

**MINUTES OF THE NOVEMBER 14, 2006 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 November 14, 2006 at the Mid America Club, 200 E. Randolph Drive, 80th floor, Chicago, Illinois:

Members present:

David C. Gustman, Chair
James J. Fuentes
Demetris A. Giannoulis
Michael W. Goetz
Edward H. Leonard, Sr.
Terrence M. O'Brien
Lynn F. Talbott
Joseph P. Valenti
Bradley A. Zeller

Members absent:

Magda M. Boyles
Ronald E. DeNard
Dr. Roger D. Herrin
Martin H. Nesbitt
Andrew W. Rice
Juan B. Rivera

**Members participating by
telephone:**

None

GENERAL BUSINESS

Call to Order and Roll Call

Chairman Gustman called the meeting to order at 11:46 a.m. with the above members present. Chairman Gustman asked Carla Burgess Jones, Secretary, to call the roll. Ms. Burgess Jones called the roll. There being nine (9) members physically present, Ms. Burgess Jones declared a quorum present.

Interim Executive Director's Report

Chairman Gustman welcomed everyone present and asked Interim Executive Director Rendleman to give her report. Interim Executive Director Rendleman welcomed everyone and announced that the Board would be reviewing over 1 billion in project across IFA's various market sectors, including projects for coal gasification facilities, higher education institutions and small manufacturers. Interim Executive Director Rendleman also discussed that IFA revenues are exceeding its fiscal year plan and that the IFA had a positive audit.

Acceptance of Financial Statements

Financial statements for period ending October 31, 2006 were accepted by all board members present.

Minutes

Chairman Gustman asked Carla Burgess Jones, Secretary to take a roll call vote for approval of the minutes of the October 10, 2006 Meeting of the Board. Minutes of the October 10, 2006 were approved with 9 ayes, 0 nays, and 0 abstentions.

Projects

Chairman Gustman asked Interim Executive Director Rendleman to present the projects for consideration to the Board. Chairman Gustman reminded everyone that the Board considered each of the projects to be presented in detail at the 8:30 a.m. meeting of the Committee of the Whole of the Board. Director Rendleman presented the following projects to the Board for approval:

- No. 1: **A-DR-GT-6222 – Dennis & Tammy Grah and Donald & Patsy Grah**
Request for approval of the issuance of an Agri-Debt Guarantee Restructuring Guarantee in an amount not-to-exceed \$99,010 to provide refinancing and extension of an existing Agri-Debt Guarantee. (06-11-01).
- No. 2: **A-LL-TX-6223 – David A. and Patricia A. Becker**
Request for approval of the issuance of a participation loan in an amount not-to-exceed \$145,500 to provide permanent financing for purchase of 108 acres of farmland. (06-11-02).
- No. 3: **A-LL-TX-6225 – Ryan D. McClure**
Request for approval of the issuance of a participation loan in an amount not-to-exceed \$275,000 to provide permanent financing for a 2,400 head swine finishing building. (06-11-03).
- No. 4: **A-LL-TX-6226 – Merlin D. and Nancy J. McClure**
Request for approval of the issuance of a participation loan in an amount not-to-exceed \$825,000 to provide permanent financing of two 2,400 head swine finishing buildings and purchase of 235 acres of farmland. (06-11-04).
- No. 5: **A-FB-TE-CD-6212 – Jon and Carlyn McAvoy**
Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$79,000 for purchase of 38.77 acres of farmland. (06-11-05).
- A-FB-TE-CD-6216 – Jeffrey Briggs**
Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$103,302 for purchase of 34.5 acres of farmland. (06-11-05).

Chairman Gustman asked if the Board had any questions with respect to project Nos. 1 through 5. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of projects nos. 1 through 5. Leave was granted. Project nos. 1 through 5 were approved with 9 ayes, 0 nays, and 0 abstentions.

No. 6: H-HO-TE-CD-6229 – Hospital Sisters Health System

Request for preliminary approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed \$250,000,000 to finance, reimburse and refinance the costs of construction, renovations, improvement, furnishing and equipping certain facilities, potentially refund outstanding IHFA bonds and finance issuance costs. This project is expected to create 300 construction jobs. (06-11-06).

Chairman Gustman asked if the Board had any questions with respect to Project no. 6. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 6. Leave was granted. Project no. 6 was approved with 9 ayes, 0 nays, and 0 abstentions.

