

**MINUTES OF THE DECEMBER 8, 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 Tuesday, December 8, 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. Dr. William J. Barclay
6. James J. Fuentes
7. Bradley A. Zeller
8. John “Jack” Durburg (Temporary)

**Members absent:**

1. Juan B. Rivera
2. Roderick Bashir (Temporary)
3. Joseph McInerney (Temporary)
4. Roger Poole (Temporary)
5. Edward H. Leonard, Sr.
6. Ronald E. DeNard

**Members participating by  
telephone:**

None

**Vacancies:**

One

**GENERAL BUSINESS**

*Call to Order, Establishment of Quorum and Roll Call*

Chairman Brandt called the meeting to order at 12:03 p.m. with the above members present. Chairman Brandt welcomed members of the Board and all guests and asked Assistant Secretary Kara Nystrom-Boulahanis to call the roll. There being eight (8) members physically present Ms. Nystrom-Boulahanis declared a quorum present.

*Acceptance of Financial Statements and Minutes*

Financial statements for the period ending November 30, 2009 and minutes for both the November 10, 2009 Committee of the Whole and the Board of Directors meetings 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 November 30, 2009 Financial Statements and minutes from both the November 10, 2009 Committee of the Whole and the Board of Directors’ meeting.

The motion was moved by Dr. Barclay and seconded by Mr. Goetz. The November 30, 2009 Financial Statements and minutes from both the November 10, 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. Chairman Brandt announced that four new members had been appointed to the IFA Board and one was present at the meeting: Mr. John “Jack” Durburg. Chairman Brandt thanked Mr. Durburg for attending the meeting. Mr. Roderick Bashir, Mr. Roger Poole, Mr. Joseph McInerney were also appointed to the Board by the Governor and are currently acting under temporary appointments as the Illinois State Senate is not in session.

Chairman Brandt then announced that on Friday night Governor Quinn forwarded two candidates for Executive Director of the IFA as the statute requires. The candidates were Gabriel Saunders, currently Deputy Director of Business Development, at the Illinois Department of Commerce and Economic Opportunity and Chris Meister, currently Deputy Director-General Counsel for the IFA. Both candidates were exceptionally well qualified for this role, making it a difficult decision for the Board. However, the Board has reached a decision. Chairman Brandt asked Mr. Zeller to present the Board's nomination. Mr. Zeller first reiterated that both candidates were excellent and this was truly a win-win situation for the IFA. He thanked both candidates. Mr. Zeller then made a motion to nominate Mr. Chris Meister to be the Executive Director of the IFA. Dr. Herrin then seconded that motion. Chairman Brandt asked Assistant Secretary Nystrom-Boulahanis to take a roll call vote. Ms. Nystrom-Boulahanis conducted a roll call vote and Mr. Meister's nomination was carried unanimously with 8 ayes, 0 nays and 0 abstentions.

Chairman Brandt congratulated Mr. Meister and thanked Mr. Saunders for his candidacy.

*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 undergo an extensive review process prior to presentation to the Board. All projects are thoroughly vetted by a staff credit committee. All agriculture, energy and healthcare projects are also reviewed at their respective committees' public meetings 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 board approval:

- No. 1A:**        **A-FB-TE-CD-8297– Jared W. Brewer**  
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$166,375 for the purchase of 55 acres of farmland. This project is located in Cambridge, IL (Henry County).
- No. 1B:**        **A-FB-TE-CD-8298– Mark J. & Beth A. Killam**  
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$469,200 for the purchase of an undivided 1/3 interest in a farm equal to 76.48 acres of farmland. This project is located in Auburn, IL (Sangamon County).
- No. 1C:**        **A-FB-TE-CD-8299– William C. & Jennie M. Nichelson**  
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$469,200 for the purchase of an undivided 1/3 interest in a farm equal to 76.48 acres of farmland. This project is located in Girard, IL (Sangamon County).
- No. 1D:**        **A-FB-TE-CD-8300 – Nicholas L. Holland**  
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$113,920 for the purchase of 40 acres of farmland. This project is located in Mason, IL (Effingham County).

**No. 2:** **A-AD-GT-8293– Baby Bacon, Inc.**  
Request for final approval for the issuance of an Agri-Debt Guarantee in an amount not-to-exceed \$300,000. Proceeds from this financing will be used to provide an 85% loan guarantee in favor of Resource Bank to refinance the borrowers' debts. This project is located in Amboy, IL (Lee County).

