

**MINUTES OF THE MARCH 9, 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 3:00 p.m. on Tuesday, March 9, 2010 at the Hotel Pere Marquette in the Marquette North Room at 501 Main Street, Peoria, IL 61602.

Members present:

1. William A. Brandt, Jr., Chairman
2. Michael W. Goetz, Vice Chairman
3. Edward H. Leonard, Sr.
4. Bradley A. Zeller
5. John “Jack” Durburg
6. Roderick Bashir
7. Roger Poole
8. Dr. Roger D. Herrin
9. James J. Fuentes

Members absent:

1. Ronald E. DeNard
2. Juan B. Rivera
3. Terrence M. O’Brien
4. Dr. William J. Barclay
5. Joseph McInerney

**Members participating by
telephone:**

None

Vacancies:

One

GENERAL BUSINESS

Call to Order, Establishment of Quorum and Roll Call

Chairman Brandt called the meeting to order at 3:00 p.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 nine (9) members physically present Ms. Nystrom-Boulahanis declared the quorum met.

Acceptance of Financial Statements and Minutes

Financial statements for the period ending February 28, 2010 and minutes for both the February 9, 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 12:00 p.m. that day. Chairman Brandt requested a motion to approve the February 28, 2010 financial statements and minutes from both the February 9, 2010 Committee of the Whole and the Board of Directors meeting.

The motion was moved by Mr. Goetz and seconded by Dr. Herrin. The February 28, 2010 financial statements and minutes from both the February 9, 2010 Committee of the Whole and the Board of Directors meetings were unanimously approved by members of the Board.

Chairman’s Remarks

Chairman Brandt welcomed Board Members and guests. He stated that the Board was especially pleased to be in Peoria for this month’s meeting. He explained that it was the Authority’s custom to meet outside of Chicago twice per year; once in Springfield and once in a location that rotates throughout Illinois.

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 12:00 p.m. before the Board Meeting.

Mr. Frampton presented the following projects for board approval:

- No. 1A:** – Jacob Pilman.
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$136,000 for the purchase of approximately 83.8 acres of farmland. This project is located in unincorporated Jasper County near Newton, IL .
- No. 1B:** – Richard & Linda McKeown.
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$160,000 for the purchase of approximately 48.8 acres of farmland. This project is located in unincorporated Jasper County near Newton, IL.
- No. 1C:** – Ronald & Suellen Shike.
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$160,000 for the purchase of approximately 44 acres of farmland. This project is located in unincorporated Warren County near Aledo, IL.
- No. 1D:** – Galen S. Eschbach.
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$470,100 for the purchase of approximately 180 acres of farmland and related buildings. This project is located in unincorporated Jefferson County near Bluford, IL.
- No. 2:** -- Paul and Mark Hill.
Request for final approval of the issuance of an agri-debt guarantee in an amount not-to-exceed \$500,000 to refinance the borrower's existing debts. This project is located in unincorporated Ogle County near Rochelle, IL

No guests attended with respect to Project Nos. 1A, 1B, 1C, ID or 2. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 1A, 1B, 1C, ID, or 2. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 1A, 1B, 1C, ID, and 2. Project Nos. 1A, 1B, 1C, ID, and 2 received approval with 9 ayes, 0 nays, and 0 abstentions.

