

MINUTES OF THE OCTOBER 23, 2008 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 Board Meeting at 11:30 a.m. on October 23, 2008 at the Mid America Club, 200 E. Randolph Drive, 80th Floor, Chicago, Illinois.

Members present:

William A. Brandt, Jr., Chairman
Michael W. Goetz, Vice Chairman
Dr. William J. Barclay
Ronald E. DeNard
James J. Fuentes
Terrence M. O'Brien
Juan B. Rivera
April D. Verrett
Bradley A. Zeller

Members absent:

Dr. Roger D. Herrin
Edward H. Leonard, Sr.

Vacancies:

4

Members participating by telephone:

None

GENERAL BUSINESS

Call to Order, Establishment of Quorum and Roll Call

Chairman Brandt called the meeting to order at 11:54 a.m. with the above members present. Chairman Brandt 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 Brandt thanked fellow Board members and guests for coming. Chairman Brandt announced that projects being presented today for approval were thoroughly reviewed at the Committee of the Whole Meeting held at 8:30 a.m. today.

Acceptance of Financial Statements

Financial statements for the period ending September 30, 2008 were presented to members of the Board and accepted by the Board. Chairman Brandt stated that the Authority's financial statements 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 minutes. Motion was moved by Mr. Goetz and seconded by Dr. Barclay. The September 30, 2008 Financial Statements were unanimously approved by members of the Board.

Minutes

Chairman Brandt announced that the next order of business was to approve the minutes of the September 9, 2008 Meeting of the Board. Chairman Brandt announced that the September 9, 2008 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 minutes. Motion was moved by Mr. Rivera and seconded by Mr. Goetz. The September 9, 2008 minutes were unanimously approved by members of the Board.

Authorized Officer's Report

Ms. Walker, Authorized Officer, reported that the Authority's financial position remains strong with total assets at \$176M consisting of equity of \$113M, liabilities at \$62M, and gross year-to-date income for September ended at \$2.9M. Ms. Walker reported that at today's meeting 17 projects totaling \$1,492,607,325.67 for board approval.

Projects

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

No. 1: A-FB-TE-CD-8149 – Clint Niemerg

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$236,250 to provide permanent financing to purchase approximately 66.4 acres of farmland. This project is located in Teutopolis, Illinois. **(08-10-01)**.

A-FB-TE-CD-8150 – Joel Hartman

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$149,150 to provide permanent financing to purchase approximately 52.3 acres of farmland. This project is located in Fairbury, Illinois. **(08-10-01)**.

No guests attended with respect to the two Beginning Farmer Bonds listed under Project No. 1. Chairman Brandt asked if the Board had any questions with respect to the two Beginning Farmer Bonds listed under Project No. 1. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of the two Beginning Farmer Bonds listed under Project No. 1. Leave was granted. Project No. 1 received final approval with 9 ayes, 0 nays, and 0 abstentions.

No. 2: A-LL-TX-8159 – Allan and Cyndi Adams

Request for final approval of the issuance of a Participation Loan in an amount not-to-exceed \$22,500. Loan proceeds will be used to provide permanent financing for the purchase of a grain truck. This project is located in New Windsor, Illinois. **(08-10-02)**.

- No. 3:** **A-LL-TX-8155 – James and Kimberly DeSutter**
Request for final approval of the issuance of a Participation Loan in an amount not-to-exceed \$475,000. Loan proceeds will be used to provide permanent financing for the purchase of 151 acres of farmland. This project is located in Woodhull, Illinois. **(08-10-03)**.
- No. 4:** **A-DR-GT-8156 – McClure Farms**
Request for final approval for an Extension of Agri-Debt Guarantee in an amount not-to-exceed \$309,425.67. The purpose of the Agri-Debt Guarantee is to extend the original loan for a remaining term of 15 years. This project is located in Newton, Illinois. **(08-10-04)**.
- No. 5:** **I-ID-TE-CD-8151 – SBLV Investments, LLC and Jasper Meats, Inc.**
Request for preliminary approval of Industrial Revenue Bonds in an amount not-to-exceed \$3.2 million. Bond proceeds will be used to finance the acquisition of land and equipment, construction costs and to pay certain bond issuance costs. The Company is seeking \$3.2 million in 2008 IFA Volume Cap. The proposed project will be located in the Village of Bloomingdale which is a home-rule community. Bloomingdale has used \$1.9 million of its 2008 allocation and as a result they have no remaining 2008 Volume Cap to support this project. This project is expected to create 19 new jobs and 83 construction jobs. This project is located in Bloomingdale, Illinois. **(08-10-05)**.

