

**MINUTES OF THE NOVEMBER 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 11:30 a.m. on November 12, 2008 in the Indiana Room located at 200 E. Randolph Drive, Lower Level, Chicago, Illinois.

Members present:

William A. Brandt, Jr., Chairman
Michael W. Goetz, Vice Chairman
Dr. William J. Barclay
Ronald E. DeNard
James J. Fuentes
Edward H. Leonard, Sr.
Terrence M. O'Brien
Bradley A. Zeller

Members absent:

Dr. Roger D. Herrin
Juan B. Rivera
April D. Verrett

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 11:45 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 eight (8) 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 Governor Blagojevich submitted to the IFA Board of Directors two nominees for the position of Executive Director. Members of the Board interviewed both candidates and the position was offered to John B. Filan. Mr. Filan will join the Illinois Finance Authority as Executive Director effective November 16, 2008.

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 October 31, 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. Leonard and seconded by Mr. Goetz.

The October 31, 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 October 23, 2008 Special Meeting of the Board. Chairman Brandt announced that the October 23, 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 Dr. Barclay and seconded by Mr. Goetz. The October 23, 2008 minutes were unanimously approved by members of the Board.

Authorized Officer's Report

Ms. Walker, Director of Financial Services and Authorized Officer, reported that the Authority's financial position remains strong with total assets at \$176M consisting of equity of \$113M, liabilities at \$63M, and gross year-to-date income for October 31, 2008 ended at \$3.9M. Ms. Walker reported that at today's meeting 17 projects totaling \$1,779,153,500 were being provided 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-8166 – Michael & Lindsey Urish**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$175,000 to provide permanent financing to purchase approximately 40 acres of farmland, with a machine shed and grain bin. This project is located in Morrison, Illinois. **(08-11-01)**.
- A-FB-TE-CD-8172 – Matthew DeSutter**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$167,000 to provide permanent financing to purchase approximately 57.06 acres of farmland. This project is located in Woodhull, Illinois. **(08-11-01)**.
- A-FB-TE-CD-8167 – Matthew Beeler**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$225,000 to provide permanent financing to purchase approximately 76 acres of farmland. This project is located in Raymond, Illinois. **(08-11-01)**.

A-FB-TE-CD-8168 – Thomas Burnside

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$250,000 to provide permanent financing to purchase approximately 86.75 acres of farmland. This project is located in Kansas, Illinois. (08-11-01).

A-FB-TE-CD-8169 – Jonathan & Marlene Weaver

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$160,000 to provide permanent financing to purchase approximately 46.2 acres of farmland with two barns. This project is located in Xenia, Illinois. (08-11-01).

A-FB-TE-CD-8170 – Benjamin & Bryann Odom

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$81,250 to provide permanent financing to purchase approximately 50 acres of farmland. This project is located in Benton, Illinois. (08-11-01).

A-FB-TE-CD-8171 – Jason Tubbs

Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$100,000 to provide permanent financing to purchase approximately 80 acres of farmland with a barn and grain bins. This project is located in Wayne City, Illinois. (08-11-01).

No guests attended with respect to the seven Beginning Farmer Bonds listed under Project No. 1. Chairman Brandt asked if the Board had any questions with respect to the seven 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 seven Beginning Farmer Bonds listed under Project No. 1. Leave was granted. Project No. 1 received final approval with 8 ayes, 0 nays, and 0 abstentions.

No. 2: A-LL-TX-8178 – David and Becki Damhoff

Request for final approval of the issuance of a Participation Loan in an amount not-to-exceed \$417,000. Loan proceeds will be used to provide permanent financing for the purchase of 195.15 acres of farm land. This project is located in Chadwick, Illinois. (08-11-02).

No. 3: A-LL-TX-8177 – Donald B. Latherow

Request for final approval of the issuance of a Participation Loan in an amount not-to-exceed \$325,000. Loan proceeds will be used to provide permanent financing for the purchase of 268 acres of farmland. This project is located in Carthage, Illinois. (08-11-03).

No. 4: A-LL-TX-8175 – Joseph Healy

Request for final approval of a Participation Loan in an amount not-to-exceed \$27,000. Loan proceeds will be used to provide permanent

financing for the purchase of a corn/soybean planter. This project is located in Streator, Illinois. (08-11-04).

No. 5: A-DR-GT-8176 – John & Nancy Howard

Request for final approval of an Agri-Debt Guarantee in an amount not-to-exceed \$276,250. Loan proceeds will be used to refinance and restructure various existing term debts for the borrower. This project is located in Texico, Illinois. (08-11-05).