No guests attended with respect to Project Nos. 1A, 1B, 1C, 1D or 2. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 1A, 1B, 1C, 1D or 2. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 1A, 1B, 1C, 1D and 2. Leave was granted. Project Nos. 1A, 1B, 1C, 1D and 2 received approval with 8 ayes, 0 nays, and 0 abstentions.

**No. 3:** **PU-WD-TE-CD-8304– American Water Capital Corp. on behalf of Illinois-American Water Company**  
Request for preliminary approval for the issuance of up to \$25 million of New Money Water Furnishing Facilities Revenue Bonds to finance a portion of the cost of new capital improvements to certain Illinois-American Water Company drinking water systems located statewide. The total construction cost of these projects is approximately \$35.4 million including, but not limited to, various mains, meters, pumping stations, and water treatment plant improvements. The proposed IFA Series 2010 Bonds will finance a portion of total capital improvement costs located in Illinois-American Water Company's Champaign, Interurban (Granite City and East St. Louis), Lincoln, Peoria, and Pontiac Districts.

**No. 4:** **B-LL-TX-8193–Midwest Investment Solutions, Inc. (Orbital Tool Technologies Corp.)**  
Request for the final approval of the issuance of a participation loan in an amount not to exceed \$475,632.50. The proceeds of this issuance will be used to (i) provide permanent financing for the construction of an 11,400 SF addition to its existing 23,920 SF manufacturing facility located in Belvidere, Illinois that is leased to Orbital Tool Technologies Corp. (ii) finance installation expenses for existing equipment, and (iii) fund accrued interest on a construction loan for the subject property. This project is located in Belvidere, IL (Boone County).

**No. 5:** **E-PS-TE-CD-8270–The Joliet Montessori School**  
Request for the final 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) pay amounts due under the Borrower's Tax-Exempt Lease (evidenced by a Sublease dated as of April 1, 1998), (ii) paying or reimbursing the Borrower for costs of acquiring, constructing, renovating, remodeling and equipping approximately 2,325 SF educational facility located at 1612 Root Street, Crest Hill (Will County), Illinois; (iii) funding a debt service reserve fund for the benefit of the Series 2009 Bonds; (iv) paying a portion of the interest on the Series 2009 Bonds; (v) providing working capital, if deemed necessary; and (vi) paying certain expenses incurred in connection with the issuance of the Series 2009 Bonds. This project is located in Crest Hill, IL (Will County).

No guests attended with respect to Project Nos. 3, 4 or 5. Chairman Brandt asked if the Board had any questions with respect to Project No. 3, 4 or 5. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 3, 4 and 5. Leave was granted. Project Nos. 3, 4 and 5 received approval with 8 ayes, 0 nays, and 0 abstentions.

- No. 6:**            **H-HO-TE-CD-8301– Community Memorial Hospital**  
Request for the preliminary approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$955,000. The proceeds of this issuance will be used for (i) construction of a 5,500 square foot medical office building that will provide space to house Hospital physicians who are currently in space within the Hospital and who are committed to transition to the new offices (ii) Acquisition of equipment for use therein and (iii) legal and professional issuance costs associated with the bond issuance. This project is located in Staunton, IL (Macoupin County).
- No. 7:**            **H-HO-TE-CD-8303– Saint Anthony’s Health Center**  
Request for the preliminary approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$10 million. The proceeds of this issuance will be used to fund capital expenditures and other improvements for the health care facilities of the Borrower including, but not limited to, certain radiology, hospital and other medical and non-medical equipment, information systems hardware and software, and various hospital building renovations and improvements. This project is located in Alton, IL (Madison County)
- No. 8:**            **H-HO-TE-CD-8305– Swedish Covenant Hospital**  
Request for the preliminary approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$140 million. The proceeds of this issuance will be used to (i) to refund all or a portion of the outstanding Series 2003A, 2003B, and 2008B Variable Rate Demand Bonds, (ii) to establish a debt service reserve fund; (iii) to pay Cost of Issuance of the Bonds; and (iv) fund future hospital renovation and equipment purchases. This project is located in Chicago, IL (Cook County)
- No. 9:**            **H-HO-TE-CD-8296– Illinois Valley Community Hospital**  
Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$24 million. The proceeds of this issuance will be used to (i) funding for capital projects, (ii) the refinance of an existing bank loan and (iii) funding for bond issuance costs and other delivery date expenses associated with the transaction. This project is located in Peru, IL (LaSalle County)
- No. 10:**          **H-HO-TE-CD-8276– Memorial Health System**  
Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$185 million. The proceeds of this issuance will be used to provide funds to Memorial Health System, Memorial Medical Center, Taylorville Memorial Hospital and The Abraham Lincoln Memorial Hospital (collectively, the “Borrowers”), each an Illinois not for profit corporation, together with certain funds of the Borrowers, necessary to (i) pay or reimburse, or refinance certain indebtedness the proceeds of which were used to pay or reimburse, the costs of acquiring, constructing, renovating, remodeling and equipping certain of the Borrowers’ health care facilities, (ii) cash defease and/or currently refund all or a portion of the outstanding principal amount of the \$48,460,000 Illinois Health Facilities Authority Revenue Bonds, Series 1997 (Memorial Health System) (the “Series 1997 Bonds”), (iii) fund a debt service reserve fund, if deemed necessary or advisable, (iv) pay a portion of the interest on the Bonds, if deemed necessary or advisable, (v) provide working capital, if deemed necessary or advisable, and (vi) pay certain expenses incurred in connection with the issuance of the Bonds, including but not limited to the costs of cash defeasing and/or refunding the Series 1997 Bonds. This project is located in Springfield, Taylorville and Lincoln, IL (Sangamon, Christian and Logan Counties).

