

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On April 25, 1991, upon Motion by Director Garrow and seconded by Director Lundstrom, the Authority Board of Directors met in Executive Session at approximately 3:00 p.m. Those present were:

Acting Chairman Frank A. Gesualdo
Director John P. Garrow
Director Arthur Philip
Director Nancy Lundstrom
Director Timothy Bresnahan
Director Daniel Fusco
Director David Gilbert

Executive Director Robert Hickman
Chief of Legal Malcolm Erickson
Chief Engineer Tony Karam
State Police Captain Gregory Fritz
Manager of Administration and Budget Richard DeRobertis
Manager of Finance Jack Kiep
Assistant Chief of Legal Andrew Vrtjak
Senior Attorney Robert Douglas

The purpose of the Executive Session was to discuss the negotiations for the acquisition of property.

Mr. Karam addressed Item 6p, a copy of which is attached and described the Item for the Board and indicated that 7 percent had been added to 1988's numbers for inflation.

Acting Director Gesualdo questioned why we needed appraisers. This was explained by Directors Fusco and Philip. Director Garrow indicated that we definitely need appraisers and perhaps even need professional negotiators. Director Fusco asked if we had enough appraisers on our list to get the job done.

Mr. Erickson then gave a brief history on the North-South appraisal process. He indicated that in his opinion, for the Tri-State we should have at least one appraiser on every parcel and for those parcels over \$5,000, two appraisers.

Mr. Karam next addressed Item 6/q, a copy of which is attached, and gave an explanation. The Board agreed.

The Board reviewed the proposal for the sale of the property and indicated that it wanted in the agreement that environmental

concerns would be the responsibility of the buyer and that money would be deposited into escrow while zoning was being pursued. The Board also requested that we either keep the property on the Executive Session Minutes
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market with no contingencies, or that a non-refundable deposit be made by the potential buyer. The Board wanted Legal to review the standard contract and particularly to have Mal Erickson get involved in the procedure.

Captain Fritz next addressed the Board briefing them on the incidents involving the anti-abortion protest at the Lake Forest Oasis which was resolved without major incident.

Mr. Erickson next briefed the board on Item 7a, a copy attached.

Director Garrow moved and Director Lundstrom seconded that the Board come out of Executive Session at approximately 4:00 p.m.

Minutes prepared by: _____
Robert E. Douglas

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On May 22, 1991, upon Motion of Director Neal and seconded by Director Fusco, the Authority Board of Directors met in Executive Session at approximately 9:55 a.m. Those present were:

Acting Chairman Frank A. Gesualdo
Director Timothy Bresnahan
Director Daniel Fusco
Director John Garrow
Director Nancy Lundstrom
Director Arthur Philip
Director David Gilbert
Director Robert Neal
Secretary Raymond O'Keefe

Executive Director Robert Hickman
Manager of Finance Jack Kiep
Manager of Administration and Budget Richard DeRobertis
Chief of Legal Malcolm Erickson
Chief Engineer Tony Karam
Senior Attorney Robert E. Douglas

The purpose of the Executive Session was to discuss real estate negotiations.

Mr. Erickson briefed the Board on an offer from the Price Club for the purchase of the Authority's old Central Administration Building site. The terms of the agreement, as outlined by Mr. Erickson, were the sale of 14.7 acres at \$16.00 per square foot for a net to the Authority of \$10,200,000.00. He indicated that the Price Club was willing to put down \$1,000,000.00 in earnest money and that they had agreed to pay the brokers' commission. The Authority would contribute up to \$300,000.00 for demolition and environmental cleanup. The contract called for the Price Club to be granted sixty (60) days from the date of the contract for the investigation of the site and the environmental problems. At that time, if they notified the Authority, they could walk away from the deal without losing any of their earnest money. They would have an additional thirty (30) days in which to acquire a commitment for rezoning by the Village of Oak Brook, during which time, if they did not receive said commitment, they could walk away once again without losing any of their money. In addition, there would be a self-executing escrow account in which Price Club would deposit certain non-returnable sums, after the original sixty (60) day investigation period had passed.

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The Directors had several concerns, including the inclusion of the hold harmless clause for any asbestos found in the building and the removal thereof. They also wanted to insure that the closing of the ramps to the East-West Tollway were included in the agreement. Director Philip voiced some concern over the refundable escrow inasmuch as he felt that zoning within Oak Brook was impossible for the Price Club to get.

