

**MINUTES OF THE NOVEMBER 10, 2009 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 Tuesday, November 10, 2009 at the Conference Center at One Prudential Plaza, 7th Floor, 130 E. Randolph Street, Chicago, IL 60601.

Members present:

1. William A. Brandt, Jr., Chairman
2. Michael W. Goetz, Vice Chairman
3. Terrence M. O'Brien
4. Dr. Roger D. Herrin
5. Dr. William J. Barclay
6. James J. Fuentes
7. Ronald E. DeNard
8. April D. Verrett

Members absent:

1. Juan B. Rivera

Vacancies:

Four

**Members participating by
telephone:**

1. Edward H. Leonard, Sr.*
2. Bradley A. Zeller

* Mr. Leonard participated from the call to order at 11:34 a.m. until 11:44 a.m.. He voted on the financials, minutes, project 4 and project 16.

GENERAL BUSINESS

Call to Order, Establishment of Quorum and Roll Call

Chairman Brandt called the meeting to order at 11:34 a.m. with the above members present. Chairman Brandt welcomed members of the Board and all guests and asked Assistant Secretary Kara Nystrom-Boulahanis to call the roll. There being eight (8) members physically present and two (2) additional members on the phone Ms. Nystrom-Boulahanis declared a quorum present.

Acceptance of Financial Statements and Minutes

Financial statements for the period ending October 31, 2009 and minutes for both the October 10, 2009 Committee of the Whole and the Board of Directors meetings were presented to members of 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 today at 8:30 a.m. Chairman Brandt requested a motion to approve the October 31, 2009 Financial Statements and minutes from both the October 10, 2009 Committee of the Whole and the Board of Directors' meeting.

The motion was moved by Mr. O'Brien and seconded by Mr. Goetz. The October 31, 2009 Financial Statements and minutes from both the October 10, 2009 Committee of the Whole and the Board of Directors meeting were unanimously approved by members of the Board.

Chairman's Remarks

Chairman Brandt welcomed Board Members and guests. He stated that several guests were present and wished to discuss one of the projects and he wished to begin immediately.

Senior Staff Reports

None.

Project Approvals

Chairman Brandt asked Mr. Rich Frampton to present the projects for consideration to the Board. 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.

Mr. Frampton presented the following projects for board approval:

- No. 16:** **H-HO-CD-TE-8061 – Resurrection Health Care**
Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$120 million. The proceeds of this issuance will be used to: (i) current refund approximately \$100 million of IFA Series 2008A-B variable rate demand bonds; (ii) fund a debt service reserve fund and (iii) pay costs of issuance. This project is located in multiple locations throughout Illinois.

Ms. Pamela Lenane introduced Mr. James Sykes, Vice President of Finance for Resurrection Health Care. Chairman Brandt asked if the representatives from the American Federation of State, County and Municipal Employees (AFSCME) were interested in speaking. Seeing no representatives, Chairman Brandt asked if the Board had any questions with regard to this project. Dr. Barclay, Chair of the Healthcare Committee, stated the Healthcare Committee will be taking seriously the suggestion to put procedures in place for advance notification of labor issues with any applicant borrowers. Chairman Brandt clarified that representatives from both Resurrection Healthcare and AFSCME had presented at the Committee of the Whole and asked Asst. Secretary Nystrom-Boulahanis to conduct a roll-call vote for this project. The project passed unanimously, with 10 ayes, 0 nays and 0 abstentions.

- No. 4:** **N-NP-TE-CD-8223 – Museum of Science and Industry (“MSI”)**
Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$70 million. The proceeds of this issuance will be used to: (1) refinance several outstanding series of IFA (IEFA) Variable Rate Bonds to conform debt covenants and extend the final maturity date; (2) finance the purchase and installation of a new, integrated HVAC system and various other improvements. This project is located in Chicago, IL.

