

**MINUTES OF THE AUGUST 12, 2008 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 3:00 p.m. on August 12, 2008, at the Illinois State Library, 300 S. Second Street, Room 403/404, Springfield, Illinois.

Members present:

Michael W. Goetz, Vice Chair
Dr. William J. Barclay
James J. Fuentes
Dr. Roger D. Herrin
Edward H. Leonard, Sr.
Lynn F. Talbott
April D. Verrett
Bradley A. Zeller

Members absent:

William A. Brandt, Jr.
Ronald E. DeNard
Terrence M. O'Brien
Juan B. Rivera

Vacancies:

2

**Members participating
by telephone:**

Joseph P. Valenti

GENERAL BUSINESS

Call to Order, Establishment of Quorum and Roll Call

Vice Chairman Goetz called the meeting to order at 3:00 p.m. with the above members present. Vice Chairman Goetz welcomed members of the Board and all guests and asked Secretary, Carla Burgess Jones to call the roll. There being eight (8) members physically present, and one (1) member on the telephone Ms. Burgess Jones declared a quorum present.

Chairman's Report

Vice Chairman Goetz thanked fellow Board members and guests for coming. Vice Chairman Goetz announced that projects being presented today for approval were thoroughly reviewed at the Committee of the Whole Meeting held at 12:00 noon today.

Acceptance of Financial Statements

Financial statements for the period ending July 31, 2008 were presented to members of the Board and accepted by the Board. Vice Chairman Goetz stated that the Authority's financial statements were reviewed at the regularly scheduled Committee of the Whole Meeting held today at 12:00 noon. Vice Chairman Goetz requested a motion to approve the minutes. Motion was moved by Dr. Barclay and seconded by Ms. Talbott. The July 31, 2008 Financial Statements were unanimously approved by members of the board.

Minutes

Vice Chairman Goetz announced that the next order of business was to approve the minutes of the July 8, 2008 Meeting of the Board. Vice Chairman Goetz announced that the July 8, 2008 minutes were approved at the regularly scheduled Committee of the Whole Meeting held today at 12:00 noon. Vice Chairman Goetz requested a motion to approve the minutes. Motion was moved by Ms. Talbott and seconded by Mr. Leonard. The July 8, 2008 minutes were unanimously approved by members of the board.

Authorized Officer's Report

Karen Walker, Authorized Officer, reported that the Authority's financial position remains strong. Gross income year-to-date for July ended at \$715,044, and total operating expenses ended at \$724,027. Ms. Walker also reported that funding managers will present 19 projects to the board for approval and that projects being presented today are expected to create 511 new jobs and 2,885 construction jobs.

Projects

Vice Chairman Goetz asked Ms. Walker to present the following projects for consideration to the Board:

- No. 1:** **A-DR-GT-8124 – Jeffrey and Dee Dee Seabaugh**
Request for final approval of the issuance of an Agri-Debt Guarantee in an amount not-to-exceed \$425,000 to provide permanent financing to refinance and restructure various existing term debts for the borrower in order to improve cash flow. This project is located in Walshville, Illinois. This project is expected to create approximately 3 new jobs. **(08-08-01).**
- No. 2:** **A-FB-TE-CD-8110 – Allan and Kathleen Milner**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$90,200.00 to provide permanent financing to purchase approximately 31.11 acres of farmland. This project is located in Tonica, Illinois. **(08-08-02).**
- A-FB-TE-CD-8111 – Nathan Webster**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$100,000.00 to provide permanent financing to purchase approximately 20 acres of farmland. This project is located in Sparland, Illinois. **(08-08-02).**
- A-FB-TE-CD-8112 – Clint Steidinger**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$161,850.00 to provide permanent financing to purchase approximately 93 acres of farmland. This project is located in Strawn, Illinois. **(08-08-02).**

A-FB-TE-CD-8113 – Colin Steidinger

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$161,850.00 to provide permanent financing to purchase approximately 93 acres of farmland. This project is located in Strawn, Illinois. **(08-08-02)**.