No guests attended with respect to Project No. 5. Chairman Brandt asked if the Board had any questions with respect to Project No. 5. There being none, Chairman Brandt 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:** **B-LL-TX-7107 – API Holdings, LLC**
Request for final approval of a Participation Loan in an amount not-to-exceed \$500,000. Loan proceeds will be used to provide permanent financing for a new building. This project is expected to create 5 new jobs and 20 construction jobs. This project is located in Granite City, Illinois. **(08-10-06)**.

No guests attended with respect to Project No. 6. Chairman Brandt asked if the Board had any questions with respect to Project No. 6. There being none, Chairman Brandt 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. 10:** **L-DP-TE-8061 – Village of Freeman Spur**
Request for preliminary approval of a Direct Bond Purchase in an amount not-to-exceed \$85,000. The purpose of the bond purchase is to provide

financing for water system improvements. This project is located in Freeman Spur, Illinois. **(08-10-10)**.

No. 11: L-DP-TE-8160 – Village of West Salem

Request for preliminary approval of a Direct Bond Purchase in an amount not-to-exceed \$130,000. The purpose of the bond purchase is to provide financing for water system improvements. This project is located in West Salem, Illinois. **(08-10-11)**.

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

Project Nos. 12, 13, 14 and 15 were withdrawn.

No. 16: H-HO-TE-CD-8157 – NorthShore University HealthSystem (F/K/A Evanston Northwestern Healthcare)

Request for preliminary approval of 501(c)3 Bonds in an amount not-to-exceed \$50 million. Bond proceeds will be used to finance the costs of discharging outstanding debt and pay issuance costs. This project is located in Evanston, Illinois. **(08-10-16)**.

No. 17: H-HO-TE-CD-8158 – Rockford Health

Request for preliminary approval of 501(c)3 Bonds in an amount not-to-exceed \$70 million. Bond proceeds will be used to finance IHFA Series 1995 Revenue Bonds and pay issuance costs. This project is located in Rockford, Illinois. **(08-10-17)**.

No guests attended with respect to Project Nos. 16 and 17. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 16 and 17. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 16 and 17. Leave was granted. Project Nos. 16 and 17 received preliminary approval with 9 ayes, 0 nays, and 0 abstentions.

No. 19: H-HO-TE-CD-8051 – Silver Cross Hospital

Request for final approval of 501(c)3 Bonds in an amount not-to-exceed \$275 million. Bond proceeds will be used to finance the construction of a replacement hospital, pay for capitalized interest, fund a debt service reserve, and pay costs of issuance. This project is expected to create 637 construction jobs. This project is located in New Lenox, Illinois. **(08-10-19)**.

No. 20: H-HO-TE-CD-8052 – Bethany North Suburban Group

Request for final approval of 501(c)3 Bonds in an amount not-to-exceed \$40 million. Bond proceeds will be used to refund IHFA Series 2002 Bonds, finance renovations, fund the conversion of a portion of Bethany's

assisted living facility. This project is expected to create 50 new jobs and 40 construction jobs. This project is located in Morton Grove, Illinois. **(08-10-20)**.

No guests attended with respect to Project Nos. 19 and 20. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 19 and 20. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 19 and 20. Leave was granted. Project Nos. 19 and 20 received final approval with 9 ayes, 0 nays, and 0 abstentions.