No guests attended with respect to Project No. 4 and Chairman Brandt asked if the Board had any questions with respect to Project No. 4. There being none, Chairman Brandt requested a roll call vote on Project No. 4, having previously been informed that Mr. Fuentes was a member of the Board of Directors of the Museum of Science and Industry. Asst. Secretary Nystrom-Boulahanis conducted a roll call vote and the project passed unanimously, with 9 ayes, 0 nays and 1 abstention.

Mr. Edward H. Leonard, Sr., Board Member, signed off the call after the roll call vote on Project No. 4.

- No. 1A:** **A-FB-TE-CD-8286– Bruce Boehl**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$149,000 for the purchase of 50 acres of farmland. This project is located in Oblong, IL (Jasper County).

- No. 1B:** **A-FB-TE-CD-8287– Paul & Janie Bergschneider**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$196,000 for the purchase of 90 acres of farmland. This project is located in Alexander, IL (Morgan County).

- No. 1C:** **A-FB-TE-CD-8288– Daniel Weber**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$178,000 for the purchase of 70.88 acres of farmland. This project is located in Ganeseo, IL (Henry County).
- No. 1D:** **A-FB-TE-CD-8289 – DuWayne & Abby Wolber**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$250,000 for the purchase of 80 acres of farmland. This project is located in Litchfield, IL (Montgomery County).
- No. 1E:** **A-FB-TE-CD-8290– Chad Niehaus**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$216,000 for the purchase of 80 acres of farmland. This project is located in Walshville, IL (Macoupin County).
- No. 1F:** **A-FB-TE-CD-8291– Barrett Hill**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$239,000 for the purchase of an undivided half interest in 180 acres of farmland. This project is located in Newton, IL (Richland County).

No guests attended with respect to Project Nos. 1a, 1b, 1c, 1d, 1e, or 1f. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 1a, 1b, 1c, 1d, 1e, or 1f. There being none, Mr. Goetz made a motion to approve the projects. Dr. Barclay seconded that motion. Asst. Secretary Nystrom-Boulahanis conducted a roll-call vote for this project. The project passed unanimously, with 9 ayes, 0 nays and 0 abstentions.

- No. 2:** **A-AD-GT-8292– Benjamin L. & Susan R. Mueller**
Request for final approval for the issuance of an Agri-Debt Guarantee in an amount not-to-exceed \$486,000. Proceeds from this financing will be used to provide an 85% loan guarantee in favor of the Bank of Gibson City to refinance the borrowers’ debts. This project is located in Sibley, IL (Ford County).
- No. 3:** **M-MH-TE-CD-7261– Marion Supportive Living, L.P. (River to River Community of Marion SLF Project)**
Request for final approval of the issuance of Affordable Renting Housing Bonds in an amount not-to-exceed \$6.2 million. Proceeds from this financing will be used to finance the acquisition of land, and the construction and equipping of a new, 50-unit Supportive Living Facility. This project is located in Marion, IL (Williamson County).

No guests attended with respect to Project Nos. 2 or 3. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 2 or 3. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 2 and 3. Leave was granted. Project Nos. 2 and 3 received final approval with 9 ayes, 0 nays, and 0 abstentions.

- No. 5:** **L-G-MO-8275– IFA Series 2009 Local Government Pooled Bonds Overview Memo**
IFA’s Local Government Pooled Bond Program combines the needs of more than one unit of local government into a pooled bond issue, with the IFA serving as the Issuer. The pooling process allows local governments, and political subdivisions thereof, to realize savings by sharing fixed costs. This project is located in multiple locations throughout Illinois.