No. 7: H-HO-TE-CD-6228 – Elmhurst Memorial Hospital / Elmhurst Memorial Healthcare

Request for preliminary approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed \$50,000,000 to pay or reimburse the borrower or one or more of its corporate affiliates for the payment of the cost of acquiring, constructing, renovating, remodeling and equipping certain facilities and to finance issuance costs. This project is expected to create 6 new jobs and 40 construction jobs. (06-11-07).

Chairman Gustman asked if there were any guests attending the meeting with respect to the project. Pamela Lenane introduced Jerry Berg and Kevin Fitch of Elmhurst Memorial Hospital. Mr. Berg thanked board members and IFA and did not give an overview of the project. Chairman Gustman asked if the Board had any questions with respect to project No. 7. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of project No. 7. Leave was granted. Project no. 7 was approved with 9 ayes, 0 nays, and 0 abstentions.

No. 8: H-SL-RE-TE-CD-6200 – Friendship Village of Mill Creek d/b/a Tallgrass at Mill Creek

Request for amended preliminary approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed \$5,500,000 to fund pre-construction financing costs, comprised primarily of design, development and marketing costs through the issuance of bond anticipation notes. This project is expected to create 4 new jobs and 10 construction jobs. (06-11-08).

Chairman Gustman asked if the Board had any questions with respect to Project no. 8. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of project no. 8. Leave was granted. Project no. 8 was approved with 9 ayes, 0 nays, and 0 abstentions.

No. 9: H-SL-RE-TE-CD-6042 – Franciscan Communities, Inc.
Request for final approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed \$50,000,000 to refund all or a portion of variable rate demand bonds, to fund a small portion of new money projects for certain facilities and to establish debt service reserve fund and pay issuance costs. (06-11-09).

Chairman Gustman asked if there were any guests attending the meeting with respect to Franciscan Communities, Inc. Pamela Lenane introduced Chet Labus, CFO & Senior VP of Franciscan. Mr. Labus gave an overview of the project. Chairman Gustman asked if the Board had any questions with respect to Project no. 9. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 9. Leave was granted. Project no. 9 was approved with 9 ayes, 0 nays, and 0 abstentions.

No. 10: H-HO-TE-CD-6234 – Riverside Medical Center and Riverside Senior Living Center
Request for final approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed \$45,000,000 to advance refund prior bonds and to fund a debt service reserve and to pay issuance costs. (06-11-10).

Chairman Gustman asked if the Board had any questions with respect to Project no. 10. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 10. Leave was granted. Project no. 10 was approved with 9 ayes, 0 nays, and 0 abstentions.

No. 11: H-HO-TE-CD-6201 – Loyola University Health System
Request for final approval of the issuance of Conduit 501(c)(3) Bonds in an amount not-to-exceed \$250,000,000 to fund new money projects, advance refund a portion of Series 2001A IHFA bonds and pay issuance costs. This project is expected to create 375 new jobs and 85 construction jobs. (06-11-11).

Chairman Gustman asked if there were any guests attending the meeting with respect to Loyola University Health System. Pamela Lenane introduced Michael Scheer, Sr. VP & CFO and Martin Gilbert, Director of Planning and Development. Messrs. Scheer and Gilbert thanked the board and the Authority's staff for consideration of the project and did not give an overview of the project.

Chairman Gustman asked if the Board had any questions with respect to Project no. 11. There being none, Chairman Gustman requested a motion for a roll call vote. Motion moved by Ms. Talbott and seconded by Mr. Goetz. Chairman Gustman asked Secretary Burgess Jones to take a roll call vote. Chairman Gustman abstained from voting on this project because his law firm has represented the underwriter, Citigroup Global Markets, Inc., on matters unrelated to this transaction. Project no. 11 was approved with 8 ayes, 0 nays, and 1 abstention (Gustman).