No. 22: Southern Illinois Healthcare Resolution. A Resolution Authorizing Amendments to the Southern Illinois Healthcare Final Bond Resolution to increase the initial maximum coupon rates.

No. 23: IFA Staff Assignments. A Resolution with respect to the assignment of staff to represent the Authority.

No. 24: OSF Healthcare System Amendatory Resolution. An Amendatory Resolution for OSF Healthcare System Series 2005 A&B IFA Bonds and Series 2007 B,C&D IFA Bonds, to amend OSF's Bond Indentures and Auction Rate Securities documents to permit OSF to purchase their bonds in the auctions and to do so without having to cancel the bonds.

No. 25: BroMenn Healthcare Resolution. A Resolution Authorizing Amendments to BroMenn Healthcare Hospitals Final Bond Resolution to increase the not-to-exceed amount from \$50 million to \$65 million, and to add the refunding of the IHFA Series 1992 Bonds.

No. 26: IFA Resolution. A Resolution to continue the successor and successor duties of the Executive Director of the Illinois Finance Authority.

No. 27: IFA Loan Programs Resolution. A Resolution to delegate the duties with respect to the Authority's loan programs.

No guests attended with respect to Resolution Nos. 22,23,24,25,26 and 27. Chairman Brandt asked if the Board had any questions with respect to Resolution Nos. 22,23,24,25,26 and 27. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Resolution Nos. 22,23,24,25,26 and 27. Leave was granted. Resolution Nos. 22,23,24,25,26 and 27 received final approval with 9 ayes, 0 nays, and 0 abstentions.

No. 7: E-PS-TE-CD-8148 – Montessori Elementary School of South West Cook County
Request for preliminary approval of 501(c)3 Revenue Bonds in an amount not-to-exceed \$2.5 million. Bond proceeds will be used to finance construction costs, refinance an existing mortgage and to pay certain bond issuance costs. This project is expected to create 7 new jobs and 50 construction jobs. This project is located in Lemont, Illinois. **(08-10-07)**.

No guests attended with respect to Project No. 7. Chairman Brandt asked if the Board had any questions with respect to Project No. 7. There being none, Chairman Brandt 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: N-NP-TE-CD-8145 – The Poetry Foundation

Request for final approval of 501(c)3 Revenue Bonds in an amount not-to-exceed \$25 million. Bond proceeds will be used to finance, refinance, and reimburse all or a portion of the costs of various capital improvements. This project is expected to create 8 new jobs and 25 construction jobs. This project is located in Chicago, Illinois. **(08-10-08)**.

Chairman Brandt asked if there were any guests attending the meeting with respect to Project No. 8. Mr. Rich Frampton, Vice President, introduced Ms. Caren Skoulas, CFO, The Poetry Foundation. Ms. Skoulas thanked members of the Board for their consideration, and gave a brief description of the project and the Foundation's history. Chairman Brandt asked if the Board had any questions for Ms. Skoulas. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 8. Leave was granted. Project No. 8 received final approval with 9 ayes, 0 nays, and 0 abstentions.

No. 9: N-NP-TE-CD-8091 – The Art Institute of Chicago

Request for final approval of the issuance of 501(c)3 Revenue Bonds in an amount not-to-exceed \$150 million. Bond proceeds will be used to finance, refinance and reimburse a portion of the costs of capital improvements. This project is expected to create 98 new jobs and 200 construction jobs. This project is located in Chicago, Illinois. **(08-10-09)**.

Chairman Brandt asked if there were any guests attending the meeting with respect to Project No. 9. Mr. Rich Frampton, Vice President, introduced Mr. Eric Anyah, Sr., VP for Finance. Mr. Anyah thanked the Board again for its consideration and added that The Art Institute has included two MWBE firms to its financing team. Chairman Brandt asked if the Board had any questions for Mr. Anyah. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 9. Leave was granted. Project No. 9 received final approval with 9 ayes, 0 nays, and 0 abstentions.

