

**MINUTES OF THE MAY 4TH, 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, May 4th, 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. Bradley A. Zeller
3. Terrence M. O’Brien
4. Roderick Bashir
5. Ronald E. DeNard
6. James J. Fuentes
7. Roger Poole
8. Joseph McInerney

Members absent:

1. Michael W. Goetz, Vice Chairman
2. Juan B. Rivera
3. Edward H. Leonard, Sr.
4. John “Jack” Durburg

Members participating by telephone:

1. Dr. Roger D. Herrin*
2. Dr. William J. Barclay

Vacancies:

One

*Dr. Herrin joined the call at 11:53 a.m.

GENERAL BUSINESS

Call to Order, Establishment of Quorum and Roll Call

Chairman Brandt called the meeting to order at 11:50 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 April 30, 2010 and minutes for both the April 13, 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 April 30, 2010 financial statements and minutes from both the April 13, 2010 Committee of the Whole and the Board of Directors meeting.

The motion was moved by Mr. Goetz and seconded by Mr. Poole. The April 30, 2010 financial statements and minutes from both the April 13, 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: Gregory J. Dowdall

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$131,500 for the purchase of approximately 40 acres of farmland. This project is located in unincorporated Hancock County near Hamilton, IL.

No. 1B: Michael Nelson

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$273,750 for the purchase of approximately 157 acres of farmland and buildings. This project is located in unincorporated Warren County near Alexis, IL.

No. 1C: Lynette Hemker

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$115,000 for the purchase of approximately 60 acres of farmland and buildings. This project is located in unincorporated Bond County near Mulberry Grove, IL.

No. 1D: Jason McKay

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$177,500 for the purchase of approximately 80 acres of farmland. This project is located in unincorporated Fayette County near Beecher City, IL.

No. 1E: Matthew James Elam

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 104 acres of farmland. This project is located in unincorporated Bond County near Smithboro, IL.

No. 1F: Chad Edward Hawkey

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$153,000 for the purchase of approximately 80 acres of farmland. This project is located in unincorporated Marion County near Kinmundy, IL.

No. 2: American Water Capital Corp., on behalf of Illinois-American Water Company

Request for the approval of a final bond resolution for the issuance of up to \$25 million in water furnishing facilities revenue bonds. The proceeds of these bonds will be used to: finance a series of 11 capital improvement projects to Illinois-American's water plants located statewide. Additionally, Bond Proceeds may also be used to pay capitalized interest during construction and pay certain costs of issuance. These projects are located in Champaign, Livingston, Madison, Peoria and St. Clair Counties.

No. 3: Par-Ko Enterprises, Inc.

Request for the approval of a one-time final resolution for funding of a participation loan in favor of Busey Bank in an amount not to exceed \$168,750. The proceeds of this issuance will be used to purchase a \$168,750 *pari passu* Participation Loan interest in a \$337,500 Mortgage Loan with Busey Bank. This Participation Loan is being approved subject to the execution of a Rider and/or Intercreditor Agreement satisfactory to IFA Counsel that will assure this combined \$337,500 IFA Participation/Busey Bank Loan will be repaid first in the event of foreclosure or disposition of the project assets. Proceeds of

the IFA Participation Loan will be used to: provide permanent financing for the construction of an 8,300 SF addition to the Borrower's existing 54,000 SF manufacturing facility located at 501 E Courtland Avenue in Morton, Illinois (Tazewell County) that is leased to Parker Fabrication, Inc. (the "Operating Company" and "Corporate Guarantor"). This project is located in Morton, IL. (Tazewell County)

No guests attended with respect to Project Nos. 1A, 1B, 1C, ID, 1E, 1F, 2 or 3. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 1A, 1B, 1C, ID, 1E, 1F, 2 or 3. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 1A, 1B, 1C, ID, 1E, 1F, 2 and 3. Project Nos. 1A, 1B, 1C, ID, 1E, 1F, 2 and 3 received approval with 10 ayes, 0 nays, and 0 abstentions.

