

Dr. Herrin added that very little to no technology risk will be accepted. Mr. Young discussed the monitoring plan for these projects. Mr. Goetz asked if IFA staff would actually monitor the construction. Mr. Young stated it would depend on the developer.

Dr. Herrin then clarified the use of the Illinois Energy Team (IET). He stated that they would be consultants. The issue of fees to defer the costs of the IET will be determined.

Dr. Herrin stated that his team would make every effort to help a project and that anytime any developer has a question they are more than welcome to contact us. IFA's file will show what the team has done and try to bring a project to fruition.

Dr. Herrin was also pleased to announce that the Energy Committee, on behalf of the Board, had come to preliminary terms with Mr. Bill Young, a former banker with extensive background in the credit and risk management, as the Head of Energy Financing, for minimal compensation. This arrangement would be subject to Mr. Young and the IFA reaching a final written agreement.

Chairman Brandt reminded everyone that the SB 1906 authorization does not become active until January 1, 2010.

Dr. Herrin stated that he understands Chairman Brandt's duty to this agency and his concern for the entire IFA budget but he believes the energy sector will be very profitable as long as IFA avoids bad loans. Mr. Rivera asked if the IFA would be adding any staff. Chairman Brandt stated that that was under discussion.

*Project Reports*

**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).

Mr. Reed presented consistent with the Board report. Minimal discussion ensued and no objections were noted.

**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)

Mr. Reed presented consistent with the Board report. Minimal discussion ensued and no objections were noted.

**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).

Mr. Reed presented consistent with the Board report. Minimal discussion ensued and no objections were noted.

**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.

Mr. Reed presented consistent with the Board report. Minimal discussion ensued and no objections were noted.

Chairman Brandt stated that he believed that Mr. Reed had a sense of the Board's philosophy on these types of projects. He further stated that he wished it was possible to charge additional fees on these types of projects but since that is not possible the IFA must ensure that our loan is not the last to be repaid. He also stated that he wanted to have more aggressive monitoring of these credit issues.

Dr. Herrin suggested that every couple of months Funding Mangers should call to check on "problem" credits. Chairman Brandt agreed but said it should be every month.

Mr. Jim Senica then presented the following project for approval:

**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).

Mr. Senica presented consistent with the Board report. Minimal discussion ensued and no objections were noted.

**No. 14:**            **Withdrawn**

Mr. Senica presented consistent with the Board report. Mr. Senica noted the dramatically declining sales and the impact of the decline on the loan.

Chairman Brandt asked if the company had lost \$2 million a month in 2009 sales. Mr. Senica stated that was correct. Chairman Brandt said that it seemed six months would not be sufficient to attain firm ground. He asked if extra collateral was available. Mr. Senica informed the Board that there was no additional collateral available. He stated that the IFA does have guarantees from the principal. His shared that the principal's net worth has declined as he's put more money into his business. Dr. Barclay stated the underlying problem was more serious than just losses given the reported year to year sales decline.

Dr. Herrin asked about the confidential financial information provided to the Board. A discussion followed with further proprietary information. The discussion resulted in the Board choosing to table this amendment for the following month and ask for additional collateral from the principal.

**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).

Mr. Govia presented consistent with the Board report. Minimal discussion ensued and no objections were noted.

**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).

Mr. Govia presented consistent with the Board report. Minimal discussion ensued and no objections were noted.

**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.**

Mr. Govia presented consistent with the Board report. Minimal discussion ensued and no objections were noted.

Mr. Frampton then presented his projects and amendments:

**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 shared that this is a preliminary resolution for Roosevelt University for \$210 million in new and refunded money. He stated this is the largest capital project and financing ever undertaken by Roosevelt. The borrower has a longstanding relationship with IFA and its predecessor entities, going back to 1992. He stated that this financing will also include a current refunding of all variable rate bonds issued by IDFA and IEFA.

Mr. Frampton noted that Roosevelt has a total of approximately \$70 million in outstanding bonds. Roosevelt currently has BAA1 and AA- long-term ratings from Moody's and Fitch. Mr. Frampton said that the borrower has prepared preliminary forecasts on tuition and payments. The CFO will be joining us and making a presentation regarding this project.

**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)

Mr. Frampton presented consistent with the Board report. Minimal discussion ensued and no objections were noted.

**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).

Mr. Frampton presented consistent with the Board report. Minimal discussion ensued and no objections were noted.

Mr. Townsend Albright presented the following projects:

**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).

Mr. Albright presented consistent with the Board report. Minimal discussion ensued and no objections were noted.

**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).

Mr. Albright presented consistent with the Board report. Minimal discussion ensued and no objections were noted.

**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.

Items 10, 11 and 12 are all technical resolutions and the IFA will be collecting fees on all.