Director Neal brought to the Board's attention the condition of I-88 west of DeKalb and indicated that we, in his opinion, should be paying claims for property damage which occurred as a result of the condition of the road which was deplorable. The Executive Director and several of the other Directors indicated that they were aware of the problem and that a project was in design to alleviate some of the conditions on the western portion of I-88.

Director Lundstrom moved and Director Bresnahan seconded that the Board come out of Executive Session at approximately 10:30 a.m.

Minutes prepared by: _____
Robert E. Douglas

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On June 27, 1991, upon Motion of Director Fusco and seconded by Director Philip, the Authority Board of Directors met in Executive Session at approximately 3:04 p.m. Those present were:

Chairman John P. Garrow
Director Timothy Bresnahan
Director Daniel Fusco
Director Robert Neal
Director Arthur Philip
Director Roger Claar
Director Calvin Covert
Director Thomas Hanley
Director William Dugan
Secretary Raymond O'Keefe

Executive Director Robert Hickman
Chief Engineer Tony Karam
Chief of Legal Malcolm Erickson
Manager of Finance Jack Kiep
Director of Administration and Budget Richard DeRobertis
State Police Captain Gregory Fritz
Senior Attorney Robert Douglas
Senior Attorney Algirdas Ambutas

The purpose of the Executive Session was to discuss pending litigation and real estate negotiations.

Mr. Erickson began by briefing the Board on Item 7b, a copy of which is attached. The Directors asked for some clarification regarding the history and location of the area in question to which Mr. Erickson responded.

Mr. Erickson next explained Item 7c giving background details. The Directors questioned the procedure being followed in this instance and the fact that we are not declaring the property excess.

Mr. Erickson next gave an update on the Central Administration Building sale contract and the feud between the brokers Meisrow Realty and the John Buck Company. Mr. Hickman asked the Board to give Mr. Erickson the authority to conclude the contract and the

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Directors agreed. It was decided that we will make a representation regarding our involvement in the brokerage contracts of Meisrow and the purported contract with Buck and Company. Director Fusco commented that the agreement must contain hold harmless language and Director Philip agreed.

Mr. Hickman briefed the Board on the status of Paschen/American lienholders, recommending that all suits be dropped and that all contracts be closed out, all lienholders paid and then the Authority go to binding arbitration. He indicated that he hoped to accomplish this within three months. The Directors voiced some skepticism with this timetable.

Director Philip moved and Director Bresnahan seconded that the Board come out of Executive Session at approximately 3:47 p.m.

Minutes prepared by: _____
Robert E. Douglas

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On September 18, 1991, upon motion of Director Fusco and seconded by Director Covert, the Authority Board of directors met in Executive Session at approximately 10:45 a.m. Those present were:

Chairman John P. Garrow
Director Daniel Fusco
Director Timothy Bresnahan
Director Thomas Hanley
Director Arthur Philip
Director William Dugan
Director Calvin Covert
Director Roger Claar
Secretary Raymond O'Keefe

Executive Director Robert Hickman
Manager of Finance Jack Kiep
Manager of Administration and Budget Richard DeRobertis
Chief Engineer Tony Karam
Chief of Legal Malcolm Erickson
Senior Attorney Robert E. Douglas

The purpose of the Executive Session was to discuss pending litigation and real estate negotiations.

Mr. Erickson began by briefing the Board on the sale of the old Central Administration site. He indicated to the Board that he had a letter dated September 6, 1991, from Mr. David Dorn, Attorney for the Price Club and then recalled for the Board that at the last Meeting, the Authority decided to issue an ultimatum to the Price Club to either accept or reject the Authority's current position no later than September 13, 1991.

Per Mr. Erickson, the Price Club, by the September 6, 1991 letter, had decided to withdraw from negotiations citing that the Village of Oak Brook was too tough in its zoning restrictions.

The Chairman indicated that he would like a press release on the negotiations and indicated that we should immediately put the property back on the market.

Mr. Erickson then updated the Board on the status of the Paschen/American litigation. He updated the Board on the Executive Session Minutes September 18, 1991

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arbitration agreement indicating that negotiations continued between the Authority's attorneys, Gardner, Carton and Douglas and Paschen/American's attorneys.

At this point in the meeting, the Senior Staff were excused from the Executive Session.

Chairman Garrow next briefed the Board on the subject of cash bonuses. He reported that prior to his departure, the prior Executive Director had given cash bonuses to Senior Staff and one other person in varying amounts. This was done without the knowledge of the Chairman or other Board members but was within the Authority of the Executive Director at that time. Chairman Garrow indicated that a policy was being instituted to insure that such an action would not occur again.