- No. 12:** **N-NP-TE-CD-6236 – Bridgeway, Inc.**
Request for preliminary approval of the issuance of Conduit Tax-Exempt 501(c)(3) Revenue Bonds in an amount not-to-exceed \$2,100,000 to refinance the purchase and renovation of two training facilities and refinance the construction of a new facility. (06-11-12).
- No. 13:** **N-NP-TE-CD-6237 – Occupational Development Center**
Request for preliminary approval of the issuance of Conduit Tax-Exempt 501(c)(3) Revenue Bonds in an amount not-to-exceed \$3,400,000 to finance the purchase and renovation of a 76,000 sq. ft. facility and to pay issuance costs. The project is expected to create 11 new jobs and 10 construction jobs. (06-11-13).
- No. 14:** **N-NP-TE-CD-6210 – The Center: Resources for Teaching and Learning**
Request for preliminary approval of the issuance of Conduit Tax-Exempt 501(c)(3) Revenue Bonds in an amount not-to-exceed \$1,900,000 to finance the acquisition and renovation of a building and to pay certain issuance costs. The project is expected to create 9 new jobs and 15 construction jobs. (06-11-14).

Chairman Gustman asked if the Board had any questions with respect to Project No. 14. There being none, Chairman Gustman requested a motion for a roll call vote. Motion moved by Mr. Valenti and seconded by Mr. Talbott. Chairman Gustman asked Secretary Burgess Jones to take a roll call vote. Project No. 14 was approved with 9 ayes, 0 nays, and 0 abstentions.

- No. 15:** **N-NP-TE-CD-6211 – SOS Children’s Village Illinois, Inc.**
Request for preliminary approval of the issuance of Conduit Tax-Exempt 501(c)(3) Revenue Bonds in an amount not-to-exceed \$11,000,000 to finance the acquisition of land, construction and renovation, acquisition of machinery and equipment, professional expenses and to pay certain issuance costs. The project is expected to create 46 new jobs and 125 construction jobs. (06-11-15).

Chairman Gustman asked if there were any guests attending the meeting with respect to the project. Sharnell Curtis Martin introduced Tim McCormick, CEO and Dina Tsourdinias, CFO of SOS Children’s Village Illinois, Inc. Mr. McCormick and Ms. Tsourdinias thanked the board and the Authority’s staff for consideration of the project and did not give an overview of the project.

Chairman Gustman asked if the Board had any questions with respect to Project no. 15. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Projects no. 15. Leave was granted. Project no. 15 was approved with 9 ayes, 0 nays, and 0 abstentions.

- No. 16:** **N-NP-TE-CD-6214 – St. Ignatius College Prep**
Request for preliminary approval of the issuance of Conduit Tax-Exempt 501(c)(3) Revenue Bonds in an amount not-to-exceed \$17,000,000 to finance land and building acquisition and various building and facility renovations. The project

is expected to create 1-2 new jobs and 20 construction jobs over 6 months. (06-11-16).

Chairman Gustman asked if the Board had any questions with respect to Project no. 16. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 16. Leave was granted. Project no. 16 was approved with 9 ayes, 0 nays, and 0 abstentions.

No. 17: **L-GP-6230 – Village of Big Rock**
Request for final approval of the issuance of a Local Government Direct Loan in an amount not-to-exceed \$95,000 to finance the repair and resurfacing of roads. The project is expected to create 18 construction jobs. (06-11-17).

Chairman Gustman asked if the Board had any questions with respect to Project no. 17. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 17. Leave was granted. Project no. 17 was approved with 9 ayes, 0 nays, and 0 abstentions.

No. 18: **I-ID-TE-CD-6215 – 700 Hickory Hills Drive, LLC for its Affiliate Lessee Precision Resource, Inc.**
Request for preliminary approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed \$9,540,000 to finance the purchase of land, renovations and construction of an addition to the existing manufacturing facility and to fund legal and professional costs. This project is expected to create 21 new jobs and 140 construction jobs over a 10-month period. IFA will provide \$9,540,000 of IFA Volume Cap and convey tax-exemption on the Industrial Revenue Bonds. (06-11-18).

No. 19: **I-ID-TE-CD-6213 – Magnetic Inspection Laboratory, Inc. and Schiewe Partnership**
Request for preliminary approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed \$8,100,000 to finance the construction and equipping of an addition to the existing manufacturing facility. This project is expected to create 22 new jobs within 2 years and an average of 15 construction jobs over a 7-month period. IFA Volume Cap in the amount of \$8,000,000 is expected to be provided in 2007, which will include a transfer from the Village of Elk Grove of approximately \$3,000,000 of its 2007 Volume Cap to the IFA. (06-11-19).

