

**MINUTES OF THE OCTOBER 14, 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 Wednesday, October 14th, 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. Bradley A. Zeller
5. Juan B. Rivera
6. Dr. William J. Barclay
7. James J. Fuentes
8. Ronald E. DeNard

Members absent:

1. April D. Verrett

**Members participating by
telephone:**

1. Dr. Roger D. Herrin
2. Edward H. Leonard, Sr.

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 Secretary, Beverly Womack-Holloway to call the roll. There being eight (8) members physically present Mrs. Womack-Holloway declared a quorum present. There were also two additional members on the phone.

Acceptance of Financial Statements and Minutes

Financial statements for the period ending September 30, 2009 and minutes for both the September 9th, 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 September 30, 2009 Financial Statements and minutes from both the September 9, 2009 Committee of the Whole and the Board of Directors meeting.

The motion was moved by Mr. Zeller and seconded by Mr. Goetz. The September 30, 2009 Financial Statements and minutes from both the September 9, 2009 Committee of the Whole and the Board of Directors meeting were unanimously approved by members of the Board.

Chairman's Remarks

Chairman Brandt welcomed Board Members and guests. He remarked that the Board Meeting location had been changed from Springfield to Chicago in order to achieve quorum. He reiterated IFA's commitment to hosting downstate meetings and stated that he was hopeful one would occur in the near future, depending on quorum.

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-8280 – Chad A. Walk**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$150,000 for the purchase of 50 acres of farmland. This project is located in Neoga, IL (Shelby County).
- No. 1B:** **A-FB-TE-CD-8281 – Jeremy & Tara Reeves**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$201,000 for the purchase of 80 acres of farmland. This project is located in Greenville, IL (Bond County).
- No. 2:** **IA-YF-GT-8284 – Kyle & Jenny Wagner**
Request for final approval for the issuance of a Young Farmer Guarantee in an amount not-to-exceed \$263,500. Proceeds from this financing will be used to provide permanent financing for the purchase of 125 acres of farm land. This project is located in Canton, IL (Fulton County)
- No. 3:** **I-ID-TE-CD-8271 – The Clarke Group, Inc.**
Request for final approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed \$10,000,000. Proceeds from this financing will be used to finance the construction of three LEED Certified facilities comprised of approximately 41,500 square feet which will contain (i) Manufacturing, (ii) Research and Development, and (iii) Office Space (iv) the acquisition of new equipment to be located therein and to finance (v) costs of issuance. This project is located in Roselle, IL (DuPage County).
- No. 6:** **H-SL-RE-TE-CD-8279 – County Health, Inc.**
Request for the preliminary approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$7.5 million. The proceeds of this issuance will be used to finance the (i) construction of a 26,833 square foot building addition to the borrower’s existing 31,000 square foot skilled long-term care nursing facility, (ii) renovation and reconfiguration of the existing nursing home facility, (iii) to pay costs of issuance. This project is located in Gifford, IL (Champaign County).
- No. 7:** **E-PC-TE-CD-8260 – Elgin Academy**
Request for final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$12 million. The proceeds of this issuance will be used to (i) refund outstanding IFA Series 2007 Bonds (ii) to pay termination costs of an interest rate swap, and (iii) pay bond issuance costs. This project is located in Elgin, IL (Kane County).
- No. 8:** **H-HO-TE-CD-8090 – Advocate Health Care**
Request for the preliminary approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$280 million. The proceeds of this issuance will be used to 1) finance the merger-related redemption of BroMenn Healthcare’s (“BroMenn”) existing debt; 2) fund new money projects at both BroMenn and other Advocate hospital campuses, 3) refund a

bridge loan provided to repay Midwest Physicians Group (“MPG”)’s tax-exempt bonds if deemed necessary or advisable; 4) restructure a portion of Advocate’s outstanding debt if deemed necessary or advisable; 5) fund a debt service reserve fund, if deemed necessary or advisable; and 6) pay bond issuance costs. This project is located in multiple locations throughout Illinois.

No. 9: H-HO-TE-CD-8276 – Memorial Health

Request for the preliminary approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$170 million. The proceeds of this issuance will be used to (i) fund capital expenditures for the health care facilities of the Borrower and/or its affiliates (located in Lincoln, Springfield, and Taylorville, IL), (ii) refund all or a portion of the Illinois Health Facilities Authority Revenue Bonds Series 1997 (Memorial Health System) (the “Prior Bonds”), (iii) fund a debt service reserve fund, if deemed necessary or advisable, and (iv) pay bond issuance costs. This project is located in multiple locations throughout Illinois.