Also briefly discussed was the personnel issue of employees leaving the Authority in order to receive payment for unused vacation and then coming back to the Authority. It was indicated that this policy will not be tolerated. According to the Directors, we encourage employees to take their vacation as it is accrued. It was also noted, with some concern, that employees were given the opportunity at various anniversaries during their Tollway career to draw down on their sick days. It was the consensus of the Board that this procedure is unhealthy in that we end up with employees with serious illnesses and no sick days with which to recuperate. It was decided that this policy should be examined by the Personnel Department.

Director Fusco moved and Director Bresnahan seconded that the Board come out of Executive Session at approximately 11:15 a.m.

Minutes prepared by: _____
Robert E. Douglas

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On September 26, 1991, upon Motion of Director Bresnahan and seconded by Director Covert, the Authority Board of Directors met in Executive Session at approximately 3:04 p.m. Those present were:

Chairman John P. Garrow
Director Daniel Fusco
Director Timothy Bresnahan
Director Arthur Philip
Director William Dugan
Director Roger Claar
Director Calvin Covert
Director Robert Neal
Secretary Raymond O'Keefe

Executive Director Robert Hickman
Chief of Legal Malcolm Erickson
Manager of Administration and Budget Richard DeRobertis
Manager of Finance Jack Kiep
Chief Engineer Tony Karam
State Police Captain Gregory Fritz
Senior Attorney Robert E. Douglas

The purpose of the Executive Session was to discuss items of pending litigation and property negotiations.

Mr. Erickson briefed the Directors on Item 7a, a copy of which is attached, explaining several intricacies of the agreement with the City of Chicago for the transfer of Willow Creek. Among the items addressed by Mr. Erickson was the issue wherein a reversion clause would be included in the deed, whereby the Authority would own a future interest in the property. Thus, if the property was ever used for anything other than public airport right-of-way, or if it was used for runways, the property would revert back to the Authority.

Chairman Garrow next briefed the Board on the current negotiations with the Village of Downers Grove regarding the new Central Administration Building. He described the options available. Questions were posed by the Board members regarding deannexation from the Village and potential annexation to Lisle or status as unincorporated in DuPage County. Chairman Garrow indicated that the possibility existed for a three year "test period" during which the Authority's pre-wired panels would be examined after

which time the Electrical and Fire Board would accept the panels if no incidents had occurred. It was the consensus of the Board that the Authority should not enter into a Executive Session

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three test period but should, instead, proceed with deannexation procedures which Mr. Erickson was asked to explain. Mr. Erickson complied and after the explanation, Mr. Karam was asked to prepare a list of costs for the deannexation for the Board.

Mr. Hickman next briefed the Board on the pending Paschen/American litigation indicating that payments had been made to sub-contractors. He had received a list of sub-contractors, joint checks made out to Paschen/American and the sub-contractors had been cut, and full releases had been given to the Authority. The Board was also briefed on the status of the arbitration agreement and it was indicated that a meeting would occur shortly with Mr. Heil on this subject.

Director Fusco moved and Director Dugan seconded that the Board come out of Executive Session at approximately 4:16 p.m.

Minutes prepared by: _____
Robert E. Douglas

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On January 23, 1992, upon Motion of Director Neal and seconded by Director Dugan, the Authority Board of Directors met in Executive Session at approximately 2:45 P.M. Those present were:

Chairman John P. Garrow
Secretary Raymond T. O'Keefe
Director Timothy J. Bresnahan
Director Arthur Philip
Director Daniel Fusco
Director Roger Claar
Director William Dugan
Director Thomas Hanley
Director Robert Neal

Executive Director Robert Hickman
Chief of Legal Frank Howard
Acting Manager of Finance Nicholas Jannite
Acting Chief Engineer Kenneth Desmaretz
Manager of Administration and Budget Richard DeRobertis
Illinois State Police Captain Fritz
Assistant Chief Counsel Malcolm E. Erickson
Senior Staff Attorney Robert E. Douglas

Mr. Howard began the Executive Session by briefing the Board regarding the case of Fellion vs. The Illinois State Toll Highway Authority, a case currently pending in Federal District Court in the Northern District of Illinois. Mr. Howard explained that the law firm of Kattin, Muchin & Zavis had been retained to represent the Authority in this litigation because of their expertise in personnel law and ERISA matters. He further explained that Mr. Brian Bulger of Kattin, Muchin has filed an appearance on behalf of the Authority and has received an extension of time in which to answer or otherwise plead. It was noted that the plaintiff's attorney in the litigation has rejected any possible arbitration and that a pre-trial is set in the matter for some time in February. Plaintiff's current settlement demand in the matter is \$99,000.00 plus \$13,000.00 in attorney's fees. Mr. Howard then discussed the pros and cons of litigating this matter, including the possible motion by the Authority to have the case removed from Federal Court and put into State Court. The tactical advantage behind removing the case would be to eliminate attorney's fees from the overall scenario. Mr. Howard ended his presentation by requesting guidance from the Board as to how it would like to

proceed further in this matter.