No. 4: Institute for Transfusion Medicine

Request for the approval of a preliminary bond resolution for the issuance of up to \$30 million in 501(c)(3) not-for-profit bonds. The proceeds of these bonds will be used to: (i) fund the acquisition of a new building in Rosemont; (ii) fund the renovation, refurbishment and equipping of the subject facility and; (iii) pay expenses related to costs of issuance. This project is located in Rosemont, IL (Cook County).

No. 5: OSF Healthcare System

Request for the approval of a preliminary bond resolution for the issuance of up to \$160 million in 501(c)(3) not-for-profit bonds. The proceeds of this issuance will be used to current refund approximately \$142 million of OSF's variable rate bonds with fixed rate bonds. OSF wishes to rebalance their debt structure in what is currently an attractive market for fixed rate debt. At the same time, OSF plans to take the opportunity to finance reimbursement of certain prior capital expenditures. This project is located in Peoria, IL (Peoria County).

No. 7: Centegra Health Systems

Request for the approval of a final bond resolution for the issuance of up to \$30 million in 501(c)(3) not-for-profit bonds. Bond proceeds will be used to: fund capital expenditures and other improvements for the health care facilities of the Borrower including, but not limited to, an advanced GE Healthcare ("GE Healthcare") Clinical Information System Project including Enterprise Clinical Data Repository, Pharmacy Information System, Medication Administration and Reconciliation Technology, Inpatient Electronic Medical Record, Emergency Room Information System, Perinatology Information System and Surgical Information System. This project is located in McHenry, IL (McHenry County).

Chairman Brandt asked if the Board had any questions with regard to Resolution Nos. 4, 5, and 7. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Resolution Nos. 4, 5 and 7. Resolution Numbers 4, 5 and 7 received approval with 10 ayes, 0 nays, and 0 abstentions.

No. 10: Slovak American Charitable Association. Request for approval of a Resolution Authorizing the Execution and Delivery of a First Amendment to a Modification Agreement between Slovak American Charitable Association and MB Financial Bank relating to IDFA (IFA) Series 2000 Bonds (Slovak American Charitable Association Project) to (1) provide for the extension of the Current Interest Rate Holding Period, and (2) reset the interest rate in the extended holding period at a lower interest rate.

- No. 11:** **Columbia College Chicago.** Request for approval of a Resolution Authorizing the Execution and Delivery of Amendments to the Mortgage and Security Agreement between Columbia College Chicago and the Illinois Finance Authority (“IFA” or the “Authority”) relating to (1) Illinois Educational Facilities Authority (“IEFA”) Series 1998 Revenue Bonds, (2) IEFA Series 2003 Bonds, (3) IFA Series 2004 Bonds, and (4) IFA Series 2007 Bonds (collectively, the “Prior Bonds”), and Authorizing the Execution and Delivery of any Other Necessary Documents Required to Effect Such Amendment; and Authorizing and Approving Related Matters.
- No. 12:** **Fee Schedule for Healthcare Equipment Financing Transactions.** Resolution Establishing a Fee for the Illinois Finance Authority for Healthcare Equipment Financing Transactions.
- No. 13:** **Pere Marquette Hotel Associates, L.P.** Resolution to Authorize the extension of the Maturity Date of IFA Participation Loan with PNC Bank, as successor to National City Bank (IFA Participation Loan B-LL-TX-582: Pere Marquette Hotel Associates, L.P.)

Resolution No. 13 was approved subject to the conditions discussed at the Committee of the Whole meeting.

- No. 14:** **Extend the Tax Incentives for the Domestic Biodiesel Industry.** Resolution to the United States Congress to Quickly Enact Legislation to Extend the Tax Incentives for the Domestic Biodiesel Industry.