No. 10: H-SL-RE-TE-CD-8283 – Villa Guadalupe Senior Services Corporation

Request for the preliminary approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$5 million. The proceeds of this issuance will be used to: 1) refund the existing Series 1990 Variable Rate Demand Bonds issued by Cook County 2) fund future capital expenditures, and 3) pay bond issuance costs. This project is located in Chicago, IL (Cook County).

No. 12: H-HO-TE-CD-8119 – Central DuPage Health

Request for final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$280 million. The proceeds of this issuance will be used to (i) refund all or a portion of the Illinois Health Facilities Authority Variable Rate Demand Revenue Bonds, Series 2000A, 2000B, 2000C, 2004A, 2004B, and 2004C, (ii) fund capital expenditures for the health care facilities of the Borrower or its affiliates, (iii) pay a portion of the interest on the portion of Series 2009B Bonds that are issued to fund capital expenditures (iv) provide working capital (v) fund a debt service reserve fund and (vi) pay costs of issuance. This project is located in Winfield, IL (DuPage County).

No. 13: H-HO-TE-CD-8259 – Edward Hospital

Request for the final 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. 14: H-HO-TE-CD-8268 – Lake Forest Hospital

Request for the final 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).

No. 16: E-PC-TE-CD-8182 – Adler School of Professional Psychology

Request for the final 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 leasehold improvements that will enable Adler to (1) consolidate its operations (2) provide room

for future expansion, (3) provide Adler's faculty and students with a dedicated building entrance located at One North Dearborn in Chicago and pay bond issuance costs. This project is located in Chicago, IL (Cook County).

- No. 18:** **E-PC-TE-CD-8260 – Trinity International University**
Request for the final 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 guests attended with respect to Project Nos. 1, 2, 3, 5, 6, 7, 8, 9, 10, 12, 13, 14, 16, or 18. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 1, 2, 3, 5, 6, 7, 8, 9, 10, 12, 13, 14, 16 or 18. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 1, 2, 3, 5, 6, 7, 8, 9, 10, 12, 13, 14, 16 and 18. Leave was granted. Project Nos. 1, 2, 3, 5, 6, 7, 8, 9, 10, 12, 13, 14, 16 and 18 received final approval with 11 ayes, 0 nays, and 0 abstentions.

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

- No. 19:** **Michael and Shari Flanigan.** Request by Peoples National Bank to modify the payment date for an existing Young Farmer Guaranteed Loan.
- No. 20:** **Argonne National Laboratory.** Resolution to authorize execution of an Amended Trust Indenture to eliminate the requirement that the Lessee execute requisitions from the Special Tenant Improvements Account held under the Indenture. (Theory and Computing Sciences Building Trust (Argonne National Laboratory) IFA Series 2007 Taxable Bonds).
- No. 21:** **Illinois Machine Works and Tool Works.** Resolution for Participation Loan Payment Modifications by Heartland Bank and Trust Company and IMT Real Estate, LLC.
- No. 22:** **Blackhawk Biofuels, LLC.** Fifth Third Bank's Request to Change the Measurement Dates for Two Covenants Associated with the IFA Guaranteed Term Loan to Blackhawk Biofuels, LLC.

Chairman Brandt reminded Board Members and guests that a comprehensive discussion of the Blackhawk Biofuels, LLC Resolution occurred during the Committee of the Whole Meeting at 8:30 a.m. this morning.

No guests attended with respect to Amendatory Resolutions Nos. 19, 20, 21 or 22. Chairman Brandt asked if the Board had any questions with respect to Amendatory Resolutions Nos. 19, 20, 21 or 22. There being none, Chairman Brandt asked leave to apply the last unanimous vote in favor of the project. Leave was granted.

- No. 4:** **E-PS-TE-CD-7184 – Hales Franciscan High School**
Request for the preliminary approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$13 million. The proceeds of this issuance will be used to finance and reimburse expenditures for construction, renovations, the purchase of equipment and furnishings, used therein and to pay capitalized interest and certain bond issuance costs for a school facility located at 4930 S. Cottage Grove in Chicago. This project is located in Chicago, IL (Cook County).

Ms. Sharnell Curtis-Martin introduced Mr. Zebedee McClaurin, Chairman of the Board of Hales Franciscan High School and Ms. Deniece Jordan-Walker of Gardener Bacon and Underwood. Mr. McClaurin brought a rendering of the completed project for the Board. Mr. McClaurin informed the Board that this financing would be the first major capitol improvement in 50 years. The campus is three blocks from President Obama's home in Hyde Park, on the South side of Chicago. Chairman Brandt asked for leave to apply the last unanimous vote in favor of this project. Leave was granted.