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Acting Manager of Finance, Mr. Jannite, then briefed the Board on other potential litigants with claims similar to Mr. Fellion and indicated that there were a total of 17 possible litigants who had retired within a year previous to the institution of the Supplemental Pension Plan. Of those, only two others fell into the same category as Mr. Fellion wherein they had enough accumulated vacation and sick time as of the date that they retired to have carried them over the July 1 start-up of the Supplemental Pension Plan.

After the presentations, the Directors discussed for some time possible solutions to the problem, including settlement of the matter at a reduced demand and prosecuting the case fully based on the representation by the Legal staff that the Authority has a good defense to Mr. Fellion's action. It was the consensus of the Board that the motivation behind instituting the Supplemental Pension Plan was fairness to the employees and that the Authority should be fair to its employees in this matter as well. It was the consensus of the Board that the three individuals be given the option of buying back their accumulated vacation which would allow them to carry-over the July 1 right lie start-up date for the Supplemental Pension Plan and that be allowed to participate in the Plan under the annuity option. This scenario would be offered to Mr. Fellion first after which the other individuals will be contacted.

Mr. Howard then briefed the Board on the current Oasis tax litigation wherein the Authority is appealing a decision by the Department of Revenue, wherein the Authority will be charged real estate taxes for its Oasis properties. Mr. Howard indicated that our representation by Special Assistant Attorney General is currently in conflict in as much as the Department of Revenue is also represented by the Attorney General's office. This conflict, however, should be resolved shortly. Director Fusco gave some background on the Department of Revenue's decision and was supplemented in this by Mr. Erickson who described the Authority's approach to the litigation. After hearing from all parties, it was determined by consensus of the Board to defer consideration of this matter for one month in order to receive a reaction from the Office of the governor who has expressed a certain interest in the litigation.

Director Hanley moved and Director Neal seconded that the Board come out of Executive Session and by unanimous vote the Board came out of Executive Session at 3:45 P.M.

Minutes prepared by: _____
Robert E. Douglas

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On March 11, 1992, upon Motion of Director Fusco and seconded by Director Philip, the Authority Board of Directors met in Executive Session at approximately 10:30 a.m. Those present were:

Chairman John P. Garrow
Director Timothy J. Bresnahan
Director Robert Neal
Director Roger Claar
Director Thomas Hanley
Director William Dugan
Director Daniel Fusco
Director Arthur Philip

Executive Director Robert Hickman
Chief of Legal Frank Howard
Acting Manager of Finance Nicholas Jannite
Acting Chief Engineer Kenneth Desmaretz
Manager of Administration and Budget Richard DeRobertis

Mr. Howard briefed the Board on the status of pending litigation, particularly the Paschen/American lawsuit, indicating that final payment orders had been submitted to the Authority and that currently all sub-contractors had been paid, with the exception of one. For this contractor, funds for the disputed claim are being escrowed and will be paid upon a judicial determination.

Mr. Howard generally briefed to the Board the status of Mr. Heil's claims with regard to each of the three contracts, CIP-615, CIP-616 and CIP-617. Questions were posed by the Directors regarding settlement in this matter and Mr. Howard gave a brief history of the Newberg litigation and the problems encountered therein. Mr. Howard then indicated to the Board that Mr. Heil had represented if the additional final pay orders were approved, he would be willing to sign the pending arbitration agreement.

Director Hanley moved and Director Fusco seconded that the Board come out of Executive Session at approximately 10:50 a.m.

Minutes prepared by: _____
Robert E. Douglas

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On March 18, 1992, upon Motion of Director Hanley and seconded by Director Bresnahan, the Authority Board of Directors met in Executive Session at approximately 3:13 p.m. Those present were:

Chairman John P. Garrow
Director Timothy Bresnahan
Director Thomas Hanley
Director Robert Neal
Director Roger Claar
Director Calvin Covert
Director Arthur Philip
Director Daniel Fusco
Director William Dugan

Executive Director Robert Hickman
Chief of Legal Frank Howard
Acting Manager of Finance Nicholas Jannite
Acting Chief Engineer Kenneth Desmaretz
Manager of Administration and Budget Richard DeRobertis
Senior Attorney Robert E. Douglas

The purpose of the Executive Session was for the Board to discuss matters relating to pending litigation and personnel.

