



MINUTES OF THE DECEMBER 18, 2007 SPECIAL 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 Special Board Meeting at 2:00 p.m., on December 18, 2007 at the offices of Shefsky & Froelich, 111 E. Wacker Drive, 28th Floor, Room 2806A, Chicago, Illinois:

Members present:

David C. Gustman, Chair
Dr. William J. Barclay
Ronald E. DeNard
Michael W. Goetz
Andrew W. Rice
Juan B. Rivera
Joseph P. Valenti
April D. Verrett
Bradley A. Zeller

Members absent:

Magda M. Boyles
James J. Fuentes
Dr. Roger D. Herrin
Edward H. Leonard, Sr.
Terrence M. O'Brien
Lynn F. Talbott

Vacancies:

None

Members participating by telephone:

None

GENERAL BUSINESS

Call to Order, Establishment of Quorum and Roll Call

Chairman Gustman called the meeting to order at 2:11 p.m. with the above members present. Chairman Gustman welcomed members of the Board and all guests and asked Secretary, Carla Burgess Jones to call the roll. There being nine (9) members physically present, Ms. Burgess Jones declared a quorum present.

Chairman's Report

Chairman Gustman announced that, effective December 31, 2007 he will leave his position as Board Member and Chair of the IFA. Chairman Gustman stated that during his four years on the Board, the Illinois Finance authority has approved over 780 projects, which total approximately \$11 billion and created thousands of Illinois jobs.

Executive Director's Report

Director Hubbard welcomed and thanked all guests for coming. Director Hubbard reported that the Illinois Finance Authority's financial performance remains consistently strong and above budget. Director Hubbard reported 19 projects would be presented totaling over \$4 million that are expected to create approximately 1,197 new jobs and 3,299 construction jobs.

Acceptance of Financial Statements

Financial statements for the period ending November 30, 2007 were presented to and accepted by the Board. Chairman Gustman stated that the Authority's financial statements were reviewed

at the regularly scheduled Committee of the Whole Meeting held on December 11, 2007 at 8:30 a.m.

Minutes

Chairman Gustman announced that the next order of business was to approve the minutes of the November 13, 2007 Meeting of the Board. Chairman Gustman announced that the November 13, 2007 minutes were approved at the regularly scheduled Committee of the Whole Meeting held on December 11, 2007 at 8:30 a.m. Chairman Gustman asked for a motion to approve the minutes. Motion was moved by Ms. Verrett and seconded by Mr. Rivera. Secretary, Carla Burgess Jones, took a roll call vote for approval of the minutes. The minutes were approved by a roll call vote with 9 ayes, 0 nays, and 0 abstentions.

Projects

Chairman Gustman asked Executive Director Hubbard to present the projects for consideration to the Board. Chairman Gustman announced that the Board considered each of the projects to be presented in detail at the regularly scheduled December 11, 2007 8:30 a.m. meeting of the Committee of the Whole. Director Hubbard presented agricultural projects in a total approximate amount of \$950,481 to the Board for approval. Project 1 includes four (4) individual Beginning Farmer projects:

No. 1: A-FB-TE-CD-7238 – Chad and Kelly Peterson
Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$250,000 to provide permanent financing to purchase approximately 80 acres of farmland. This project is located in Kingston, Illinois. (07-12-01).

A-FB-TE-CD-7239 – Dustin Rosenthal
Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$250,000 to provide permanent financing to purchase approximately 60 acres of farmland. This project is located in Morrisonville, Illinois. (07-12-01).

A-FB-TE-CD-7240 – Chad Lucas
Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$228,000 to provide permanent financing to purchase approximately 80 acres of farmland. This project is located in Morton, Illinois. (07-12-01).

A-FB-TE-CD-7241 – Gena and Duane Dewald
Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$222,481 to provide permanent financing to purchase approximately 124 acres of farmland. This project is located in Sutter, Illinois. (07-12-01).

No guests attended with respect to Project no. 1. Chairman Gustman asked if the Board had any questions with respect to the Beginning Farmer Bonds presented. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no.1 which

includes four (4) individual Beginning Farmer Bonds. Leave was granted. Project no. 1 which includes four (4) individual Beginning Farmer Bonds received final approval with 9 ayes, 0 nays, and 0 abstentions.

