

**MINUTES OF THE APRIL 13, 2010 MEETING OF THE BOARD OF DIRECTORS OF THE
ILLINOIS FINANCE AUTHORITY**

The Board of Directors (the “Board”) of the Illinois Finance Authority (the “IFA” or the “Authority”), pursuant to notice duly given, held a Board Meeting at 11:30 a.m. on Tuesday, April 13, 2010 at the Prudential Plaza Conference Center at 130 E. Randolph Street, 7th Floor, Chicago, IL 60601.

Members present:

1. William A. Brandt, Jr., Chairman
2. Michael W. Goetz, Vice Chairman
3. Terrence M. O’Brien
4. Dr. William J. Barclay
5. John “Jack” Durburg
6. James J. Fuentes
7. Roger Poole
8. Joseph McInerney

Members absent:

1. Ronald E. DeNard
2. Juan B. Rivera
3. Roderick Bashir
4. Dr. Roger D. Herrin
5. Edward H. Leonard, Sr.
6. Bradley A. Zeller

**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 11:35 a.m. with the above members present. Chairman Brandt welcomed members of the Board and all guests. He then asked Assistant Secretary Kara Nystrom-Boulahanis to call the roll. There being eight (8) members physically present Ms. Nystrom-Boulahanis declared the quorum met.

Acceptance of Financial Statements and Minutes

Financial statements for the period ending March 31, 2010 and minutes for both the March 9, 2010 Committee of the Whole and Board of Directors meetings were presented to 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 at 8:30 a.m. that day. Chairman Brandt requested a motion to approve the March 31, 2010 financial statements and minutes from both the March 9, 2010 Committee of the Whole and the Board of Directors meeting.

The motion was moved by Mr. Goetz and seconded by Mr. Poole. The March 31, 2010 financial statements and minutes from both the March 9, 2010 Committee of the Whole and the Board of Directors meetings were unanimously approved by members of the Board.

Senior Staff Reports

None.

Project Approvals

Chairman Brandt asked Mr. Rich Frampton, Vice President, to present the projects for consideration to the Board. Chairman Brandt announced that the projects presented 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:** – **Michael T. Marron**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$165,000 for the purchase of approximately 40 acres of farmland. This project is located in unincorporated Vermillion County near Fithian, IL.
- No. 1B:** – **Benjamen A. & Sonya L. Coulter**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$188,800 for the purchase of an undivided 1/3 interest in approximately 188.88 acres of farmland. This project is located in unincorporated Iroquois County near Paxton, IL.
- No. 1C:** – **Dustin & Christine Bauer**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$125,000 for the purchase of approximately 65 acres of farmland. This project is located in unincorporated Bond County near Greenville, IL.
- No. 1D:** – **Justin Alwardt**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$220,000 for the purchase of approximately 93 acres of farmland and related buildings. This project is located in unincorporated Effingham County near Altamont, IL.
- No. 1E:** – **Steven R, Smithenry**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$40,950 for the purchase of approximately 19.5 acres of farmland. This project is located in unincorporated Jasper County near Newton, IL.
- No. 1F:** – **Alex Dotterer**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$131,128 for the purchase of approximately 40.82 acres of farmland. This project is located in unincorporated Livingston County near Fairbury, IL.
- No. 1G:** – **Brian Scott & Karen Sue Voss**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$87,000 for the purchase of approximately 41.25 acres of farmland. This project is located in unincorporated Adams County near Columbus, IL.
- No. 1H:** – **Gary & Annette Steidinger**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$127,920 for the purchase of approximately 40 acres of farmland and related buildings. This project is located in unincorporated Effingham County near Altamont, IL.

Director Meister noted that due to a scrivener's error, the not-to-exceed amounts for Project Nos. 1A, 1F and 1G were incorrectly transcribed into the agenda distributed at the Board Meeting and re-read the correct not-to-exceed amounts into the record for Project 1A (\$165,000), Project 1F (\$131,128) and Project 1G (\$87,000).

No. 2: -- Gregory R. & Jan R. Kerber

Request for final approval of the issuance of an agri-debt guarantee supporting a loan in an amount not-to-exceed \$500,000 to provide an 85% loan guarantee (i.e., \$425,000) in favor of the Bank of Gibson City to finance the purchase of approximately 122 acres of farmland. This project is located in unincorporated Ford County near Sibley, IL.

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

No. 3: – Concordia Place Apartments, L.P.