- No. 6:** **L-GP-TE-8082– City of Girard**
 Request for the final approval of the issuance of Local Government Pooled Bonds in an amount not-to-exceed \$825,000. Proceeds from this financing will be used to refinance an existing Interim Loan that closed 7/8/2009. The Project involves (i) demolishing and removing an existing 75,000 gallon water storage tank; (ii) replace with a new 200,000 gallon elevated spheroid water storage tank and constructing a 1,400 linear feet of 10-inch water transmission main, including all related appurtenances; (iii) install a new telemetry system; (iv) to refund outstanding debt, and (v) pay bond issuance. This project is located in Girard, IL. (Macoupin County)
- No. 7:** **L-GP-MO-7041– Village of Kane**
 Request for the final approval of the issuance of Local Government Pooled Bonds in an amount not-to-exceed \$625,000. Proceeds from this financing will be used to refinance an existing Interim Loan that closed October 6, 2009. The Village of Kane will use the proceeds of the Bonds to construct a 100,000 gallon elevated water storage tank, install two new water wells and pay certain costs associated with the issuance of the Local Government Securities Pooled Bond Program. This project is located in Kane, IL. (Greene County)
- No. 8:** **L-GP-MO-8274 – City of Warsaw**
 Request for the final approval of the issuance of Local Government Pooled Bonds in an amount not-to-exceed \$375,000. . Proceeds from this financing will be used to finance the capital improvements to wastewater treatment lagoons. This project is located in Warsaw, IL. (Hancock County)
- No. 9:** **L-GP-MO-8207 – Village of Cowden**
 Request for the final approval of the issuance of Local Government Pooled Bonds in an amount not-to-exceed \$315,000. Proceeds from this financing will be used to construct a 75,000-gallon elevated water storage tank, install supply well and loop; and pay certain bond issuance costs. This project is located in Cowden, IL. (Shelby County)
- No. 10:** **L-GP-MO-8011 – Village of Farmersville**
 Request for the final approval of the issuance of Local Government Pooled Bonds in an amount not-to-exceed \$680,000. Proceeds from this financing will be used to construct a 150,000 gallon water tank and to demolish the Village’s existing tank. This project is located in Farmersville, IL. (Montgomery County)
- No. 11:** **L-GP-MO-7042 – City of Bunker Hill**
 Request for the final approval of the issuance of Local Government Pooled Bonds in an amount not-to-exceed \$300,000. Proceeds from this financing will be used for the acquisition of certain property, consisting of two parcels of land, three buildings and other improvements; one for a facility that will house vehicles and equipment of the City. This project is located in Bunker Hill, IL. (Macoupin County)
- No. 12:** **L-GP-MO-8273 – City of Herrin**
 Request for the final approval of the issuance of Local Government Pooled Bonds in an amount not-to-exceed \$370,000. Proceeds from this financing will be used for the acquisition, construction, and installation of water and sewer main replacements and facilities improvements and land acquisition and rights in real estate and other related facilities improvements and costs. This project is located in Herrin, IL. (Williamson County)

No. 13: L-GP-MO-8272 – Avoca Drainage District

Request for the final approval of the issuance of Local Government Pooled Bonds in an amount not-to-exceed \$815,000. Proceeds from this financing will be used to install two miles of 24” and 36” drainage tiles through farmland to improve drainage, relieve pressure on existing tile, relieve flooding and improve crop yields within the Drainage District. This project is located in Unincorporated Livingston County, IL.

No guests attended with respect to Project Nos. 5, 6, 7, 8, 9, 10, 11, 12 or 13. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 5, 6, 7, 8, 9, 10, 11, 12 or 13. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 5, 6, 7, 8, 9, 10, 11, 12 and 13. Leave was granted. Project Nos. 5, 6, 7, 8, 9, 10, 11, 12 and 13 received final approval with 9 ayes, 0 nays, and 0 abstentions.

No. 14: H-HO-TE-CD-8296– Illinois Valley Community Hospital

Request for the preliminary approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$24 million. The proceeds of this issuance will be used to (i) funding for capital projects, (ii) the refinance of an existing bank loan and (iii) funding for bond issuance costs and other delivery date expenses associated with the transaction. This project is located in Peru, IL (LaSalle County)

No guests attended with respect to Project No. 14. Chairman Brandt asked if the Board had any questions with respect to Project No. 14. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 14. Leave was granted. Project No. 14 received final approval with 9 ayes, 0 nays, and 0 abstentions.