No. 2: **H-HO-TE-CD-7162 – Hoosier Care, Inc. and Hoosier Care II, Inc.**
Request for final approval of the issuance of Conduit 501(c) 3 Bonds in an amount not-to-exceed \$22.15 million to advance refund certain tax exempt bonds issued in 1999; fund debt service reserve and pay issuance costs. This project is expected to create approximately 5 new jobs, and 5 construction jobs. This project has locations in Champaign, Loves Park and Sterling, Illinois. (07-12-02).

Chairman Gustman asked if the Board had any questions with respect to Project no. 2. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 2. Leave was granted. Project no. 2 received final approval with 9 ayes, 0 nays, and 0 abstentions.

No. 3: **H-HO-TE-CD-7193 – Fairview Obligated Group**
Request for final approval of the issuance of Conduit 501(c) 3 Bonds in an amount not-to-exceed \$60 million to current and advance refund Series 2004 Bonds; fund new money projects; debt service reserve and financing costs. This project has locations in Downers Grove and Rockford, Illinois. (07-12-03).

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

No. 4: **H-HO-TE-CD-7182 – The Admiral At The Lake**
Request for final approval of the issuance of Conduit 501(c)3 Bonds in an amount not-to-exceed \$200 million to construct and equip a new Continuing Care Retirement Community, finance a bank loan, fund a debt service reserve fund, capitalize interest and fund professional and bond issuance costs. This project is expected to create approximately 200 new jobs and 200 construction jobs. This project is located in Chicago, Illinois. (07-12-04).

No guests attended with respect to Project no. 4. Chairman Gustman asked if the Board had any questions with respect to Project no. 4. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 4. Leave was granted. Project no. 4 received final approval with 9 ayes, 0 nays, and 0 abstentions.

No. 5: **N-NP-TE-CD-7032 – Community Action Partnership of Lake County**
Request for final approval of the issuance of Conduit 501(c)3 Bonds in an amount not-to-exceed \$4 million to refinance outstanding mortgage and bank loans, provide working capital and pay issuance costs. This project has locations in Waukegan, Antioch, North Chicago and Round Lake Beach, Illinois, Illinois. (07-12-05).

No guests attended with respect to Project no. 5. Chairman Gustman asked if the Board had any questions with respect to Project no. 5. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 5. Leave was granted. Project no. 5 received final approval with 9 ayes, 0 nays, and 0 abstentions.

No.6: B-LL-TX-7243 – The Jackson Family Limited Partnership
Request for final approval of a Participation Loan in an amount not-to-exceed \$420,000 to finance the acquisition of two commercial lots and construct a new facility. This project is expected to create approximately 19 new jobs and 40 construction jobs. This project is located in Decatur, Illinois. (07-12-06).

No guests attended with respect to Project no. 6. 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 received final approval with 9 ayes, 0 nays, and 0 abstentions.

No. 7: I-ID-TE-CD-7244 – AVB Development, LLC
Request for preliminary approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed \$8.55 million for the acquisition and renovation of an industrial building, acquisition and installation of machinery and equipment and fund legal and professional costs. This project is subject to an allocation of 2008 Volume Cap. The Village of Franklin Park is not a Home Rule municipality so it has no Volume Cap to contribute to this project. This project is expected to create approximately 52 new jobs and 20 construction jobs. This project is located in Franklin Park, Illinois. (07-12-07).

No guests attended with respect to Project no. 7. 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 received preliminary approval with 9 ayes, 0 nays, and 0 abstentions.

No. 8: I-ID-TE-CD-7242 – Labriola, Inc., d/b/a Labriola Baking Company and an LLC to be formed
Request for preliminary approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed \$10 million to finance land acquisition and construction, equipment acquisition and pay certain issuance costs. The borrower is communicating with the Village of Alsip to acquire their 2008 Home Rule Volume Cap and transfer that Volume Cap to the IFA to support the project. The Company will be seeking the remaining Volume Cap from the IFA. The IFA reserves the right to withdraw any preliminary resolution approved and any proposed volume cap allocation subject to the acceptance of a satisfactory financing commitment from an eligible financial institution. All materials financing terms will be fully disclosed prior to the approval of any IFA final bond resolution, the allocation of any volume cap from the State of Illinois, and compliance with any additional conditions required by the IFA. This project is expected to create approximately 25 new jobs and 80 construction jobs. This project is located in Alsip, Illinois. (07-12-08).