A-FB-TE-CD-8116 – Jason and Joline Worsfold

Request for final approval of a Beginning Farmer Bond in an amount not-to-exceed \$119,000.00 to provide permanent financing to purchase approximately 60 acres of farmland. This project is located in Trivoli, Illinois. **(08-08-02)**.

A-FB-TE-CD-8114 – Will A. Wood

Request for final approval of a Beginning Farmer Bond in an amount not-to-exceed \$190,000.00 to provide permanent financing to purchase approximately 39.5 acres of farmland. This project is located in Brocton, Illinois. **(08-08-02)**.

A-FB-TE-CD-8114 – Jared M. Halloran

Request for final approval of a Beginning Farmer Bond in an amount not-to-exceed \$250,000.00 to provide permanent financing to purchase approximately 80 acres of farmland. This project is located in Paris, Illinois. **(08-08-02)**.

No guests attended with respect to Project Nos. 1 through 2. Vice Chairman Goetz asked if the Board had any questions with respect to Project Nos. 1 through 2. There being none, Vice Chairman Goetz requested leave to apply the last unanimous vote in favor of Project Nos. 1 through 2. Leave was granted. Project Nos. 1 through 2 received final approval with 9 ayes, 0 nays, and 0 abstentions.

No. 3: A-LL-TX-8123 – F. Randall Borkgren and Teresa M. Borkgren

Request for final approval of the issuance of a Participation Loan in an amount not-to-exceed \$87,500.00. Loan proceeds will be used to provide permanent financing for the 50% purchase of a grain bin with drying floor and fans. This project is located in Woodhull, Illinois. **(08-08-03)**.

No. 4: A-LL-TX-8122 – Rick A. Borkgren and Martha A. Borkgren

Request for final approval of the issuance of a Participation Loan in an amount not-to-exceed \$87,500.00. Loan proceeds will be used to provide permanent financing for the 50% purchase of a grain bin with drying floor and fans. This project is located in Woodhull, Illinois. **(08-08-04)**.

No guests attended with respect to Project Nos. 3 and 4. Vice Chairman Goetz asked if the Board had any questions with respect to Project Nos. 3 and 4. There being none, Vice Chairman Goetz requested leave to apply the last unanimous vote in favor of

Project Nos. 3 and 4. Leave was granted. Project Nos. 3 and 4 received final approval with 9 ayes, 0 nays, and 0 abstentions.

No. 5: M-MH-TE-CD-8106 – The Oaks at Village Wood SLF, LP and its affiliates, successors, and assigns

Request for preliminary approval of Affordable Rental Housing Bonds in an amount not-to-exceed \$16 million. Bond proceeds will be used to finance the acquisition of land, and the construction and equipping of a new 125 unit Supportive Living Facility. 100% of the Volume Cap for this project will be provided from prior year Home Rule Carryforward, primarily from the South Suburban Mayors and Managers Association. The anticipated issuance amount is \$15,650,000. This project is expected to create an estimated 85 construction jobs over a 12-month period. This project is located in Unincorporated Will County, Illinois, near Crete. **(08-08-05)**.

Vice Chairman Goetz asked if there were any guests attending the meeting with respect to Project No. 5. Mr. Rich Frampton, Vice President, introduced Mr. Bill DeYoung, Chief Financial Officer and Mr. Ray Hemphill, Executive Vice President. Mr. DeYoung gave a brief description of the project and thanked members of the board for its consideration. Vice Chairman Goetz then asked if the Board had any questions for Messrs. DeYoung and Hemphill. There being none, Vice Chairman Goetz requested leave to apply the last unanimous vote in favor of Project No. 5. Leave was granted. Project No. 5 received preliminary approval with 9 ayes, 0 nays, and 0 abstentions.