Mr. Howard briefed the Board on the status of the Paschen/American litigation briefly discussing the additional claims by Paschen, now being called the Red Book claims.

Mr. Hickman briefed the Board on his actions up to this point with regard to the Red Book claims. Mr. Howard indicated that he had talked to Attorney Schirott and that the Red Book claims may be taken out of the arbitration agreement. Mr. Howard also indicated that the Authority's experts, MDC, needed more time in which to evaluate the Red Book claims and to evaluate the Authority's position on these claims.

The Directors voiced some concern over the fact that MDC has had enough time to evaluate the claims and to formulate an opinion on the Authority's position. Direction was that no more payments be made to MDC until some results have been shown to the Board on their work. In addition, the Directors asked for additional back-up from Envirodyne Engineers on the Extra Work Orders comprising

the Red Book claims.

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Mr. Howard then briefed the Board on the matter of Fellion vs. The Tollway. He indicated that Federal District Judge Ann Williams had taken the Authority's Motion to Dismiss the Fellion matter under advisement and would be handing down a ruling shortly. The Directors asked for a recapitulation of previous discussions and Mr. Howard complied.

Mr. Howard then briefed the Board on the pending real estate tax litigation indicating that it was moving forward and that we were awaiting word from other state agencies and offices before formulating a final opinion as how to proceed.

Director Neal moved and Director Hanley seconded that the Board come out of Executive Session at 4:05 p.m.

Minutes prepared by: _____
Robert E. Douglas

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On April 30, 1992, upon Motion of Director Hanley and seconded by Director Fusco, the Authority Board of Directors met in Executive Session at approximately 2:45 p.m. Those present were:

Chairman John P. Garrow
Secretary Raymond T. O'Keefe
Director Timothy J. Bresnahan
Director Arthur Philip
Director Daniel Fusco
Director William Dugan
Director Calvin Covert
Director Robert Neal

Executive Director Robert Hickman
Manager of Administration and Budget Richard DeRobertis
Manager of Finance Nicholas Jannite
State Police Captain Gregory Fritz
Chief Engineer Kenneth Desmaretz
Chief of Legal Frank Howard

Mr. Howard indicated to the Board that the items for discussion during Executive Session related to personnel items and pending litigation.

Mr. Howard briefed the Board on the six month transition for the departing Chief of Legal, Malcolm Erickson, indicating that Mr. Erickson would be retained as a Special Assistant Attorney General for the Authority for six months beginning May 1, 1992.

Mr. Howard then briefed the Board regarding the purchase of the Meyers Road property by Waste Management. He indicated that we received certified appraisals and are proceeding with the annexation process. He also indicated to the Board that apparently the new administration in Oak Brook had no objection to a Class II rezoning of the property.

Mr. Howard next touched on the pending litigation in the Paschen/American lawsuit, indicating that Paschen/American was ready to execute the pending arbitration agreement.

Mr. Howard and Mr. DeRobertis then briefed the Board on the status of the negotiations with Union Local 73 indicating that a contract had been ratified with the 30 employees of that union and that they were once again working under contract.

Director Hanley moved and Director Fusco seconded that the Board come out of Executive Session at approximately 3:45 p.m.

Minutes prepared by _____
Robert E. Douglas

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On May 20, 1992, upon Motion of Director Bresnahan and seconded by Director Fusco, the Authority Board of Directors met in Executive Session at approximately 10:05 a.m. Those present were:

Chairman John P. Garrow
Director Timothy J. Bresnahan
Director Robert Neal
Director Roger Claar
Director Thomas Hanley
Director William Dugan
Director Daniel Fusco
Director Arthur Philip

Executive Director Robert Hickman
Chief of Legal Frank Howard
Manager of Finance Nicholas Jannite
Chief Engineer Kenneth Desmaretz
Manager of Administration and Budget Richard DeRobertis
Senior Staff Attorney Robert E. Douglas

Mr. Howard briefed the Board with regard to the sale of the old Central Administration Building site to Meisrow Realty for 9.8 million dollars. Mr. Howard indicated that the sale amounted to entering into a ninety (90) day option wherein Meisrow could exercise its option to buy the property at 9.8 million. Mr. Howard indicated that Meisrow would be putting up \$10,000.00 in earnest money which, should they fail to exercise their option after ninety (90) days, was non-refundable. Director Neal questioned this saying that he felt that it was worth something for the Authority to take its property off the market for ninety (90) days. Director Philip inquired as to whether or not the sale was contingent upon a change in the zoning. Mr. Howard addressed these issues indicating that there were not a large number of potential buyers waiting for a chance at the site and that ninety (90) days, in actuality would not do much harm to the Authority's interest. He also indicated that the sale was not contingent upon a change in zoning. The Board directed Mr. Howard to add a clause in the Option Agreement that should the option be extended past the ninety (90) days, the \$10,000.00 earnest money would become non-refundable.