No guests attended with respect to Project no. 8. 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 received preliminary approval with 9 ayes, 0 nays, and 0 abstentions.

No. 9: I-ID-TE-CD-7246 – Genesis, Inc. and Shamrock Hill Farms Western Properties, LLC

Request for final approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed \$4.6 million to finance the acquisition of land, construction costs, machinery and equipment and pay certain issuance costs. The borrower will be seeking \$4.6 million in 2008 IFA Volume Cap. The Village of Roselle is not a Home Rule municipality so it has no Volume Cap to contribute to this project. The IFA reserves the right to withdraw any preliminary resolution approved and any proposed volume cap allocation subject to the acceptance of a satisfactory financing commitment from an eligible financial institution. All materials financing terms will be fully disclosed prior to the approval of any IFA final bond resolution, the allocation of any volume cap from the State of Illinois, and compliance with any additional conditions required by the IFA. This project is located in Roselle, Illinois. This project is expected to create approximately 29 new jobs and 85 construction jobs. (07-12-09).

No guests attended with respect to Project no. 9. 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 received preliminary approval with 9 ayes, 0 nays, and 0 abstentions.

No. 10: I-ID-TE-CD-7223 – Crown Metal Manufacturing Co., Inc., an Illinois Corporation, and (ii) Chicago Title Land Trust Company, known as Trustee under the provisions of that certain Trust Agreement dated January 4, 1991 and known as Trust Number CT01008499 for the benefit of Varon 2002, LLC

Request for final approval of the issuance of Industrial Revenue Bonds in amount not-to-exceed \$3.5 million to construct and equip an addition to an existing manufacturing facility, purchase fixtures and equipment and fund legal and professional issuance costs. Issuance of the bonds is subject to an allocation of Volume Cap. The City of Elmhurst was approached to contribute Volume Cap for this project, but has no remaining 2007 Volume Cap available to support this project. This project is expected to create approximately 12 new jobs and 45 construction jobs over a five month period. This project is located in Elmhurst, Illinois. (07-12-10).

No guests attended with respect to Project no. 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 received final approval with 9 ayes, 0 nays, and 0 abstentions.

No. 11: **I-ID-TE-CD-7109 – Chicago Gear – D.O. James Corporation**
Request for final approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed \$5.3 million for the acquisition of land, to renovate an existing facility, building construction, and purchase machinery and equipment. Issuance of the Bonds will require an allocation of \$5.3 million of Volume Cap to be provided by the Governor's Office of Management and Budget. This project site is located in the following designated development districts: (1) the city of Chicago's Kinzie Industrial Corridor; (2) the city of Chicago's West Side Empowerment Zone; and (3) the City of Chicago's Enterprise Zone No. 4. This project is expected to create approximately 15 new jobs within 2 years and 25 construction jobs (average) over a 7-month period. This project is located in Chicago, Illinois. (07-12-11).

No guests attended with respect to Project no. 11. Chairman Gustman asked if the Board had any questions with respect to Project no. 11. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 11. Leave was granted. Project no. 11 received final approval with 9 ayes, 0 nays, and 0 abstentions.

No. 12: **I-ID-TE-CD-7151 – The Jel Sert Company**
Request for final approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed \$10 million to finance new manufacturing equipment. The Village of West Chicago has no remaining 2007 Volume Cap available to support this project. Issuance of the Bonds is subject to an allocation of Volume Cap. This project is expected to create 300 new jobs. This project is located in West Chicago, Illinois. (07-11-12).

No guests attended with respect to Project no. 12. Chairman Gustman asked if the Board had any questions with respect to Project no. 12. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 12. Leave was granted. Project no. 12 received final approval with 9 ayes, 0 nays, and 0 abstentions.