No. 6: ID-TE-CD-8125 – HydroAire Service, Incorporated

Request for preliminary approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed \$3.3 million. Proceeds will be used to finance the acquisition and rehabilitation of a facility that will house HydroAire's pump repair and pump testing operations, the acquisition of machinery and equipment and costs of issuance. The IFA will seek Volume Cap from the City of Chicago. The IFA will commit to the remaining portion of 2008 Volume Cap (up to \$3.3 million) that is not attained from the City. This project is expected to create approximately 11 new jobs over the next five years, and 10 construction jobs. This project is located in Chicago, Illinois. **(08-08-06)**.

No. 7: I-ID-TE-CD-8021 – Kenall Manufacturing Company

Request for final approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed \$5.6 million. Proceeds will be used to construct and equip an addition to the Applicant's 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. An amount of \$1.4 million of the required \$5.6 million 2008 Volume Cap is being provided by Gurnee, and other home rule units in Lake County in conjunction with Lake County Partners. This project is expected to create approximately 30 new jobs and 15 construction jobs over a five month

period. This project is located in Gurnee and Mundelein, Illinois. **(08-08-07)**.

No. 8: I-ID-TE-CD-7247 – Superior Manufacturing Group, Inc., and/or its Affiliates, Successors, and Assigns

Request for final approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed \$8 million. Bond proceeds will be used to reimburse the costs to acquire land and an industrial building, building renovations, purchase and install machinery and equipment, and pay legal and professional costs. Issuance of the Industrial Revenue Bonds is subject to a sufficient allocation of Volume Cap. The Village of Bedford Park has a 2008 allocation of approximately \$48,790 in Volume Cap, based on its population of 574, according to the 2000 Census. Other 2008 requests for IFA Industrial Revenue Bonds to finance projects located in Bedford Park include Lapham-Hickey Steel (\$7.4 million) and Vadeal Plastics (\$4.0 million). The Village Board will consider a request in August to transfer its Cap to IFA to support projects located in Bedford Park. Given Bedford Park's limited supply, the Borrower is seeking \$6.9 million in Volume Cap from the IFA to facilitate issuance of the IRB's. This project is expected to create approximately 22 new jobs within two years. This project is located in Bedford Park, Illinois. **(08-08-08)**.

No. 9: B-LL-TX-8126 – Automotive Robotics Engineering Labs Real Estate, LLC (to be formed)

Request for final approval of a Participation Loan in an amount not-to-exceed \$500,000.00. Proceeds will be used to acquire an industrial building. This project is expected to create approximately 6 new jobs. This project is located in East Peoria, Illinois. **(08-08-09)**.

No guests attended with respect to Project Nos. 6 through 9. Vice Chairman Goetz asked if the Board had any questions with respect to Project Nos. 6 through 9. There being none, Vice Chairman Goetz requested a motion to approve Project Nos. 6 through 9. Motion was moved by Dr. Barclay and seconded by Dr. Herrin. Project No. 6 received preliminary approval with 9 ayes, 0 nays, and 0 abstentions. Project Nos. 7 through 9 received final approval with 9 ayes, 0 nays, and 0 abstentions.

No. 10: P-SW-TE-CD-7245 – Prairie Power, Inc.

Request for final approval of the issuance of Solid Waste Disposal Facilities Bonds in an amount not-to-exceed \$51.2 million. Bond proceeds, together with other debt and equity, will be used to finance and reimburse Prairie Power for its share of the costs to acquire a 2,971 acre site, construct a 1,600 megawatt power generation facility, acquire and install machinery and equipment, capitalize a debt service reserve fund and pay associated legal and professions costs. This project is expected to create approximately 270 new jobs and 1,200 construction jobs, based on one-third of the total estimated new mining and plant jobs and construction jobs for Prairie State Energy Campus. The job estimates for the project are allocated between two active IFA financing applications -

Prairie Power and Lively Grove. This project is located in Lively Grove Township, Illinois. **(08-08-10)**.