**No. 11:** **H-SL-RE-TE-CD-8283– Rest Haven Illiana Christian Convalescent Home, D/B/A Providence Life Services**

Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$30 million. The proceeds of this issuance will be used (i) refund a majority of the Illinois Finance Authority Weekly Adjustable Rate Revenue Bonds, Series 2004B (Rest Haven Christian Services), and (ii) fund certain professional and bond issuance costs. This project is located in multiple locations in Chicago, IL (Cook County).

**No. 12:** **H-SL-RE-TE-CD-8283– Villa Guadalupe Senior Service Corporation**

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 (1) refund the existing Series 1990 Variable Rate Demand Bonds issued by the County of Cook, Illinois 2) fund future capital expenditures, and 3) pay for cost of issuance associated with the Series 2009 Bonds. This project is located in Carbondale, Herrin and Murphysboro, IL.

No guests attended with respect to Project Nos. 6, 7, 8, 9, 10, 11 or 12. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 6, 7, 8, 9, 10, 11 or 12. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 6, 7, 8, 9, 10, 11 and 12. Leave was granted. Project Nos. 6, 7, 8, 9, 10, 11 and 12 received approval with 8 ayes, 0 nays, and 0 abstentions.

**No. 13:** **The Center for Research Libraries Project.** Resolution to approve a First Supplemental Security Agreement and to Authorize Execution of an Account Control Agreement, and to authorize the substitution of certain collateral securing the Loan (IEFA Series 1985 Cultural Pool).

**No. 14:** **Embers Elementary School Project.** Resolution to approve an Amended and Restated Trust Indenture and a First Amendment to the Loan Agreement, which provides for the creation of a new interest rate, and related matters

No guests attended with respect to Resolution Nos. 13 or 14. Chairman Brandt asked if the Board had any questions with respect to Resolution Nos. 13 or 14. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Resolution Nos. 13 and 14. Leave was granted. Resolution Nos. 13 and 14 received approval with 8 ayes, 0 nays, and 0 abstentions.

**No. 16:** **Credit Criteria.** Resolution Establishing the Credit Criteria of the Illinois Finance Authority

**No. 17:** **Illinois Finance Authority Healthcare Initiative for Small and Mid-size Rural and Urban Not-for-Profit Hospitals, Critical Access Hospitals and Community Providers of Behavioral Healthcare.** Resolution establishing the Illinois Finance Authority Healthcare Initiative for Small and Mid-size Rural and Urban Not-for-Profit Hospitals, Critical Access Hospitals and Community Providers of Behavioral Healthcare services in the State of Illinois.

No guests attended with respect to Resolution Nos. 16 or 17. Chairman Brandt asked if the Board had any questions with respect to Resolution Nos. 16 or 17. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Resolution Nos. 16 and 17. Leave was granted. Resolution Nos. 16 and 17 received approval with 8 ayes, 0 nays, and 0 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. Zeller and seconded by Mr. Goetz, the meeting adjourned at 12:24 p.m.

Chairman Brandt reminded all guests that next month's meeting will be on January 12, 2009 at the Prudential Plaza Conference Center at 130 E. Randolph Ave., 7<sup>th</sup> Floor, Chicago, IL 60601.

Respectfully Submitted,

Kara Nystrom-Boulahanis, Assistant Secretary