Request for the approval of a preliminary bond resolution for the issuance of up to \$17.5 million of affordable rental housing bonds. The proceeds of these bonds will be used to: (1) current refund the remaining outstanding balance of the City of Chicago Series 2003 Revenue Bonds and IFA Series 2006 Subordinate Bonds, (2) finance capitalization of certain reserve funds required by the new Credit Enhancer, (3) prospectively fund renovations, and (4) pay certain expenses incurred in connection with the issuance of the Series 2010 Bonds. This 297-unit affordable rental housing property is located in Chicago, IL. (Cook County).

No. 5: – National Opinion Research Center

Request for approval of a one-time final bond resolution for the issuance of 501(c)(3) Bonds in an amount not to exceed \$4.4 million. The proceeds of this issuance will be used to: (i) finance, refinance or reimburse National Opinion Research Center (the “Corporation”), for all or a portion of the costs of the acquisition, construction, renovation, improvement, upgrading, furnishing and equipping certain of its “educational facilities” (the “Projects”), including, without limitation, the acquisition and installation of certain computer hardware and software, audio-visual equipment and telecommunication equipment and various other fixed assets, including furniture for the Corporation’s facilities located in Chicago, (ii) to pay a portion of the accrued interest on the Bonds, if deemed desirable by the Corporation, (iii) to pay certain working capital expenditures, if deemed desirable by the Corporation, (iv) to fund one or more debt service reserve funds for the Bonds, if deemed desirable by the Corporation, and (v) to pay certain costs of issuance. This project is located in Chicago, IL (Cook County).

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

No. 6: *Withdrawn.*

No. 7: Brett & Christine Zehr Participation Loan. Request for Loan Modification and 90-day Extension of Commitment.

No. 8: Ill-MO Products Company. Resolution to approve and authorize an amendment to the Loan Agreement and related covenants between US Bank and Ill-MO Products Company.

- No. 9:** **Union Oil Company of California/PDVMR Project.** Resolution authorizing the release of the Illinois Finance Authority's interest in certain personal and real property located in Will County, Illinois
- No. 10:** **Ockerlund Industries Project.** Amendatory Resolution Authorizing a Change in Bond Purchaser and an Extension in the Amortization Schedule Associated with IFA Series 2005 Industrial Revenue Bonds.
- No. 11:** **Energy Efficiency Guidelines.** Resolution to adopt program guidelines for Energy Efficiency projects

Mr. Goetz, Vice Chair, asked to make a few remarks regarding the Energy Efficiency Program Guidelines. He stated that Energy Committee Chair Dr. Roger Herrin spent countless hours working on these guidelines and he would like to thank Dr. Herrin on behalf of the Board for his efforts on this endeavor. He added that this program is innovative and streamlined for the most efficient use. He noted the program guidelines would be posted on the IFA's website and suggested that everyone download them.

Chairman Brandt asked if the Board had any questions with regard to Resolution Nos. 7, 8, 9 10 or 11. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Resolution Nos. 7, 8, 9, 10 and 11. Projects 7, 8, 9, 10 and 11 received approval with 8 ayes, 0 nays, and 0 abstentions.

- No. 4:** **– The Art Institute of Chicago.**
Request for approval of a final bond resolution for the issuance of 501(c)(3) Bonds in an amount not to exceed \$245 million. Bond proceeds will be used by The Art Institute of Chicago ("AIC", the "Institute", or the "Borrower"), together with other funds of the Borrower, to refund all or a portion of AIC's outstanding IFA (IEFA) Series 1992, Series 1995, Series 1996 Bonds, Series 1998A, Series 2000A Bonds, Series 2009B-1 Bonds, and Series 2009B-2 Bonds (collectively, the "Prior Bonds) and/or converting some or all of the series of Bonds described above to another interest rate mode, and to pay costs of issuance. This Project is located in Chicago, IL. (Cook County).

Mr. Frampton introduced Mr. Eric Anyah, Executive Vice President and Chief Financial Officer, of The Art Institute of Chicago. Mr. Anyah thanked the Board for their consideration of the Institute's project. He stated that this project would be a fundamental restructuring of the Institute's financial portfolio by converting 75% of its outstanding debt to a low interest, fixed rate mode. He added that he would also like to extend his thanks for the Authority's earlier funding for the new Modern Wing at the Institute. He stated that it was a draw for tourists from around the world and the Museum's own backyard as well as a cultural jewel for the city of Chicago.

No guests attended with respect to Project No. 4. Chairman Brandt asked if the Board had any questions with respect to Project No. 4. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 4. Project No. 4 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. O'Brien and seconded by Mr. Goetz, the meeting adjourned at 11:50 a.m.

Chairman Brandt reminded all guests that next month's meeting will be on May 4, 2010 at the Conference Center at One Prudential Plaza, Chicago, IL and to please check www.il-fa.com for more information.

Respectfully Submitted,

Kara Nystrom-Boulahanis, Assistant Secretary