- No. 3:** – Community of Faith Family Life Center (Renaissance Center Project).
Request for approval of a preliminary bond resolution for the issuance of up to \$17.2 million of 501(c)(3) Bonds to enable The Community of Faith Family Life Center to finance, refinance, and reimburse all or a portion of the costs of various capital improvements relating to funds used to finance, refinance, or reimburse Community of Faith Family Life Center for all or a portion of the costs relating to (1) the acquisition of vacant land located at 145th & Marshfield; and property generally located at Spaulding Ave. and Davis Court in Dixmor, IL, (2) all necessary site improvements and site preparation costs required to redevelop the sites, (3) the construction and equipping of a residential campus with approximately 3 new, two-story building thereon, which will serve as the living quarters for 120 young men. A 16-bed 16,662 sq. ft. residential facility, a 72-bed 24,864 sq. ft. residential facility, a 29,384 sq. ft. community building.(4) fund any debt service reserve or similar fund deemed necessary to secure the Bonds, (5) to pay capitalized interest, and (6) pay certain bond issuance costs. This project is located in Dixmor, IL (Cook County).
- No. 4:** – The Art Institute of Chicago.
Request for approval of a preliminary bond resolution for the issuance of 501(c)(3) Bonds in an amount not to exceed \$245 million. The proceeds of this issuance will be to refund all or a portion of AIC’s outstanding IFA (IEFA) Series 1992, Series 1995, Series 1996 Bonds, Series 1998A, Series 2000A Bonds, Series 2009B-1 and Series 2009B-2 Bonds (collectively, the “Prior Bonds”) and/or converting some or all of the Prior Bonds to another interest rate mode, and to pay certain costs of issuance. This project is located in Chicago, IL (Cook County).
- No. 5:** – The Poetry Foundation.
Request for approval of a final bond resolution for the issuance of 501(c)(3) Bonds in an amount not to exceed \$25 million. The proceeds of this issuance will be used to: finance, refinance, or reimburse the Foundation for all or a portion of the costs relating to (1) the acquisition of a 16,000 SF site located at the Southwest corner of North Dearborn Street and West Superior Street improved with two buildings located thereon (and the approximate street addresses of 55 W. Superior to 61 W. Superior Street) in Chicago, Illinois, (2) the demolition of the existing buildings and all necessary site improvements and site preparation costs required to redevelop the site, (3) the construction and equipping of a new, approximately 23,000 Gross SF, two-story building thereon, (4) to fund any debt service reserve or similar fund deemed necessary to secure the Bonds, (5) to pay capitalized interest, and (6) to certain costs of issuance. This project is located in Chicago, IL (Cook County).
- No. 11:** Genesis, Inc. and Shamrock Hill Farms Western Properties, LLC. Resolution to approve an Amended and Restated Trust Indenture and a First Amendment to the Loan Agreement, which provides for the creation of a new interest rate mode, and related matters.
- No. 12:** Waste Management, Inc. Resolution to approve and authorize a First Supplemental Trust Indenture, which provides for the creation of a new interest rate mode, and approval of a Final Reoffering Circular and Use and Distribution thereof relating to the Bonds, and related matters.

No guests attended with respect to Project Nos. 3, 4, or 5 or Resolutions Nos. 11 or 12. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 3, 4, or 5 or Resolutions Nos. 11 or 12. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 3, 4, and 5 and Resolutions Nos. 11 and 12 received approval with 9 ayes, 0 nays, and 0 abstentions.

Chairman Brandt stated that before he turned to the Healthcare Projects, the Board would like to acknowledge Mr. Daniel E. Baker, Senior Vice President Financial and Accounting and Chief Financial Officer of OSF Healthcare, which is based in Peoria, and thanked him for attending the meeting.

No. 7: – Alexian Brother Health System.

Request for approval of a final bond resolution for the issuance of 501(c)(3) Bonds in an amount not to exceed \$150 million. The proceeds of this issuance will be used to: 1) refund the remaining balance of the Alexian Brothers Health System Series 2005C Bonds, 2) fund a Project Fund for hospital modernization, 3) fund a Debt Service Reserve, and 4) pay certain expenses incurred in connection with the issuance of the Series 2010 Bonds. This project is located in Elk Grove Village and Hoffman Estates, IL (Cook County).

No. 8: – Palos Community Hospital.

Request for approval of a final bond resolution for the issuance of 501(c)(3) Bonds in an amount not to exceed \$305 million. Proceeds of these bonds will be used to (i) provide financing to pay various capital expenditures associated with the acquisition, construction, and equipping of a new bed tower and for renovations to the existing hospital facility (ii) fund capitalized interest; (iii) fund a debt service reserve fund, if required, and (iv) to fund certain professional and bond issuance costs. This project is located in Palos Heights, Orland Park, Lemont and Oak Lawn, IL (Cook County).

No. 10: – Swedish American Hospital.

Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$25 million. The proceeds of this issuance will be used to (i) refinance a taxable loan from JPMorgan Chase Bank, N.A. (the “Bank Loan”) that was used to redeem all of the outstanding \$25,000,000 Illinois Finance Authority Variable Rate Revenue Bonds, Series 2005 (Swedish American Hospital) Auction Rate Securities (the “Series 2005 Bonds”), and (ii) pay certain expenses incurred in connection with the issuance of the Bonds. This project is located in Rockford, IL (Winnebago County).

No guests attended with respect to Projects No. 7, 8, 9 or 10. Chairman Brandt asked if the Board had any questions with respect to Projects No. 7, 8, 9 or 10. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Projects No. 7, 8, 9 and 10 received approval with 9 ayes, 0 nays, and 0 abstentions.

No. 9: – St. Anthony’s Health Center.

Request for approval of a final bond resolution for the issuance of 501(c)(3) Bonds in an amount not to exceed \$10 million. The proceeds of this issuance will be used to fund capital expenditures and other improvements for the health care facilities of the Borrower including, but not limited to, certain radiology, hospital and other medical and non-medical equipment, information systems hardware and software, and various hospital building renovations and improvements. This project is located in Alton, IL (Madison County).