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Mr. Howard next briefed the Board on the pending Paschen/American litigation and indicated to the Board that he would present an estimate of the Authority's exposure presented by our experts MDC at the Board Meeting on May 28, 1992.

Director Fusco moved and Director Bresnahan seconded that the Board come out of Executive Session at approximately 10:45 a.m.

Minutes prepared by: _____

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On May 28, 1992, upon Motion of Director Hanley and seconded by Director Claar, the Authority Board of Directors met in Executive Session at approximately 2:36 p.m. Those present were:

Chairman John P. Garrow
Director Roger Claar
Director Timothy Bresnahan
Director Daniel Fusco
Director Thomas Hanley
Director Arthur Philip
Director Calvin Covert
Secretary Raymond O'Keefe

Executive Director Robert Hickman
Chief of Legal Frank Howard
State Police Captain Gregory Fritz
Manager of Finance Nicholas Jannite
Manager of Administration and Budget Richard DeRobertis
Chief Engineer Kenneth Desmaretz
Staff Attorney David Rosenfeld
Senior Staff Attorney Robert E. Douglas

Mr. Howard briefed the Board on Item 7/e, outlining for the Board the retention of special counsel for the Tri-State Widening and North-South Project for a six month period. Director Fusco briefed the Board on how the retainer would work.

Mr. Jannite then briefed the Board on Items 4/b and 4/c, copies of which are attached, explaining that these would avoid arbitrage problems. He also explained that the intent of this item was to allow the Authority to reimburse itself for certain expenses. Directors asked questions regarding the timing of the bonds which Mr. Jannite indicated would be in the late fall of the year.

Mr. Desmaretz briefed the Board on Items 6/dd through 6/ll. After this, Mr. Howard shared the Authority's consultant, MDC's analysis of the Paschen/American claim. Director Philip asked if we had seen Paschen/American's number and it was explained that these numbers had not changed since the original claim.

Mr. Howard briefed the Board on the new Jacob's report. Director Fusco then asked for an explanation of the MDC report and Mr. Howard guided the Directors through it.

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Mr. Howard next briefed the Board on the status of the Paschen/American arbitration agreement. He noted that the Authority's law firm, Gardner, Carton and Douglas, has redrafted the agreement and will be sending it to Mr. Heil for his review. Mr. Hickman indicated his satisfaction with the revised agreement. The Directors requested that they be allowed to meet with the experts, MDC, and our lawyers, Gardner, Carton and Douglas, for a full briefing on the litigation.

Mr. Howard indicated that he would have both MDC and Gardner, Carton and Douglas at the June 17, 1992 Operations Meeting to discuss the matter.

Director Hanley moved and Director Bresnahan seconded that the Board come out of Executive Session at 3:23 p.m.

Minutes prepared by: _____
Robert E. Douglas

Robert E. Douglas
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On July 22, 1992, upon Motion of Director Fusco and seconded by Director Hanley, the Authority Board of Directors met in Executive Session at approximately 10:20 a.m. Those present were:

Chairman John P. Garrow
Secretary Raymond T. O'Keefe
Director Arthur Philip
Director Daniel Fusco
Director Roger Claar
Director William Dugan
Director Thomas Hanley
Director Robert Neal
Director Calvin Covert

Executive Director Robert Hickman
Chief of Legal Frank Howard
Manager of Finance Nicholas Jannite
Chief Engineer, Kenneth Desmaretz
Manager of Administration and Budget Richard DeRobertis
Illinois State Police Captain Fritz
Comptroller Mark Swidergal
Senior Staff Attorney Robert E. Douglas

Mr. Howard began the Executive Session by briefing the Board on the status of pending litigation particularly Fellion vs. the Tollway. He told the Board that the case had been dismissed in Federal Court by Judge Ann Williams. He stated that Mr. Fellion would like to discuss the matter prior to refileing his action in the State Court. Mr. Howard then asked the Board for direction as to how it wished to proceed with the Fellion matter as well as the other potential Supplemental Pension Plan litigants.