No. 20: **I-ID-TE-CD-6217 – Stromberg Allen and Company, and its affiliates, successors and assigns**
Request for preliminary approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed \$10,000,000 to finance the purchase and renovation of an existing, vacant manufacturing facility. This project is expected to create 10 new jobs and 10 construction jobs over a 3-5 month period. IFA Volume Cap in the amount of \$8,000,000 is expected to be provided in 2007, which will include a

transfer from the Village of Tinley Park of approximately \$3,600,000 of its 2007 Volume Cap to the IFA. (06-11-20).

No. 21: **B-LL-TX-6020 – Midwest Fabrication & Repair, Inc.**
Request for a rural development loan in the amount of \$157,000 to finance the purchase of new equipment to be used to manufacture 3-point agricultural implements. The project is expected to create 5 new jobs. (06-11-21).

No. 22: **I-ID-TX-MO-6221 – Rentech Energy Midwest Corp**
Request for preliminary approval of the issuance of Clean Coal and Energy Moral Obligation Bonds in an amount not-to-exceed \$150,000,000 to finance i) the construction and rehabilitation of real estate; ii) the acquisition and installation of machinery and equipment; iii) legal and professional costs; iv) capitalized interest and v) a debt service reserve fund. The project is expected to create 110 new jobs over a one-year period and 1,500-2,000 construction jobs over 42 months. (06-11-22).

Chairman Gustman asked if the Board had any questions with respect to Projects no. 18 through 22. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project nos. 18 through 22. Leave was granted. Project nos. 18 through 22 were approved with 9 ayes, 0 nays, and 0 abstentions.

No.23: **SW-PSW-TE-CD-6218; EZ-I-EZ-TE-CD-6219; TX-1-TRB-TX-CD-6220 – MOR Energy, LLC**
Request for preliminary approval of the issuance of Solid Waste Disposal Bonds in an amount not-to-exceed \$60,000,000, Empowerment Zone Bonds in an amount not-to-exceed \$60,000,000 and Taxable Solid Waste Bond in an amount not-to-exceed \$55,000,000 to finance the construction of a 121,000,000 gallon ethanol plant. The project is expected to create 50 new jobs and 400 construction jobs. (06-11-23).

Chairman Gustman asked if there were any guests attending the meeting with respect to the project. Steve Trout introduced Curt Jones, President & Owner; Kevin Ulrich, Project Manager and Owner; Brad Ulrich, Director, Technology and Project Development; Tom Kelty, Co-Bond Counsel, Law Offices of Tom Kelty; Sherry Olson, Accountant, Christianson & Associates; Lori Bockman, Co-Bond Counsel, Armstrong Teasdale; and Mary Kane, Underwriter, Stifel Nicolaus. Mr. Ulrich thanked the board and Authority staff for consideration of the project and provided a detailed overview of the project.

Chairman Gustman asked if the Board had any questions with respect to Project no. 23. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 23. Leave was granted. Project no. 23 was approved with 9 ayes, 0 nays, and 0 abstentions.

- No. 24:** **B-LL-TX-6231 – 218 West Main LLC**
Request for the issuance of a participation loan in the amount of \$425,000 to finance the purchase and renovation of a 48,000 square foot building. The project is expected to create 10 new jobs and 15 construction jobs. (06-11-24).
- No. 25:** **B-LL-TX-6232– JA Holding Inc.**
Request for the issuance of a participation loan in the amount of \$240,000 to facilitate the purchase of real property. The project is expected to create 5 new jobs and 20 construction jobs. (06-11-25).
- No. 26:** **B-LL-TX-6233– Tater’s Trucking**
Request for the issuance of a participation loan in the amount of \$122,500 to finance the purchase of land and building construction. The project is expected to create 8 new jobs and 15 construction jobs. (06-11-26).
- No. 27:** **B-LL-TX-6224– Precision Laser Manufacturing, Inc.**
Request for the issuance of a participation loan in the amount of \$250,000 to finance the acquisition of new laser equipment. The project is expected to create 2 new jobs. (06-11-27).
- No. 28:** **E-PC-TE-CD-6235 – Illinois Wesleyan University**
Request for final approval of the issuance of Conduit Tax-Exempt 501(c)(3) Revenue Bonds in an amount not-to-exceed \$35,000,000 to finance new life safety improvements and to advance refund all or a portion of prior IDFA bonds. This project is expected to create 5-10 construction jobs over a 12-24-month period. IFA will convey tax-exempt status on the bonds. (06-11-28).