No. 15: WITHDRAWN

No. 17: H-HO-TE-CD-8205 – Rehabilitation Institute of Chicago

Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$125 million. The proceeds of this issuance will be used to (1) refinance a term note with an outstanding amount of approximately \$5.5 million; (2) pay or reimburse capital expenditures of approximately \$4 million; (3) refinance approximately \$53 million of the Illinois Health Facilities Authority Variable Rate Demand Revenue Bonds, Series 1997 (Rehabilitation Institute of Chicago Project); (4) to fund an approximate \$30 million acquisition of land located at the northwest corner of Ontario and McClurg Court in the Chicago, Illinois that is intended to be the future site of a hospital replacement facility; (5) to fund additional costs of issuance and other bond financing costs. This project is located in Chicago, IL (Cook County).

No. 18: H-HO-TE-CD-8090– Advocate Health Care Network

Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$625 million. The proceeds of this issuance will be used 1) finance the merger-related redemption of BroMenn Healthcare’s (“BroMenn”) existing debt; 2) fund new money projects at both BroMenn and other Advocate hospital campuses, 3) refund a bridge loan provided to repay Midwest Physicians Group (“MPG”)’s tax-exempt bonds if deemed necessary or advisable; 4) restructure a portion of Advocate’s outstanding debt if deemed necessary or advisable in order to reduce put, credit and renewal risk; 5) fund a debt service reserve fund, if deemed necessary or advisable; and 6) pay costs of issuance. This project is located in multiple locations in Cook, DuPage, Lake, McLean & Woodford Counties.

No. 19: H-HO-TE-CD-8147– Southern Illinois Healthcare

Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$23.5 million. The proceeds of this issuance will be used (i) to convert and reissue or refund all or a portion of the \$69,000,000 IFA Series 2005 revenue bonds, (ii) to establish a debt service reserve fund for the benefit of the Bonds, if deemed necessary or advisable, (iii) to pay a portion of the interest on the Bonds, if deemed necessary or advisable, and (iv) to pay certain expenses incurred in connection with the issuance of the Bonds. This project is located in Carbondale, Herrin and Murphysboro, IL.

No guests attended with respect to Project Nos. 17, 18 or 19. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 17, 18 or 19. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 17, 18 and 19. Leave was granted. Project Nos. 17, 18 and 19 received final approval with 9 ayes, 0 nays, and 0 abstentions.

No. 20: NorthShore University Health System Project. A Resolution Authorizing an Amendment to the Series 1995 & Series 1996 Bond Trust Indenture and Loan Agreements to allow the hospital to convert from Unit Pricing Period to a Demand Period.

No. 21: Authorized Officers Resolution. A Resolution with respect to Authorized Officers and Appointing Successor Trustees to the Illinois Finance Authority 401(a) Contribution Plan.

Mr. Meister shared with the Board that this resolution is a continuation of Authorized Officer status through April 30, 2010. It also appoints Mr. Art Friedson, Chief Human Resources Officer, and Ms. Yvonne Towers, Chief Financial and Technology Officer as trustees to the employee 401 (a) plan. Mr. Meister is reappointed as a trustee as well.

Chairman Brandt added that the IFA is still without an Executive Director and anticipates that it will be into the New Year before the Governor offers his candidates to the Board.

No guests attended with respect to Resolution Nos. 20 or 21. Chairman Brandt asked if the Board had any questions with respect to Resolution Nos. 20 or 21. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Resolution Nos. 20 and 21. Leave was granted. Resolution Nos. 20 and 21 received final 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. O'Brien and seconded by Mr. Fuentes, the meeting adjourned at 12:23 p.m.

Chairman Brandt reminded all guests that next month's meeting will be on December 8, 2009 at the Prudential Plaza Conference Center at 130 E. Randolph Ave., 7th Floor, Chicago, IL 60601.

Respectfully Submitted,

Kara Nystrom-Boulahanis, Assistant Secretary