Ms. Nancy Dooling, Comptroller for St. Anthony’s, attended with respect to project No. 9 and she thanked the Board for their consideration. She stated that this was at least the fourth time St. Anthony has borrowed through the Authority to facilitate their projects. She added everyone involved in these projects thanked the Authority for their support. Chairman Brandt asked if the Board had any questions with respect to Project No. 9. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 9 received approval with 9 ayes, 0 nays, and 0 abstentions.

No. 6: – Affordable Assisted Living Coalition Note Program.

Request for approval of a preliminary bond resolution for the issuance of taxable notes in an amount not to exceed \$48 million. The proceeds of this issuance will be used to: to finance the cost of purchasing Medicaid accounts receivables from affordable assisted living providers across Illinois. This program will benefit supportive living facilities in operation Statewide.

No guests attended with respect to Project No. 6. Chairman Brandt asked if the Board had any questions with regard to Project No. 6. There being none, Mr. Zeller made a motion to approve this project. That motion was seconded by Mr. Bashir. Chairman Brandt asked Ms. Nystrom-Boulahanis to please take a roll call vote. Ms. Nystrom-Boulahanis conducted a roll call vote and Project No. 6 received approval with 8 ayes, 0 nays and 1 abstention*.

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. Goetz, the meeting adjourned at 3:24 p.m.

Chairman Brandt reminded all guests that next month's meeting will be on April 13th 2010 at the Conference Center at One Prudential Plaza, Chicago, IL and to please check www.il-fa.com for more information.

Respectfully Submitted,

Kara Nystrom-Boulahanis, Assistant Secretary

*Mr. Goetz abstained from voting on the Affordable Assisted Living Coalition Note Program as he has an interest in facilities that may utilize this program if passed.

MINUTES OF THE MARCH 9, 2010 MEETING OF THE COMMITTEE OF THE WHOLE 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 Committee of the Whole Meeting at 12:00 p.m. on Tuesday, March 9, 2010 at the Hotel Pere Marquette in the LaSalle Room at 501 Main Street, Peoria, IL 61602.

Members present:

10. William A. Brandt, Jr., Chairman
11. Michael W. Goetz, Vice Chairman
12. Edward H. Leonard, Sr.
13. Bradley A. Zeller
14. John “Jack” Durburg
15. Roderick Bashir
16. Roger Poole
17. James J. Fuentes
18. Dr. Roger D. Herrin

Members absent:

1. Ronald E. DeNard
2. Juan B. Rivera
3. Terrence M. O’Brien
4. Joseph McInerney

Vacancies:

One

Members participating by telephone:

Dr. William Barclay

Staff Members Present:

Chris Meister, Executive Director
Pam Lenane, Vice President & Acting General Counsel
Rich Frampton, V.P.
Eric Reed, Downstate Regional Manager
Yvonne Towers, Chief Financial & Technology Office
Art Friedson, Chief Human Resources Officer
Kara Boulahanis, Project Coordinator & Asst. Secretary
Beverly Womack, Secretary to the Board

Call to Order

Chairman Brandt called the meeting to order at 12:02 p.m. with the above members present. Chairman Brandt welcomed members of the Board and all guests. Chairman Brandt shared with the many guests the customary agenda for the Committee of the Whole meeting. He stated that in the interest of saving time for public comment, the Board would review the projects to be presented at the Board Meeting first. He added that the Hotel Pere Marquette project was not up for consideration at the March meeting, as IFA staff had not yet completed the necessary due diligence to present the project to the Board for approval. He then asked Assistant Secretary Nystrom-Boulahanis to conduct a roll call. Ms. Nystrom-Boulahanis conducted the roll call and declared a quorum present with nine (9) members in attendance and one (1) on the telephone.

Executive Director’s Presentation

Director Meister shared with the Board that his message was included in the March board book but he wished to highlight certain updates at the meeting.

Director Meister began by stating that shortly after the February Board Meeting, Governor Quinn informed the Authority that it would be the designated issuer of Midwestern Disaster Bonds. These bonds allow many types of economic development projects in counties affected by the floods of 2008 to be financed on a tax-exempt basis that would otherwise be excluded from this financing mechanism. \$1.5 Billion in volume cap has been awarded to support these bonds. Director Meister added that Peoria County was not one of the counties eligible for these bonds.

Director Meister continued by stating that the merger between Blackhawk Biofuels, LLC and Renewable Energy Group, Inc. (REG) was successfully completed on February 26, 2010. Director Meister shared that this merger would strengthen the borrower and facilitates the plants continued operation.