No. 13: **P-SW-TE-CD-7245 – Lively Grove Energy Partners, LLC**
Request for preliminary approval of the issuance of Solid Waste Disposal Facilities Bonds in an amount not-to-exceed \$13.3 million to finance and reimburse Prairie Power, Inc. for its share of costs to: (1) acquire land; (2) construct a power generation facility; (3) acquire and install machinery and equipment; and (4) capitalize debt service reserve, and (5) pay associated legal and professional costs. Issuance of the Bonds is subject to an allocation of Volume Cap. This project is located in Lively Grove Township, Illinois. This project is expected to create approximately 180 new jobs and 833 construction jobs. (07-12-13).

No guests attended with respect to Project no. 13. Chairman Gustman asked if the Board had any questions with respect to Project no. 13. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 13. Leave was granted. Project no. 13 received preliminary approval with 9 ayes, 0 nays, and 0 abstentions.

No. 14: P-SW-TE-CD-7222 – Prairie Power, Inc.

Request for preliminary approval of the issuance of Solid Waste Disposal Facilities Bonds in an amount not-to-exceed \$13.3 million to finance and reimburse Prairie Power, Inc. for its share of costs to: (1) acquire land; (2) construct a power generation facility; (3) acquire and install machinery and equipment; (4) capitalize debt service reserve; and (5) pay associated legal and professional costs. Issuance of the Bonds is subject to an allocation of Volume Cap. This project is located in Lively Grove Township, Illinois. This project is expected to create approximately 180 new jobs and 833 construction jobs. (07-12-14).

No guests attended with respect to Project no. 14. Chairman Gustman asked if the Board had any questions with respect to Project no. 14. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Project no. 14. Leave was granted. Project no. 14 received preliminary approval with 9 ayes, 0 nays, and 0 abstentions.

No. 15: P-SW-TE-CD-7225 – Southern Illinois Power Cooperative

Request for preliminary approval of the issuance of Solid Waste Disposal Facilities Bonds in an amount not-to-exceed \$13.3 million to finance and reimburse Prairie Power, Inc. for its share of costs to: (1) acquire land; (2) construct a power generation facility; (3) acquire and install machinery and equipment; (4) capitalize debt service reserve; and (5) pay associated legal and professional costs. Issuance of the Bonds is subject to an allocation of Volume Cap. This project is located in Lively Grove Township, Illinois. This project is expected to create approximately 180 new jobs and 833 construction jobs. (07-12-15).

No guests attended with respect to Project no. 15. 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 Project no. 15. Leave was granted. Project no. 15 received preliminary approval with 9 ayes, 0 nays, and 0 abstentions.

No. 16: E-PC-TE-CP-7234 – DePaul University (Commercial Paper Revenue Notes)

Request for final approval to issue Commercial Paper (CP) Revenue Notes in an aggregate principal amount not-to-exceed \$150 million pursuant to terms of both (1) the Resolution and (2) DePaul's Letter of Credit Reimbursement Agreement with US Bank. DePaul cannot have more than \$75 million of CP Revenue Notes outstanding at any one time. DePaul intends to issue an initial series of CP Revenue Notes to finance various capital projects that will involve life safety improvements, potential real estate acquisition, campus building renovations and build-outs, and various capital improvement projects at its Lincoln Park and Loop campuses. Preliminarily, DePaul plans to pay down this initial Series of CP Revenue Notes with proceeds of a long-term IFA Bond Issue. Subsequent to that, DePaul would pursue initial financing of new projects through this CP Revenue Notes Program. (07-12-16).

Chairman Gustman asked if there were any guests attending the meeting with respect to this project and IFA Vice-President Rich Frampton introduced Mr. Doug Stanford. Mr. Stanford gave a brief presentation and thanked the Board and the IFA for their consideration of the project. Mr. Stanford also mentioned that DePaul anticipates closing in January, 2008. Chairman Gustman then 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 received final approval with 9 ayes, 0 nays, and 0 abstentions.