No. 18: H-HO-TE-CD-8143 – Rush University Medical Center Obligated Group

Request for final approval of 501(c)3 Bonds in an amount not-to-exceed \$375 million. Bond proceeds will be used to provide financing to pay for costs of capital expenditures, finance or refinance the costs of terminating certain interest rate hedge agreements, refinance a line of credit, fund debt service reserve, and pay certain issuance costs. This project is expected to create 300 new jobs and 300 construction jobs. This project is located in Chicago and Aurora, Illinois. **(08-10-18)**.

Chairman Brandt asked if there were any guests from Rush University Medical Center attending the meeting with respect to Project No. 18. Ms. Pamela Lenane, Vice President, introduced Ms. Catherine Jacobsen, CFO, Rush University Medical Center. Ms. Jacobsen gave an extensive description of the project, the hospital's master facilities plan and a brief history of the hospital's community involvement. Ms. Jacobsen also thanked members of the Board for their consideration. Chairman Brandt asked if the Board had any questions for Ms. Jacobsen. Mr. DeNard acknowledged Rush for including MWBE firms on its financing team. Chairman Brandt then asked if there were others wishing to address the Board concerning Rush University Medical Center. Mr. Paul McKinley, a representative from V.O.T.E., and Ms. Michelle Townes, a representative from Reach Out, stated their organizations concerns in regard to the Authority's financing of the Rush University Medical Center project. Both Mr. McKinley and Ms. Townes, asked that the Board reconsider funding this project. Chairman Brandt addressed their concerns. Chairman Brandt then asked if the Board had any questions for Mr. McKinley or Ms. Townes. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 18. Leave was granted. Project No. 18 received final approval with 9 ayes, 0 nays, and 0 abstentions.

No. 21: E-PC-TE-CD-7079 – The University of Chicago

Request for preliminary approval of 501(c)3 Revenue Bonds in an amount not-to-exceed \$500 million. Bond proceeds will be used for various capital construction costs and renovations. This project is expected to create 50 to 100 new jobs within two years of the project's completion, and 150-200 construction jobs over a 12-24 month period. This project is located in Chicago, Illinois. **(08-10-21)**.

Chairman Brandt asked if there were any guests from The University of Chicago attending the meeting with respect to Project No. 21. Mr. Rich Frampton, Vice President, introduced Mr. Nim Chinniah, VP for Administration and CFO, The University of Chicago. Mr. Chinniah gave a brief description of the project, the University's strategic plans, its community involvement and contributions to economic development within the community. Mr. Chinniah also shared with the Board that the University is in discussion with a MWBE firm that is expected to be included on the financing team for this project. Chairman Brandt asked if the Board had any questions for Mr. Chinniah. Mr. DeNard, Chair of the Diversity Committee, commended The University of Chicago on its commitment to diversity, but also stated that the Authority expects a stronger commitment from the University to include more than one MWBE firm as co-manager on its financing team, particularly on a financing this large. Mr. Goetz, Vice Chair, further stated the Authority's mission concerning diversity and also added that on a financing this large the University should make diversity on its financing team a high priority. Chairman Brandt then asked if there were others wishing to address the Board concerning The University of Chicago. Mr. Paul McKinley, a representative from V.O.T.E., stated his organization's concerns in regard to the Authority's financing of the University of Chicago project. Mr. McKinley asked that the Board reconsider funding this project. Mr. Willie Fleming, a community advocate also stated his concerns. Chairman Brandt acknowledged both Mr. McKinley and Mr. Fleming. Chairman Brandt then asked if the Board had any questions for Mr. McKinley or Mr. Fleming. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor

of Project No. 21. Leave was granted. Project No. 21 received preliminary approval with 9 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. Goetz and seconded by Mr. DeNard, the meeting adjourned at approximately 12:55 p.m.

Respectfully Submitted,

Carla B. Burgess Jones, Secretary