Director Meister stated that the IFA completed three pending IRS audits on past conduit financings in the weeks preceding the Board Meeting. All of the audits were completed without any material negative impact to the Authority or the borrowers.

Director Meister extended his compliments to Mr. Eric Reed, Regional Downstate Manager, for his efforts to market IFA's agricultural products. Director Meister informed the Committee that Mr. Reed had recently appeared on WGN radio to promote the Authority.

Director Meister concluded his presentation with a discussion of the Authority's legislative agenda. He noted that the Authority's bill to expand the Agricultural Guarantee Program to properly secured and insured row crops was on second reading in the Senate. The IFA's initiative for multistate bonding authority was also on second reading in the House at the time of the meeting. He added that the Authority believed that multistate bonding authority would be particularly important in the healthcare sector.

Senior Staff Reports

Chairman Brandt asked Ms. Yvonne Towers, Chief Financial Officer, to present the financials. Ms. Towers stated that gross revenue year-to-date was \$5.1MM, or 23% higher than budget. The healthcare sector was 46% above budgeted revenue projections, while our Business, Industry and 501(c)(3) group was 41% above projections. She informed the Board that operating expenses were \$3.9MM, or 12% higher than projections due to reserves for bad debt.

Ms. Towers reported that the financial audit for FY2009 was completed and the report had been disseminated to the Board prior to the meeting. She stated that the single audit and compliance examination were due to be finalized by the end of the month. Chairman Brandt explained that the Audit Committee meeting for the month of March had been postponed to April to allow for the completion of the audits.

Ms. Towers explained that management had begun a comprehensive review of the Authority's loan portfolio including conduit transactions, guarantees, participation loans and moral obligation financings. Ms. Towers then explained the different types of financings for the benefit of the numerous guests. Mr. Reed then detailed the Authority's troubled agricultural financings. After minimal Board discussion, Ms. Lenane detailed the Authority's troubled conduit financings. Minimal discussion ensued.

Committee Reports:

Chairman Brandt then asked for the committee reports.

Mr. Leonard made the Agriculture Committee presentation. He stated that the committee had recommended all projects for approval.

Chairman Brandt stated the Audit and Compensation committees had not met in March. He added that the Authority's audit reports will be posted on the website, www.il-fa.com, as soon as they are available.

Chairman Brandt asked Mr. Bashir if the underwriter diversity meeting discussed at the February Board meeting had occurred. Mr. Bashir responded that it had not yet occurred but that it was scheduled for the end of March. Mr. Bashir then explained for the benefit of the guests that the Authority encourages borrowers to assemble a financing team that appropriately reflects the diversity of the State of Illinois; however as the borrowers select their own teams, the IFA has no authority to force borrowers to utilize diverse teams.

Energy Committee Chairman Dr. Herrin stated that the Energy Committee had met the day before the Board Meeting and discussed an extensive list of potential projects. He stated that the White Oak Wind, LLC project continues to progress with the US Department of Energy (USDOE). Director Meister then explained the history of the Energy Committee; he noted that it was created in response to the IFA's expanded authority under Senate Bills 1906 and 390 which authorizes the Authority to enhance renewable energy and energy

efficiency project financings with the moral obligation of the State of Illinois. He explained that these authorities were pursued concurrently with two applications to the US DOE that would expand the Authority's renewable energy offerings. The first application is a competitive application to the Energy Efficiency Conservation Block Grant (EECBG) Retrofit Ramp-up Program in conjunction with the Department of Commerce and Economic Opportunity (DCEO) and the Midwest Energy Efficiency Alliance (MEEA) and which would provide up to \$75MM in funds for revolving loan programs, interim financing and other programs in support of energy efficiency retrofits. The second application is to the Financial Institute Partnership Program (FIPP) for Delegated Finance Organizations (DFOs) and would allow the Authority to recommend projects to the USDOE for federal loan guarantees.

Dr. Herrin then shared several of the projects discussed at the Energy Committee Meeting. He stated that the Cinespace project returned to the Committee in March but the terms of the deal had changed drastically. Dr. Herrin added that the Energy Committee discussed a number of biodiesel and biofuels projects but the expiration of the Federal Blender's Tax Credit had created uncertainty in the market. There was hope for a quick legislative fix; however it had not yet occurred. As noted in the Director's remarks, the merger of Blackhawk Biofuels, LLC and Renewable Energy Group (REG) was completed at the end of February.

Dr. Herrin explained to the Board that the Authority expects to receive a response to each of the two USDOE applications in the coming weeks and months. A response to the application to the DFO program is expected within the month. A response to the Retrofit Ramp-up Application is expected in 30 to 60 days.