When questioned about other actual and potential litigants in regard to the Supplemental Pension Plan, Mr. Howard indicated that the Authority had recently received four unfair labor practice charges from the Illinois Labor Relations Board filed by four Teamsters. While unrelated to the issues in Fellion, they did involve participation under the Supplemental Pension Plan.

Mr. Hickman indicated that while he is sympathetic with Mr. Fellion, he saw no reason to settle this or any of the other lawsuits as it would have the potential for opening a "pandora's box" of subsequent litigation.

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Mr. Jannite briefed the Board on the four potential claimants in addition to Mr. Fellion who, if allowed to extend vacation and sick time, etc. could have pushed their retirement date past the July 1, 1990 bright line cut-off date for entry into the Supplemental Pension Plan. Mr. DeRobertis then briefed the Board regarding the status of union negotiations and the use of the Supplemental Pension Plan as a negotiating point with the unions.

Mr. Howard stressed to the Board, that no matter what their decision was to be, and what vehicle they used, if any, to award Supplemental Pension Funds to Mr. Fellion or any of the other claimants, that it is imperative that a bright line cut-off date, in this instance, July 1, 1990, be maintained so as to stem the possible future litigation on this matter.

Director Philip and several of the members of the Board indicated that the rationale behind the Supplemental Pension Plan was to take care of the Authority's employees whom the Board felt were not receiving adequate retirement security under the State's retirement system. To cut out Mr. Fellion and the other four or five claimants, in the Directors opinion, went against the spirit put forward by the adoption of the Supplemental Pension Plan. Direction was given to Mr. Howard to explore the various possibilities for dealing with the claimants and the claims and to report back to the Board with a recommendation on July 30.

Mr. Howard next introduced the subject of the Paschen/American litigation. He deferred discussion to Chairman Garrow who briefed the Board on the history of the case and the settlement discussions. The Chairman indicated that Mr. Ed Heil has signed an arbitration agreement which was approved by our outside counsel, Gardner, Carton & Douglas, the Chief Counsel for the Authority Frank Howard, Special Assistant Attorney General Malcolm E. Erickson and which had the tentative approval of the Attorney General, Roland Burris. He indicated that the Board had two directions in which it could go. It could sign the arbitration agreement and proceed by putting the case through arbitration, or it could accept a settlement offer of 8.92 million dollars which would save the Authority approximately 1 3/4 million dollars plus, in arbitration costs and potential judgment costs.

The Chairman indicated that he, the Executive Director and Frank Howard had worked long and diligently to put together this package and that in his opinion it was a good settlement for the Authority, which would put to rest all issues in the Paschen case and he recommended its adoption by the Board. Director Philip and Director Fusco indicated that they felt the 8.92 million was slightly high and that they had great confidence in the numbers

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put forth by the Authority's expert who estimated a cap on our liability of 7 plus million dollars. Based on their presentation, Director Philip indicated that he would vote against a settlement in the amount of 8.92 million. Director Fusco indicated that he felt there was a certain value to be placed on ending all of the litigation once and for all and therefore he would vote for the settlement.

Director Hanley moved and Director Neal seconded that the Board come out of Executive Session at approximately 11:07 a.m.

Minutes prepared by: _____
Robert E. Douglas

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On August 12, 1992, upon Motion of Director Hanley and seconded by Director Fusco, the Authority Board of Directors met in Executive Session at approximately 10:20 a.m. Those present were:

Chairman John P. Garrow
Director Timothy Bresnahan
Director Thomas Hanley
Director Daniel Fusco
Director Arthur Philip
Director Calvin Covert

Executive Director Robert Hickman
Manager of Administration and Budget Richard DeRobertis
Controller Mark Swidergal
Chief Engineer Kenneth Desmaretz
Community Affairs Coordinator Scott Dworschak
Senior Attorney Robert E. Douglas

Mr. Hickman briefed the Board on the issue of insurance and particularly, insurance for retirees and their spouses who have alternative coverage. Mr. Hickman explained that this situation would arise where an employee had retired and was being offered coverage for his/her spouse by the Authority, yet the spouse was still working and covered as a primary beneficiary under his/her employer's policy. Mr. Hickman suggested that in those instances, the retiree's spouse not be provided coverage under the Authority's policy.