No. 5: E-PS-TE-CD-8270 – Joliet Montessori School

Request for the preliminary approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$650,000. The proceeds of this issuance will be used to (i) used to refinance an outstanding mortgage, (ii) renovate the existing building, construct an addition, purchase equipment and fixtures for use therein, and (iii) to pay bond issuance costs. This project is located in Crest Hill, IL (Will County).

Mr. Townsend Albright introduced Mrs. Kathy Bertani, Business Manger, Joliet Montessori School. Mrs. Bertani thanked the Board for inviting him to speak. He shared that Joliet Montessori School will educate students from pre-school to 8th grade. Chairman Brandt asked for leave to apply the last unanimous vote in favor of this project. Leave was granted.

No. 11: H-HO-CD-TE-8061 – Resurrection Health Care

Request for the preliminary approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$120 million. The proceeds of this issuance will be used to: (i) current refund approximately \$100 million of IFA Series 2008A-B variable rate demand bonds; (ii) fund a debt service reserve fund and (iii) pay costs of issuance. This project is located in multiple locations throughout Illinois.

Ms. Pamela Lenane introduced Mr. James Sykes, Vice President of Finance for Resurrection Health Care. Mr. Sykes thanked the Board for their consideration. Chairman Brandt asked for leave to apply the last unanimous vote in favor of this project. Leave was granted.

No. 15: H-SL-RE-TE-CD-8173 – Timothy Place, NFP D/B/A Park Place Christian Community of Elmhurst

Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$195 million. The proceeds of this issuance will be used to (i) construct and equip a new Continuing Care Retirement Community, (ii) repay monies used to finance pre-development costs, (iii) fund one or more Debt Service Reserve Funds, (iv) fund interest expense on the bonds for a period of approximately 28 months, and (v) fund certain professional and bond issuance costs. This project is located in Elmhurst, IL (DuPage County).

Ms. Lenane introduced Mr. Bill DeYoung, Chief Financial Officer of Park Place. Mr. DeYoung thanked the Board for helping the senior population of Elmhurst, IL. Chairman Brandt thanked Mr. DeYoung for bringing this project to the IFA. Chairman Brandt then asked for leave to apply the last unanimous vote in favor of this project. Leave was granted.

No. 17: E-PC-TE-CD-8260 – Roosevelt University

Request for the final 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 to (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. The refunded bonds will

enable Roosevelt to reduce variable interest rate risk, eliminate financial covenants related to the Letter of Credit associated with the Prior Bonds, and eliminate renewal and pricing renewal risks associated with the Letter of Credit. This project is located in Chicago and Schaumburg, IL (Cook and Lake Counties).

Mr. Frampton introduced Ms. Miroslava Krug, Senior Vice President and Chief Financial Officer for Roosevelt University. Ms. Krug thanked the Board for their consideration. Chairman Brandt asked if there were any questions. Seeing none, Chairman Brandt asked for leave to apply the last unanimous vote in favor of the project. Leave was granted.

No. 23: Report concerning compensation and personnel matters.

Chairman Brandt introduced the report by stating that IFA's revenues have declined significantly over the past three years. Today's agenda, despite the robust number of projects, has only 11 projects that include new revenue for the IFA excluding healthcare. These 6 projects only total \$26.6 million in issuances. In an effort to fulfill the Board's fiduciary duty to the IFA and remain solvent, the Board commissioned a report utilizing much deliberation and consultation with outside counsel. The adoption of this report authorizes a staff re-organization and reduction. This action is driven solely by economic factors – namely declining revenues in many traditional IFA business sectors, low revenue projects for the remainder of FY2010, and the need to devote resources to the Energy Sector. The entire report will be posted on IFA's website shortly following the meeting.

Mr. Terry O'Brien moved to adopt the report. Mr. Goetz seconded the motion. Secretary Womack-Holloway conducted a roll call vote. The motion passed unanimously on a roll call vote with the following members voting aye: (1) Chairman William A. Brandt; (2) Vice Chairman Michael W. Goetz; (3) Mr. Terrence M. O'Brien; (4) Mr. Bradley A. Zeller; (5) Mr. Juan B. Rivera; (6) Dr. William J. Barclay; (7) Mr. James J. Fuentes; (8) Ronald E. DeNard; (9) Dr. Roger D. Herrin; (10) Mr. Edward H. Leonard, Sr. There were no 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. Goetz and seconded by Mr. O'Brien, the meeting adjourned at 12:31 p.m.

Chairman Brandt reminded all guests that next month's meeting will be on Tuesday, November 10, 2009 at the Prudential Plaza Conference Center at 130 E. Randolph Ave., 7th Floor, Chicago, IL 60601.

Respectfully Submitted,

Beverly Womack-Holloway, Board Secretary
&
Kara Nystrom-Boulahanis, Assistant Secretary