Dr. Herrin stated that the Energy Committee approved a draft of the Energy Efficiency Program Guidelines at their meeting and that they anticipate presenting a draft for Board approval at the April meeting.

Mr. Goetz added that the Energy Committee also discussed the need for additional staff to help with the increased level of due diligence necessary for these projects as the Authority moves from the traditional sphere of conduit financing to a more commercial banking role. Dr. Herrin agreed with Mr. Goetz and added that he hoped the Director would present his recommendations for additional staff for this sector to the Board at the next meeting.

Chairman Brandt clarified that he was aware of one staff person that had been given an offer for this role, however he decided to decline the Authority's offer. Director Meister will be looking at additional candidates.

Dr. Barclay presented on behalf of the Healthcare Committee. He stated that the Committee did recommend all projects for approval to the Board. Ms. Lenane explained to the Board that the healthcare sector was still working on a potential pool for small hospitals to allow them to finance electronic records systems that are reimbursable by the Federal government under the American Recovery and Reinvestment Act of 2009 (ARRA).

Ms. Lenane added that Alexian Brothers has added minority underwriters Loop Capital and Cabrera to its project up for approval today.

Dr. Barclay then signed off the call at 12:46 p.m.

Ms. Lenane completed her presentation by describing the outcome of The Clare's negotiations with their bond holders. She stated that the project will be restructuring and will be coming before the Authority in the coming months.

Chairman Brandt added that Vice Chairman Goetz would have to abstain from voting on project number 6, the Affordable Assisted Living Coalition Note Program as it may pose a conflict of interest.

Project Reports

The Chairman then asked for the project reports.

Mr. Reed presented the following projects to the Board:

- No. 1A:** – Jacob Pilman.
Request for approval of a final bond resolution for the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$136,000 for the purchase of approximately 83.8 acres of farmland. This project is located in unincorporated Jasper County near Newton, IL.
- No. 1B:** – Richard & Linda McKeown.
Request for approval of a final bond resolution for the issuance of Beginning Farmer Bond in an amount not-to-exceed \$160,000 for the purchase of approximately 48.8 acres of farmland. This project is located in unincorporated Jasper County near Newton, IL.
- No. 1C:** – Ronald & Suellen Shike.
Request for approval of a final bond resolution for the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$160,000 for the purchase of approximately 44 acres of farmland. This project is located in unincorporated Warren County near Aledo, IL.
- No. 1D:** – Galen S. Eschbach.
Request for approval of a final bond resolution for the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$470,100 for the purchase of approximately 180 acres of farmland and related buildings. This project is located in unincorporated Jefferson County near Bluford, IL.

Mr. Zeller added that beginning in April the board summaries for these projects will include the soil quality rating to support the land prices.

- No. 2:** -- Paul and Mark Hill.
Request for approval of a final bond resolution for the issuance of an Agri-Debt Guarantee in an amount not-to-exceed \$500,000 to refinance the borrower's existing debts. This project is located in unincorporated Ogle County near Rochelle, IL.

Minimal discussion ensued and no objections were noted. Mr. Mauricio Nares, Associate Funding Manager, then presented the following project for approval:

- No. 3:** – Community of Faith Family Life Center (Renaissance Center Project).
Request for approval of a preliminary bond resolution for the issuance of up to \$17.2 million of 501(c)(3) Bonds to enable The Community of Faith Family Life Center to finance, refinance, and reimburse all or a portion of the costs of various capital improvements relating to funds used to finance, refinance, or reimburse Community of Faith Family Life Center for all or a portion of the costs relating to (1) the acquisition of vacant land located at 145th & Marshfield; and property generally located at Spaulding Ave. and Davis Court in Dixmor, IL, (2) all necessary site improvements and site preparation costs required to redevelop the sites, (3) the construction and equipping of a residential campus with approximately 3 new, two-story building thereon, which will serve as the living quarters for 120 young men. A 16-bed 16,662 sq. ft. residential facility, a 72-bed 24,864 sq. ft. residential facility, a 29,384 sq. ft. community building.(4) fund any debt service reserve or similar fund deemed necessary to secure the Bonds, (5) to pay capitalized interest, and (6) pay certain bond issuance costs. This project is located in Dixmor, IL (Cook County).

Minimal discussion ensued and no objections were noted. Mr. Rich Frampton, Vice President, then presented the following projects and amendatory resolutions for approval:

No. 4: **– The Art Institute of Chicago.**

Request for approval of a preliminary bond resolution for the issuance of 501(c)(3) Bonds in an amount not to exceed \$245 million. The proceeds of this issuance will be to refund all or a portion of AIC’s outstanding IFA (IEFA) Series 1992, Series 1995, Series 1996 Bonds, Series 1998A, Series 2000A Bonds, Series 2009B-1 and Series 2009B-2 Bonds (collectively, the “Prior Bonds”) and/or converting some or all of the Prior Bonds to another interest rate mode, and to pay certain costs of issuance. This project is located in Chicago, IL (Cook County).