No guests attended with respect to Project Nos. 2 through 5. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 2 through 5. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 2 through 5. Leave was granted. Project Nos. 2 through 5 received final approval with 8 ayes, 0 nays, and 0 abstentions.

No. 6: I-ID-TE-CD-8130 - Fitzpatrick Brothers, Inc.

Request for final approval of Industrial Revenue Bonds in an amount not-to-exceed \$10 million. Bond proceeds will be used to finance the acquisition of land and equipment, new machinery and equipment, and to pay legal and professional issuance costs. Issuance of bonds will require an allocation of \$10 million of IFA Volume Cap to be provided by the Governor's Office of Management and Budget. The City of Quincy did not reserve its 2008 Volume Cap by April 30, 2008 because the City was not aware at that date of any local projects that could use the City's 2008 allocation. Consequently, the City's entire 2008 allocation of approximately \$3,400,000 was automatically reallocated to the Governor's Office as of May 15, 2008. This project is expected to create 65 new jobs and 50 construction jobs. This project is located in Quincy, Illinois.(08-11-06).

No. 7: I-ID-TE-CD-8106 – Regis Technologies, Inc.

Request for final approval of Industrial Revenue Bonds in an amount not-to-exceed \$8.2 million. Bond proceeds will be used to assist Regis in undertaking the largest capital improvement project in the Company's 50 year history. The Village of Morton Grove will be providing its entire 2008 allocation (i.e., \$1,909,270) to support this project prior to closing. As a result, IFA will contribute \$6,290,730 of the Authority's 2008 State Agency Volume Cap to support this financing. IFA's allocation is contingent on receipt of the Village's 2008 allocation. This project is expected to create 40 new jobs and 25 construction jobs. This project is located in Morton Grove, Illinois.(08-11-07).

No guests attended with respect to Project Nos. 6 and 7. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 6 and 7. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 6 and 7. Leave was granted. Project Nos. 6 and 7 received final approval with 8 ayes, 0 nays, and 0 abstentions.

- No. 8: L-GP-MO-8180 – City of Benton**
Request for preliminary approval to participate in the Local Government Pooled Bond Program in an amount not-to-exceed \$2.1 million. Bonds will be used to provide financing for sewer system improvements. This project is expected to create 10 construction jobs. This project is located in Benton, Illinois. (08-11-08).
- No. 9: L-GP-MO-8179 – City of Charleston**
Request for preliminary approval to participate in the Local Government Pooled Bond Program in an amount not-to-exceed \$700,000. Bonds will be used to provide financing for the renovation of the City's waste water treatment plants. This project is expected to create 5 construction jobs. This project is located in Charleston, Illinois. (08-11-09).
- No. 10: L-GP-MO-8082 – City of Girard**
Request for preliminary approval to participate in the Local Government Pooled Bond Program in an amount not-to-exceed \$950,000. Bonds will be used to provide financing for the construction of a new water storage tank. This project is expected to create 5 construction jobs. This project is located in Girard, Illinois. (08-11-10).

No guests attended with respect to Project Nos. 8 through 10. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 8 through 10. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 8 through 10. Leave was granted. Project Nos. 8 through 10 received preliminary approval with 8 ayes, 0 nays, and 0 abstentions.

- No. 11: H-SL-RE-TE-CD-8184 - Timothy Place NFP, d/b/a Park Place of Elmhurst**
Request for preliminary approval of Conduit 501(c)3 Bonds in an amount not-to-exceed \$195 million. Bond proceeds will be used to construct and equip a new facility, repay pre-development costs, fund one or more debt service reserve funds, fund interest expense and certain enhancement costs, and pay professional and bond issuance costs. This project is expected to create 129 new jobs and 200 construction jobs. This project is located in Elmhurst, Illinois. (08-11-11).

No guests attended with respect to Project No. 11. Chairman Brandt asked if the Board had any questions with respect to Project No. 11. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 11. Leave was granted. Project No. 11 received preliminary approval with 8 ayes, 0 nays, and 0 abstentions.

- No. 12: H-HO-TE-CD-8174 – Northwestern Memorial Hospital**
Request for final approval of Conduit 501(c)3 Bonds in an amount not-to-exceed \$240 million. Bond proceeds will be used to refund the outstanding principal amount of the IFA Variable Rate Demand Revenue Bonds, pay a portion of the interest on the bonds, fund a debt service

reserve fund, and pay certain expenses in connection with the issuance of the bonds. This project is located in Chicago, Illinois. (08-11-12).