Chairman Brandt asked if the Board had any questions with regard to Resolution Nos. 10, 11, 12, 13 or 14. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Resolution Nos. 10, 11, 12, 13 and 14. Projects 10, 11, 12, 13 and 14 received approval with 10 ayes, 0 nays, and 0 abstentions.

- No. 9:** **The Clare at Water Tower**
The objective of this Tender & Exchange Offer is to restructure the Borrower’s debt obligations by reducing its annual debt service payments to a level that can be sustained by present and anticipated future operations. The Bonds will be exchanged for that portion of Series 2005 A, B & C Bonds of the Authority that are tendered by the holders thereof (collectively the “Prior Bonds”) with each holder of Prior Bonds to receive: (a) Series 2010A Bonds in a principal amount equal to 70% of the principal amount of the Prior Bonds and (b) Series 2010B Bonds in a principal amount equal to 30% of the principal amount of such Prior Bonds, (the “Bond Exchange”). This project is located in Chicago, IL (Cook County).

No guests attended with respect to Project No. 9. Chairman Brandt asked if the Board had any questions with respect to Project No. 9. There being none, Chairman Brandt requested Secretary Nystrom-Boulahanis take a roll call vote. Project No. 9 received approval with 9 ayes, 0 nays, and 1 abstention. Chairman Brandt noted that he was abstaining from voting on this project as he was a member of the Board of Trustees of Loyola University, which has a nominal interest in this project.

- No. 6:** **NorthShore University HealthSystem (f/k/a Evanston Northwestern Hospital)**
Request for the approval of a preliminary bond resolution for the issuance of up to \$160 million in 501(c)(3) not-for-profit bonds. The proceeds of this issuance will be used to

convert or refund existing variable rate debt to fixed rate debt and to terminate two fixed payer swaps. This project is located in Evanston, IL (Cook County).

Ms. Pam Lenane, Vice President and Acting General Counsel introduced Mr. Adam Kates, Sr. Director, Treasury, NorthShore University HealthSystem. Mr. Kates thanked the Board for their consideration of this project and offered to answer any questions the Board might have.

Chairman Brandt thanked Mr. Kates for attending the meeting and bringing this project before the Board. He asked if the Board Members had any questions. Hearing none, Chairman Brandt requested Secretary Nystrom-Boulahanis take a roll call vote. Project No. 6 received approval with 10 ayes, 0 nays, and 0 abstentions.

No. 8: Friendship Village of Mill Creek, NFP (GreenFields of Geneva Project)

Request for the approval of a final bond resolution for the issuance of up to \$30 million in 501(c)(3) not-for-profit bonds. The proceeds of these bonds will be used to: (i) to construct and equip a new Continuing Care Retirement Community, (ii) repay monies used to finance pre-development costs, including the BANs referenced below and other seed capital funds provided by various sources (iii) fund one or more Debt Service Reserve Funds, (iv) fund interest expense on the Bonds for a period of approximately 20 months, and (v) fund certain professional and bond issuance costs. This project is located in Geneva, IL (Kane County).

Ms. Lenane introduced Mr. Kim Klockenga, Chief Financial Officer, Friendship Senior Options. Mr. Klockenga thanked the Board for their consideration of Friendship Senior Options' prior financings and today's financing. He added that he would be happy to answer any questions the Board may have.

Chairman Brandt thanked Mr. Klockenga for attending the meeting and bringing this project before the Board. He asked if the Board Members had any questions. Seeing none, Chairman Brandt requested leave to apply the last unanimous vote in favor of this project. Project No. 8 received approval with 10 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 Dr. Herrin and seconded by Mr. Poole, the meeting adjourned at 12:09 p.m.

Chairman Brandt reminded all guests that next month's meeting will be on June 8, 2010 at the Conference Center at One Prudential Plaza, Chicago, IL and to please check IFA's web site at www.il-fa.com for more information.

Respectfully Submitted,

Kara Nystrom-Boulahanis, Assistant Secretary