Chairman Brandt asked Mr. Frampton to please clarify why the not-to-exceed amount of this project increased by approximately \$80MM from the preliminary resolution. Mr. Frampton explained that the Art Institute amended their request after selecting structuring proposals from investment bankers last week and subsequent to the printing and delivery of the Board Book. The Art Institute and their financial advisor determined it would be advantageous to also prospectively refund the Series 2009B-1 and series 2009B-2 Bonds, hereby increasing the not-to-exceed amount from \$176.4MM to \$245MM. Minimal discussion ensued and no objections were noted.

No. 5: **– The Poetry Foundation.**

Request for approval of a final bond resolution for the issuance of 501(c)(3) Bonds in an amount not to exceed \$25 million. The proceeds of this issuance will be used to: finance, refinance, or reimburse the Foundation for all or a portion of the costs relating to (1) the acquisition of a 16,000 SF site located at the Southwest corner of North Dearborn Street and West Superior Street improved with two buildings located thereon (and the approximate street addresses of 55 W. Superior to 61 W. Superior Street) in Chicago, Illinois, (2) the demolition of the existing buildings and all necessary site improvements and site preparation costs required to redevelop the site, (3) the construction and equipping of a new, approximately 23,000 Gross SF, two-story building thereon, (4) to fund any debt service reserve or similar fund deemed necessary to secure the Bonds, (5) to pay capitalized interest, and (6) to certain costs of issuance. This project is located in Chicago, IL (Cook County).

No. 11: **Genesis, Inc. and Shamrock Hill Farms Western Properties, LLC.** Resolution to approve an Amended and Restated Trust Indenture and a First Amendment to the Loan Agreement, which provides for the creation of a new interest rate mode, and related matters.

No. 12: **Waste Management, Inc.** Resolution to approve and authorize a First Supplemental Trust Indenture, which provides for the creation of a new interest rate mode, and approval of a Final Reoffering Circular and Use and Distribution thereof relating to the Bonds, and related matters.

Minimal discussion ensued and no objections were noted. Mr. Bill Claus presented the following project:

No. 6: **– Affordable Assisted Living Coalition Note Program.**

Request for approval of a preliminary bond resolution for the issuance of taxable notes in an amount not to exceed \$48 million. The proceeds of this issuance will be used to: to finance the cost of purchasing Medicaid accounts receivables from affordable assisted living providers across Illinois. This program will benefit supportive living facilities in operation Statewide.

Ms. Lenane explained that these receivables are more than six months overdue and the Authority’s statute allows IFA to buy these Notes where commercial banks cannot. The interest on these Notes will be funded by the State’s penalty payment of 2% per month unpaid on the receivables. Dr. Herrin questioned the specifics of the interest rate payments. Ms. Lenane stated that this program structure had not yet been finalized and the answers to these questions would be resolved before the final bond resolution was presented to the Board. Minimal discussion ensued and no objections were noted.

Mr. Govia presented the following projects for consideration:

No. 7: – Alexian Brother Health System.

Request for approval of a final bond resolution for the issuance of 501(c)(3) Bonds in an amount not to exceed \$150 million. The proceeds of this issuance will be used to: 1) refund the remaining balance of the Alexian Brothers Health System Series 2005C Bonds, 2) fund a Project Fund for hospital modernization, 3) fund a Debt Service Reserve, and 4) pay certain expenses incurred in connection with the issuance of the Series 2010 Bonds. This project is located in Elk Grove Village and Hoffman Estates, IL (Cook County).

No. 8: – Palos Community Hospital.

Request for approval of a final bond resolution for the issuance of 501(c)(3) Bonds in an amount not to exceed \$305 million. Proceeds of these bonds will be used to (i) provide financing to pay various capital expenditures associated with the acquisition, construction, and equipping of a new bed tower and for renovations to the existing hospital facility (ii) fund capitalized interest; (iii) fund a debt service reserve fund, if required, and (iv) to fund certain professional and bond issuance costs. This project is located in Palos Heights, Orland Park, Lemont and Oak Lawn, IL (Cook County).

Minimal discussion ensued and no objections were noted. Mr. Claus presented the following project:

No. 9: – St. Anthony’s Health Center.