Vice Chairman Goetz asked if there were any guests attending the meeting with respect to Project No. 10. Mr. Steven Trout, Chief Credit Officer, introduced Mr. Greg Neiman from Prairie Power, Inc. Mr. Neiman gave a brief description of the project and thanked members of the board for their consideration and support. Vice Chairman Goetz then asked if there were others wishing to address the board concerning Prairie Power, Inc. Mr. Will Reynolds, Sierra Club Volunteer, expressed his organization's concerns in regard to the Authority's financing of the Prairie Power, Inc. project. Mr. Reynolds asked that the State reconsider funding this project. Vice Chairman Goetz addressed Mr. Reynolds concerns. Vice Chairman Goetz then asked if the Board had any questions for Messrs. Neiman and Reynolds. There being none, Vice Chairman Goetz requested a motion to approve Project No. 10. Motion was moved by Dr. Herrin and seconded by Mr. Valenti. Vice Chairman Goetz requested a roll call vote on Project No. 10. Project No. 10 received final approval with 9 ayes, 0 nays, and 0 abstentions.

No. 11: N-NP-TE-CD-8118 – Beverly Arts Center

Request for preliminary approval of 501c3 Bonds in an amount not-to-exceed \$7.3 million. Bond proceeds will be used to refinance the Applicant's outstanding series 2003 Bonds, finance the construction of a new courtyard pavilion building, expand the existing training theatre, capitalize interest, and fund legal and professional costs. This project is expected to create approximately 2 new jobs and 100 construction jobs over a twelve month period. This project is located in Chicago, Illinois. **(08-08-11)**.

No. 12: N-NP-TE-CD-8117 – Clearbrook

Request for preliminary approval of the issuance of 501c3 Bonds in an amount not-to-exceed \$5.4 million. Bond proceeds will be used to refinance Clearbrook's outstanding taxable mortgages on its resident group homes and a work center at a tax-exempt rate, finance the purchase of equipment and fixtures and pay costs of issuance. This project is located in Arlington Heights, Hoffman Estates, Palatine and Rolling Meadows, Illinois. **(08-08-12)**

No. 13: N-NP-TE-8121 – Kane County Senior Living

Request for preliminary approval of the issuance of 501c3 Bonds in an amount not-to-exceed \$8 million. Bond proceeds together with bank financing will be used to finance the development of the second phase of a senior living community, fund certain organizational costs, fund interest during construction, and pay costs of issuance. This project is expected to create approximately 11 new jobs over a two year period and 100 construction jobs over a six month period. This project is located in Geneva, Illinois. **(08-08-13)**.

No. 14: N-NP-TE-CD-7082 – Greater Peoria Young Men’s Christian Association

Request for final approval of the issuance of 501c3 Bonds in an amount not-to-exceed \$3 million. Bond proceeds will be used to finance the construction of a building. This project is expected to create approximately 1 new job and 25 construction jobs over a six month period. This project is located in Peoria, Illinois. **(08-08-14)**.

No. 15: WITHDRAWN

No. 16: N-NP-TE-CD-8096 – The Lyric Opera of Chicago

Request for final approval of the issuance of 501c3 Bonds in an amount not-to-exceed \$3.5 million. Proceeds will be used to purchase a portion of the third floor of the Civic Opera Building, renovations and equipment, capitalize interest, and to fund professional issuance costs. This project is expected to create approximately 16 new jobs and 50 construction jobs over a four month period. This project is located in Chicago, Illinois. **(08-08-16)**.

No guests attended with respect to Project Nos. 11 through 16. Vice Chairman Goetz asked if the Board had any questions with respect to Project Nos. 11 through 16. There being none, Vice Chairman Goetz requested a motion to approve Project Nos. 11 through 16. Motion was moved by Ms. Talbott and seconded by Mr. Zeller. Project Nos. 11 through 13 received preliminary approval with 9 ayes, 0 nays, and 0 abstentions. Project Nos. 14 and 16 received final approval with 9 ayes, 0 nays, and 0 abstentions.