Resolutions/Amendatory Resolutions

- No. 17: Resolution authorizing the execution and delivery of an amended and restated bond trust indenture and an amended and restated loan agreement related to the Authority's Series 2004 Bonds and Series 2006A and B Bonds (Riverside Health System) to permit the addition of a letter of credit to supplement the Radian Assurance bond insurance policy.
- No. 18: Resolution authorizing Newline Hardwoods, Inc. to extend the maturity of its loan two additional years and re-amortize the current loan balance over the extended loan period. IFA Project No. B-LL-TX-410.
- No. 19: Amendatory Resolutions to Authorize the Election of Mortgage Certificates to Utilize 2004 Carry-forward Volume Cap that would otherwise expire December 31, 2007 for a Joint Issuance of a Mortgage Credit Certificate Program with the City of Decatur.

Chairman Gustman asked if the Board had any questions with respect to the Resolutions. There being none, Chairman Gustman requested leave to apply the last unanimous vote in favor of Resolution nos. 17 and 18, and Amendatory Resolutions no. 19. Leave was granted. Resolution nos. 17 and 18, and Amendatory Resolution no. 19 were approved with 9 ayes, 0 nays, and 0 abstentions.

Other Business

Item No. 20: Consideration and appointment of corporate officers.

Chairman Gustman requested a motion to nominate Mr. Michael W. Goetz as Vice-Chair of the IFA Board, effective immediately. The motion was moved by Mr. DeNard and seconded by Mr. Rivera. Item no. 20 was approved with 9 ayes, 0 nays and 0 abstentions.

- No. 21: Carlin Acquisition LLC, a Pennsylvania limited liability company, and its affiliates, successors, and assigns (Carlin) are requesting that the Illinois Finance Authority issue Taxable Moral Obligation Mode Bonds in an amount not-to-exceed \$20 million that would be further secured by a Moral Obligation of the State of Illinois, while the Bonds are in Moral Obligation Mode. The Moral Obligation Mode would be limited to a maximum term of one year and would be limited to interest payments on the Taxable Bonds. No principal payments would be due during the one year period during which the Bonds would be in Moral

Obligation Mode. As of day 366, the Taxable Bonds would no longer be in Moral Obligation Mode and subject to mandatory tender. The issuance of State Bonds will be subject to approval of the Governor's Office.

The purpose of this request is to assist in financing the acquisition of Exxon Mobil Corporation's Monterey Coal Company's mines and related reserves located in Downstate Illinois near Carlinville, Illinois in Macoupin County and Montgomery County. Carlin does not intend to own the reserves on a long-term basis, but instead intends to focus on continuing coal mining operations that will use Monterey's reserves. Carlin has requested that IFA consider providing a bridge loan for a period of 6 months to one year to enable (1) Exxon Mobil to divest the properties as planned on or about 12/31/2007 (to prevent an announced shutdown), and (2) enable Carlin to maintain and operate the Macoupin County mine without disruption until another purchaser of the Monterey reserves emerges.

Rich Frampton, IFA Vice President, presented to the Board the Carlin Acquisition, LLC request for Bridge Financing using IFA Taxable Bonds with a limited Moral Obligation, Project No. I-ID-TX-MO-7257. This project was added to the public agenda on Friday, December 14, 2007 at 5:00 p.m. Chairman Gustman asked if the Board had any questions in regard to the Carlin Acquisition, LLC project. Several members of the board presented factual questions that were answered satisfactorily by Rich Frampton. There being no further questions, Chairman Gustman requested a motion to approve a Preliminary Bond Resolution in connection with the issuance of Taxable Bonds in an amount not-to-exceed \$20 million, subject to conditions no. 1 through no. 8 as presented in the IFA staff memorandum prepared in connection with the request and by IFA during the project's presentation to the Board. Motion was moved by Mr. Zeller and seconded by Dr. Barclay. Item no. 21 received preliminary approval with 9 ayes, 0 nays and 0 abstentions.

Chairman Gustman requested a motion to adjourn. Upon a motion by Mr. Rice and seconded by Mr. Zeller, the meeting adjourned at approximately 3:26 p.m.

Respectfully Submitted,

Carla B. Burgess Jones, Secretary