Request for approval of a final bond resolution for the issuance of 501(c)(3) Bonds in an amount not to exceed \$10 million. The proceeds of this issuance will be used to fund capital expenditures and other improvements for the health care facilities of the Borrower including, but not limited to, certain radiology, hospital and other medical and non-medical equipment, information systems hardware and software, and various hospital building renovations and improvements. This project is located in Alton, IL (Madison County).

Minimal discussion ensued and no objections were noted. Mr. Govia presented the following project to the Board:

No. 10: – Swedish American Hospital.

Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$25 million. The proceeds of this issuance will be used to (i) refinance a taxable loan from JPMorgan Chase Bank, N.A. (the “Bank Loan”) that was used to redeem all of the outstanding \$25,000,000 Illinois Finance Authority Variable Rate Revenue Bonds, Series 2005 (Swedish American Hospital) Auction Rate Securities (the “Series 2005 Bonds”), and (ii) pay certain expenses incurred in connection with the issuance of the Bonds. This project is located in Rockford, IL (Winnebago County).

Minimal discussion ensued and no objections were noted. Chairman Brandt called for a five (5) minute break before the public comment segment of the meeting. This break commenced at 1:15 p.m. and completed at 1:21 p.m.

Chairman Brandt called the meeting back to order and stated that the discussion of the EM Properties, LTD/Hotel Pere Marquette project would begin shortly. He stated that the IFA was chartered to drive economic development and job creation in all corners of the State of Illinois. The Authority is aware of the risk that is associated with these types of projects and the Authority mitigates these risks through a thorough due diligence process prior to project approval. He further explained that the Authority is very aware of the changing realities of projects as they are in the development phase and it was not concerned by the fact that the Hotel Pere Marquette project may have changed. Chairman Brandt emphasized that the Board will review the Hotel Pere Marquette project the same way all other projects are reviewed, however the Board will take into account any public comments made at this meeting.

Chairman Brandt then invited Gary Matthews of EM Properties LTD and his supporters to speak. He stated that questions from the Board would follow Mr. Matthew's presentation and finally the lectern would be open to the public for comments both in favor of and opposed to the project.

Mr. Matthews opened his presentation by thanking the Board for allowing him the opportunity to speak on behalf of the project. He stated that he would like to open his presentation with a short story. Mr. Matthews relayed that he had been in Peoria for an event several years prior when a local legislator approached him regarding the potential redevelopment of the Hotel Pere Marquette. Mr. Matthews explained that he toured the project and realized it was in need of a much more dramatic refurbishment than just "carpet and coat of paint". Mr. Matthews saw the potential in the project however and brought it to the attention of the City Council of Peoria. He added that the City Council has been a pleasure to work with in bringing this project to fruition. He then asked Mayor Jim Ardis of Peoria to speak on behalf of the project.

Mayor Ardis thanked the Board for the opportunity to speak on this project. He noted that he had not prepared a speech and would only have a few minutes following the presentation to answer questions regarding the project. He stated that he was pleased that the discussion was held at the proposed project site, even if it was only by mere coincidence. Mayor Ardis declared that the Hotel Pere Marquette project is very important to the city of Peoria (the "City"). He compared the Hotel Pere Marquette project to the controversial and divisive decision to build the Peoria Civic Center (PCC). He went on to detail the success of the PCC over the past two decades but added that this success has been restricted by the lack of an adjoining, high-quality hotel. He added that the city of Peoria views this project as a continuing investment in downtown redevelopment.

Mayor Ardis clarified for the guests in attendance that the city continues their due diligence on the project. He believes that it will provide well paying jobs for skilled labor in Peoria, not just during construction. He stated that the city of Peoria could not wait any longer for a private developer to shoulder the entire burden on the Hotel Pere Marquette project and no developer had expressed an interest in such a project.

Director Meister asked if there were any questions for Mayor Ardis. There being none, Director Meister invited Mr. Matthews to return to the podium.

Mr. Mathews thanked Mayor Ardis for his comments. He then shared another story. He stated that he spoke to the Vice President: Full Service for Marriott Hotels at a conference and mentioned Peoria. The Vice President was doubtful of the potential of Peoria and the PCC. The Vice President agreed to visit Peoria and tour the facilities. Mr. Matthews asked Ms. Debbie Ritschel, General Manager of the Peoria Civic Center (PCC) to speak.

Ms. Ritschel shared that she had worked at the PCC since 1982. She stated that she has had the pleasure of working under a forward thinking board that has developed a larger vision for the ongoing success of the PCC. The facility has grown over the years and included a renovation in 2007. The PCC includes a convention center, an arena and a theatre. The board of the PCC believes that a connected hotel will complete the convention and meeting facility package that will allow PCC to compete regionally. She stated that the Vice President from Marriott mentioned by Mr. Matthews was both surprised and pleased by the facilities in Peoria, which was the beginning of the development of the current project.