No. 17: H-HO-TE-CD-8119 – Central DuPage Health

Request for preliminary approval of the issuance of 501c3 Bonds in an amount not-to-exceed \$190 million. Proceeds will be used to refinance Clearbrook's outstanding taxable mortgages on its resident group homes and a work center at a tax-exempt rate, finance the purchase of equipment and fixtures and pay costs of issuance. This project is expected to create approximately 400 construction jobs. This project is located in Winfield, Illinois. **(08-08-17)**.

No. 18: H-HO-TE-CD-8120 – Northern Illinois Proton Treatment and Research Center, LLC

Request for preliminary approval of the issuance of 501c3 Bonds in an amount not-to-exceed \$200 million. Proceeds will be used to refund construction of a building, purchase equipment, fully fund a reserve fund, pay for capitalized interest during construction, and repay third party interim financing providers, and pay costs of issuance and other financing costs. This project is expected to create approximately 120 new jobs and 800 construction jobs. This project is located in West Chicago, Illinois. **(08-08-18)**.

No. 19: H-HO-TE-CD-8118 – The University of Chicago Medical Center
Request for preliminary approval of the issuance of 501c3 Bonds in an amount not-to-exceed \$170 million. Proceeds will be used to current refund the IHFA MIA insurance Variable Rate Demand Bonds Series 1994 and Series 1998 Bonds and pay costs of issuance. This project is located in Chicago, Illinois. **(08-08-19)**.

No guests attended with respect to Project Nos. 17 through 19. Vice Chairman Goetz asked if the Board had any questions with respect to Project Nos. 17 through 19. There being none, Vice Chairman Goetz requested a motion to approve Project Nos. 17 through 19. Motion was moved by Dr. Herrin and seconded by Ms. Talbott. Project Nos. 17 through 19 received preliminary approval with 9 ayes, 0 nays, and 0 abstentions.

No. 20: N-PS-TE-CD-8101 – North Central College
Request for final approval of the issuance of 501c3 Bonds in an amount not-to-exceed \$22 million. Bond proceeds will be used to finance the construction and equipping of a new campus residence/recreation center, capitalize interest, and fund legal, professional, and bond issuance costs. This project is expected to create approximately 19 new jobs and 100 construction jobs over a 16 month period. This project is located in Naperville, Illinois. **(08-07-20)**.

No guests attended with respect to Project No. 20. Vice Chairman Goetz asked if the Board had any questions with respect to Project No. 20. There being none, Vice Chairman Goetz requested a motion to approve Project No. 20. Motion was moved by Ms. Talbott and seconded by Ms. Verrett. Project No. 20 received final approval with 9 ayes, 0 nays, and 0 abstentions.

Resolutions

No. 21: Norwegian American Hospital: An Amendatory Resolution authorizing amendments to the final bond resolution to increase the maximum coupon rate from 8.25% to 8.75%.

No. 22: Single Family Housing Volume Cap: Resolution with respect to use of Single Family Housing Volume Cap and authorize a partnership with the Illinois Housing Development Authority and the City of Decatur for a Mortgage Credit Certificate Program to assist Veterans and Actively Serving Military Personnel in Illinois.

Vice Chairman Goetz asked if the Board had any questions with respect to Amendatory Resolution No. 21 or Resolution No. 22. There being none, Vice Chairman Goetz requested a motion to approve Amendatory Resolution No. 21 and Resolution No. 22. Motion was moved by Ms. Talbott and seconded by Mr. Fuentes. Amendatory Resolution No. 21 and Resolution No. 22 received final approval with 9 ayes, 0 nays, and 0 abstentions.

Other Business

Vice Chairman Goetz asked if there was any other business to come before the Board. There being none, Vice Chairman Goetz requested a motion to adjourn. Upon a motion by Dr. Herrin and seconded by Ms. Verrett, the meeting adjourned at approximately 3:42 p.m.

Respectfully Submitted,

Carla B. Burgess Jones, Secretary