Resolutions/Project Revisions/Amendatory Resolutions

- No. 29:** **BP Professional Building LLC (#B-LL-TX-6113)**
Request to increase the principal amount of the participation loan to be made by the Authority from \$675,000 to \$775,000 for the benefit of BP Professional Building LLC. (06-11-29).
- No. 30:** **Elmhurst Hotel Corporation d/b/a Holiday Inn Elmhurst (Mayan Adventure Indoor Water Park by Holiday Inn) (#B-LL-TX-665)**
Request to extend until March 1, 2007 the Authority’s commitment to make a participation loan to Elmhurst Holiday Hotel Corporation d/b/a Holiday Inn Elmhurst (Mayan Adventure Indoor Water Park by Holiday Inn). (06-11-30).
- No. 31:** **Midway Broadcasting Company (#B-LL-TX-668)**
Request to extend until March 11, 2007 the Authority’s commitment to make a participation loan to Midway Broadcasting Company. (06-11-31).
- No. 32:** **Jackson Park Hospital Foundation (#N-NP-TE-CD-664)**

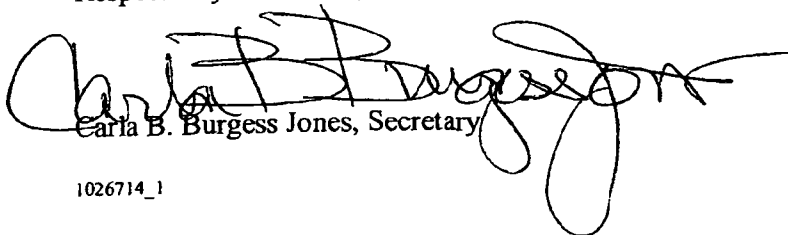
Request to increase the principal amount of bonds to be issued by the Authority for the benefit of Jackson Park Hospital Foundation from not-to-exceed \$10 million to not-to-exceed \$80 million. (06-11-32).

- No. 33: **Thomas E. Walbaum Agri-debt Guarantee (#A-DR-GT-6199)**
Request to increase the original agri-debt guarantee extension loan previously approved by the Board at its October 10, 2006 meeting from \$193,043 to \$199,043 for the benefit of Thomas E. Walbaum. (06-11-33).
- No. 34: **CoBatCo Participation Loan (#B-LL-TX-689)**
Request to extend for a period of six months (until May 7, 2007) the Authority's commitment to make a participation loan to CoBatCo. (06-11-34).
- No. 35: **IMT Real Estate, L.L.C. (#B-LL-TX-6090)**
Request to extend for a period of six months (until May 9, 2007) the Authority's commitment to make a participation loan to IMT Real Estate, L.L.C. (06-11-35).
- No. 36: **Pere Marquette Hotel Associates, L.P. (#B-LL-TX-582)**
Request to extend for a period of six months (until April 12, 2007) the Authority's commitment to make a participation loan to Pere Marquette Hotel Associates, L.P. (06-11-36).
- No. 37: **Wisconsin Tool Project/9521 Associates, LLC (IDFA No. 9865 – IRB)**
Amendatory bond resolution to authorize an amended and restated Trust Indenture, Loan Agreement and Offering Circular to, among other things, change the letter of credit provider from Chase Bank to Wachovia Bank N.A. (06-11-37).
- No. 38: **Resolution to Modify the Fee Schedule of the Illinois Finance Authority**
Resolution to modify the fee schedule of the Illinois Finance Authority for the Authority's issuance of moral obligation local government bonds. (06-11-38).

Chairman Gustman asked if the Board had any questions with respect to Resolutions and/or Amendatory Resolutions Nos. 29-38. There being none. Chairman Gustman requested leave to apply the last unanimous vote in favor of Resolutions and/or Amendatory Resolutions Nos. 29-38. Leave was granted. The resolutions were approved with 9 ayes, 0 nays, and 0 abstentions.

Chairman Gustman asked if there was any other business to come before the Board. There being no further business Chairman Gustman requested a motion to adjourn. Upon a motion by Mr. Goetz and seconded by Mr. O'Brien, the meeting adjourned at approximately 12:32 p.m.

Respectfully Submitted,


Carla B. Burgess Jones, Secretary

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