Ms. Ritschel then introduced Mr. Bob Marks, President of the Peoria Convention and Visitors Bureau. Mr. Marks stated that he was new to Peoria but had previously been a general manager of a Marriott property and could personally attest to the value of the Marriott brand. He added that he could not quantify the value of having a Marriott flag on a hotel property due to their large rewards program and the high program loyalty.

Mr. Marks continued that as the President of the Peoria Convention and Visitors Bureau (PCVB) he could attest to the demand for high quality hotel rooms attached to the convention center. He added that the PCVB has 10 groups that cannot or will not come to Peoria without this project. Mr. Marks stated that the convention industry was very competitive and this hotel project would make it possible for Peoria to compete.

Mr. Everett, President of the West Central Illinois Building and Construction Trades Council, spoke in support of the project. He stated that the trades were proponents of this project for more than just the construction jobs it would create. He stated that he believed this project would help revitalize downtown Peoria and would provide many permanent jobs as well.

He stated that many of the hospitals in the area are continuing to expand and provide high quality medical care on a regional basis. He believed that these medical centers coupled with Caterpillar's presence in Peoria would drive the demand necessary for these hotels to be a success.

Mr. Matthews returned to complete his presentation. He stated that his vision for the project would allow the Hotel Pere Marquette, the future Marriott hotel and the PCC to compete on a regional basis. He stated that Marriott also supports the development of this project. He added that the projects' numbers had not changed despite reports to the contrary. He stated that they remained at \$102 million total project costs and a request for \$5 million from IFA.

Mr. Matthews shared that the developer's fee was within the industry standard and would reimburse him for the many "soft" costs already incurred and compensate him for risking his personal guarantee on the senior debt. He clarified the payment schedule for the developer's fee as well – a small portion will be paid to cover the costs of the first two years, the majority of the fee will be paid following the project opening. He added that he was likely to reinvest in the Peoria area with his developer fee as was his custom.

He thanked the Board for giving him the opportunity to speak in support of this project and he added that he hoped the board would ultimately consider his project favorably. Director Meister asked if the Board had any questions for Mr. Matthews. Seeing none Director Meister opened the floor to public comment.

Mr. Kenny Carrigan, Peoria citizen, spoke in favor of the project. He stated that he believed this would be a good project that would provide recreational activities for the retirees in the surrounding area – bringing in additional revenue to Peoria. He stated that he was originally opposed to the PCC project but believed that Hotel Pere Marquette project was an excellent idea.

Mr. Bashir asked why Mr. Carrigan was initially opposed to the construction of the PCC. Mr. Carrigan responded that he initially felt it was an inappropriate use of taxpayer dollars that disproportionately benefited the developer.

Director Meister asked if the Board had any additional questions. Seeing none he asked for additional public comment.

Mr. Andre Williams, Peoria citizen, spoke on behalf of this project; praising the collaborative work of the Developer, the City and other involved parties.

Mr. Nathan German, Peoria citizen, also spoke in support of this project. He stated that this project would not just provide work for Peoria skilled labor but also for laborers from Chicago and other areas of the state that could travel to this worksite. He stated that this project would drive tourism to the region and would benefit the entire State.

Mr. McFarland A. Bragg II, President/CEO Peoria Citizens Committee for Economic Opportunity, Inc. spoke in support of this project. He stated that he had the opportunity to supervise the equal opportunity hiring for the construction of the PCC and had been disappointed by the result, through no fault of the PCC. He stated that he hoped this project would consider those issues as early in the process as possible.

Director Meister asked for any other citizens wishing to comment on the project. After waiting briefly for any additional speakers Director Meister declared the public comment portion of the meeting closed.

Chairman Brandt then stated that he represented the Illinois Finance Authority – not the Chicago or Peoria authority. He added that the Hotel Pere Marquette project was one of many under consideration by the

Authority. Chairman Brandt pointed out that the Board wanted job creation in Peoria as much as anyone in the room and would do everything prudent to support job creation. He stated that from the initial presentations the Hotel Pere Marquette project seemed promising but that he anticipated significant additional due diligence on the project before financing. He shared that the Board would not be taking a vote on this project today but would take into account public comment from the meeting when making their decision in the future.

He added that the Board would be available for questions or to listen to additional questions for a short time following the meeting. He added that everyone was welcome to attend any future meetings of the Authority regarding the Hotel Pere Marquette project.

Closing Remarks and Adjournment:

The meeting adjourned at 12:34 p.m.

Respectfully Submitted,

Kara Nystrom-Boulahanis, Assistant Secretary