Chairman Brandt then distributed a schedule of meetings. He told the Board that his office and Chris Meister's office has gone over this list in great detail. Next month's meeting is being held on Wednesday instead of Tuesday in Springfield, IL. Additionally, the staff has secured the Hotel Pere Marquette for the March meeting in Peoria.

Ms. Sharnell Curtis-Martin then presented the following amendatory resolution:

**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)

Ms. Curtis-Martin presented consistent with the Board report. Minimal discussion ensued and no objections were noted.

*Closing Remarks and Adjournment:*

The meeting adjourned at 11:35 a.m.

Respectfully Submitted,

Kara Nystrom-Boulahanis, Assistant Secretary

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The final issue he wanted to bring to the Board's attention is the issue of policy – he explained the document he offered is financing criteria, not policy. He stated that he didn't want to lean too far on either side of the financing, policy fence, but rather to straddle it.

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**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.

Mr. Reed presented consistent with the Board report. Minimal discussion ensued and no objections were noted.

Chairman Brandt stated that he believed that Mr. Reed had a sense of the Board's philosophy on these types of projects. He further stated that he wished it was possible to charge additional fees on these types of projects but since that is not possible the IFA must ensure that our loan is not the last to be repaid. He also stated that he wanted to have more aggressive monitoring of these credit issues.

Dr. Herrin suggested that every couple of months Funding Mangers should call to check on "problem" credits. Chairman Brandt agreed but said it should be every month.

Mr. Jim Senica then presented the following project for approval:

**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).

Mr. Senica presented consistent with the Board report. Minimal discussion ensued and no objections were noted.

**No. 14:**        **Withdrawn**

Mr. Senica presented consistent with the Board report. Mr. Senica noted the dramatically declining sales and the impact of the decline on the loan.

Chairman Brandt asked if the company had lost \$2 million a month in 2009 sales. Mr. Senica stated that was correct. Chairman Brandt said that it seemed six months would not be sufficient to attain firm ground. He asked if extra collateral was available. Mr. Senica informed the Board that there was no additional collateral available. He stated that the IFA does have guarantees from the principal. His shared that the principal's net worth has declined as he's put more money into his business. Dr. Barclay stated the underlying problem was more serious than just losses given the reported year to year sales decline.

Dr. Herrin asked about the confidential financial information provided to the Board. A discussion followed with further proprietary information. The discussion resulted in the Board choosing to table this amendment for the following month and ask for additional collateral from the principal.

**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).

Mr. Govia presented consistent with the Board report. Minimal discussion ensued and no objections were noted.

**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).

Mr. Govia presented consistent with the Board report. Minimal discussion ensued and no objections were noted.

**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.

Mr. Govia presented consistent with the Board report. Minimal discussion ensued and no objections were noted.

Mr. Frampton then presented his projects and amendments:

**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 shared that this is a preliminary resolution for Roosevelt University for \$210 million in new and refunded money. He stated this is the largest capital project and financing ever undertaken by Roosevelt. The borrower has a longstanding relationship with IFA and its predecessor entities, going back to 1992. He stated that this financing will also include a current refunding of all variable rate bonds issued by IDFA and IEFA.

Mr. Frampton noted that Roosevelt has a total of approximately \$70 million in outstanding bonds. Roosevelt currently has BAA1 and AA- long-term ratings from Moody’s and Fitch. Mr.

Frampton said that the borrower has prepared preliminary forecasts on tuition and payments. The CFO will be joining us and making a presentation regarding this project.

**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)

Mr. Frampton presented consistent with the Board report. Minimal discussion ensued and no objections were noted.

**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).

Mr. Frampton presented consistent with the Board report. Minimal discussion ensued and no objections were noted.

Mr. Townsend Albright presented the following projects:

**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).

Mr. Albright presented consistent with the Board report. Minimal discussion ensued and no objections were noted.

**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).

Mr. Albright presented consistent with the Board report. Minimal discussion ensued and no objections were noted.

**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.

Items 10, 11 and 12 are all technical resolutions and the IFA will be collecting fees on all.

Chairman Brandt then distributed a schedule of meetings. He told the Board that his office and Chris Meister's office has gone over this list in great detail. Next month's meeting is being held on Wednesday instead of Tuesday in Springfield, IL. Additionally, the staff has secured the Hotel Pere Marquette for the March meeting in Peoria.

Ms. Sharnell Curtis-Martin then presented the following amendatory resolution:

- 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)

Ms. Curtis-Martin presented consistent with the Board report. Minimal discussion ensued and no objections were noted.

*Closing Remarks and Adjournment:*

The meeting adjourned at 11:35 a.m.

Respectfully Submitted,

Kara Nystrom-Boulahanis, Assistant Secretary

**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, 7<sup>th</sup> 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