No. 13: H-HO-TE-CD-8158 – Rockford Health

Request for final approval of Conduit 501(c)3 Bonds in an amount not-to-exceed \$70 million. Bond proceeds will be used to refinance IHFA Revenue Bonds, Series 1994, Select Auction Variable Rate Securities originally issued in the amount of \$75 million of which \$55.8 million is currently outstanding, and to pay issuance costs associated with the refinancing (including a swap termination payment). This project is located in Rockford, Illinois. (08-11-13).

No. 14: H-HO-TE-CD-8146 – The Carle Foundation

Request for final approval of Conduit 501(c)3 Bonds in an amount not-to-exceed \$450 million. Proceeds from the sale of the Series 2009 Bonds will be used to refinance a taxable loan, finance the costs of the acquisition, construction, renovations and equipment, pay a portion of the interest on the Series 2009 Bonds, fund a debt service reserve, and pay issuance costs. This project is expected to create 470 construction jobs. This project is located in Urbana, Illinois. (08-11-14).

No. 16: H-HO-TE-CD-8157 – NorthShore University HealthSystem (f/k/a Evanston Northwestern Healthcare)

Request for final approval of 501(c)3 Commercial Paper Revenue Notes in an amount not-to-exceed \$75 million. Proceeds will be used to finance the costs of discharging outstanding debt in connection with the acquisition, and to pay issuance costs. This project is located in Evanston, Illinois. (08-11-16).

No guests attended with respect to Project Nos. 12,13,14 and 16. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 12,13,14 and 16. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 12,13,14 and 16. Leave was granted. Project Nos. 12,13,14 and 16 received final approval with 8 ayes, 0 nays, and 0 abstentions.

No. 18: F&F Holdings, LLC (Murphy Machine Products, Inc.) Amendatory Resolution. Request to replace the underwriter (Wachovia Securities), with Wells Fargo Public Finance.

No. 19: Southern Illinois Healthcare Amendatory Resolution. Request to substitute and/or add an underwriter as agreed to by the Borrower and the Illinois Finance Authority.

No guests attended with respect to Resolution Nos. 18 and 19. Chairman Brandt asked if the Board had any questions with respect to Resolution Nos. 18 and 19. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Resolution Nos. 18 and 19. Leave was granted. Resolution Nos. 18 and 19 received final approval with 8 ayes, 0 nays, and 0 abstentions.

No. 15: 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 \$225 million. Bond proceeds will be used to construct and equip a new facility, refinance a bank loan, reimburse the borrower for pre-development costs, fund one or more debt service reserve funds, fund interest expense on the bonds for a certain period, fund credit enhancement costs, and to pay issuance costs. This project is expected to create 131 new jobs and 200 construction jobs. This project is located in Chicago, Illinois.. (08-11-15).

Chairman Brandt asked if there were any guests attending the meeting with respect to Project No. 15. Ms. Pamela Lenane, Vice President, introduced Dr. Glenn Brichacek, President/CEO, The Admiral at the Lake. Dr. Brichacek thanked the Board for its consideration and gave a brief history and description of the project. Chairman Brandt asked if the Board had any questions for Dr. Brichacek. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 15. Leave was granted. Project No. 15 received final approval with 8 ayes, 0 nays, and 0 abstentions.

No. 17: E-PC-TE-CD-8165 – The University of Chicago

Request for final approval of Conduit 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. (08-11-17).

Chairman Brandt asked if there were any guests from The University of Chicago attending the meeting with respect to Project No. 17. Mr. Rich Frampton, Vice President, introduced Mr. Nim Chinniah, VP for Administration and CFO, The University of Chicago. Mr. Chinniah thanked the Board again for its consideration and then gave a brief description of the project. Mr. Chinniah also announced that the University has added Loop Capital Markets and Cabrera Capital Markets to the financing team for this project. Chairman Brandt asked if the Board had any questions for Mr. Chinniah. There were no questions from the Board. 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. Chairman Brandt acknowledged Mr. McKinley's concerns. Board Member, Mr. DeNard commended the University of Chicago for their decision to include minority firms on the financing team for this project. Mr. DeNard also suggested that the University's Community Development person meet with Mr. McKinley's organization to address the concerns that were presented by Mr. McKinley on behalf of his organization. Chairman Brandt asked Secretary Jones to do a roll call vote on this project so that Mr. McKinley would know each board members vote. Board members voted as follows: Dr. Barclay-yes, Chairman Brandt-yes, Mr. DeNard-yes, Mr.

Fuentes-yes, Vice Chairman Goetz-yes, Mr. Leonard-yes, Mr. O'Brien-yes, Mr. Zeller-yes. Project No. 17 received final 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. Leonard and seconded by Mr. Goetz, the meeting adjourned at approximately 12:12 p.m.

Respectfully Submitted,

Carla B. Burgess Jones, Secretary