Directors questioned the method to be used in taking individuals out of the program and also directed that if an Authority retiree's spouse retired and was no longer covered under his/her employer's insurance prior to the Authority's retiree reaching the age of 65 when coverage would no longer be provided in any event, that the spouse would be brought back into the program.

Director Hanley moved and Director Philip seconded that the Board come out of Executive Session at approximately 10:55 a.m.

Minutes prepared by: _____
Robert E. Douglas

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On August 27, 1992, upon Motion of Director Fusco and seconded by Director Hanley, the Authority Board of Directors met in Executive Session at approximately 2:35 p.m. Those present were:

Chairman John P. Garrow
Director Timothy Bresnahan
Director Thomas Hanley
Director Daniel Fusco
Director Arthur Philip
Director Calvin Covert

Executive Director Robert Hickman
Chief of Administration, Richard DeRobertis
Chief Engineer, Kenneth Desmaretz
Chief of Legal, Frank Howard
Chief of Finance, Nicholas Jannite
Illinois State Police Captain Gregory Fritz
Assistant Chief of Legal, Robert Douglas

Mr. Hickman briefed the Board on the status of the South Meyers Road property indicating that we had an offer to purchase the property for 1 million dollars from Town & Country Homes. The details of the offer were \$5,000 in earnest money increased to \$50,000 upon execution of the contract. There was to be a contingency for water and sewer to the property as well as a contingency for receiving zoning for 50 single family homes.

Mr. Howard indicated that we had two appraisals on the property from 1986 and 1989 in the amounts of \$250,000 and \$400,000 respectively. It was advised that Mr. Ben Swislow should order an updated appraisal prior to our entering into the contract.

Some concern was expressed as to whether or not this property would be needed for the split Plaza 51; however, Mr. Desmaretz said this was not really a problem as that plan had been shelved. It was indicated that access to Meyers Road would be no problem, however water and sewer service might be.

Chairman Garrow gave the Board a brief history of the property and some of the problems which it had.

Director Philip expressed some concern over the zoning contingency, indicating that there was no way that this developer could receive the appropriate zoning within the 90 days called for in the contract. Mr. Howard indicated that he would draft a

contract with appropriate forfeiture clauses in the event that the original 90 day zoning contingency had to be extended. Director Executive Session Minutes August 27, 1992 Page Two

Philip was still uncomfortable with the zoning contingency and indicated that he thought it should be stricken. Director Claar stated that in his opinion, Town & Country should pay any broker's commission which was agreed to by everyone. Mr. Hickman stated that he thought the property contract should go through with the contingency and no loss to Town & Country if the deal fell through within the 90 day window. He also thought that an update of Ward Fleming's appraisal was appropriate and the ordering of a new appraisal as well.

Chairman Garrow next briefed the Board on the Bond Issue. He indicated that we had communications from our Bond Counsel stating that a public hearing was required before we could issue the new bonds. It was agreed that a public hearing would be called in 15 days and that the Chief of Legal, Frank Howard, would make the appropriate arrangements.

Mr. Jannite next briefed the Board on the Bond Refunding Issue. Mr. Howard then briefed the Board on Item 7f, the approval of Executive Session Minutes.

Director Hanley and Director Covert seconded that the Board come out of Executive Session at 3:21 p.m.

Minutes prepared by: _____
Robert E. Douglas

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On September 24, 1992, upon motion of Director Hanley and seconded by Director Claar, the Authority Board of Directors met in Executive Session at approximately 2:50 p.m. Those present were:

Chairman John P. Garrow
Director Thomas Hanley
Director Robert Neal
Director Daniel Fusco
Director Roger Claar
Director Arthur Philip
Secretary Raymond O'Keefe

Executive Director Robert Hickman
Chief of Legal Frank Howard
Chief of Administration, Richard DeRobertis
Chief of Physical Services, John O'Brien
Illinois State Police Captain Gregory Fritz
Chief of Finance, Nicholas Jannite
Chief Engineer, Kenneth Desmaretz
Assistant Chief of Legal, Robert Douglas

Mr. DeRobertis briefed the Board on the status of the Teamster negotiations indicating that the negotiations had broken down and that the Teamsters had rejected the Tollway's offer. He indicated that consideration was being given to calling in Federal mediators and that he would report back to the Board at the next Board Meeting.

Director Fusco moved and Director Philip seconded that the Board come out of Executive Session at 3:10 p.m.

Minutes prepared by: _____
Robert E. Douglas

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On December 12, 1992, upon Motion of Director Neal and seconded by Director Claar, the Authority Board of Directors met in Executive Session at approximately 11:40 a.m. Those present were:

Chairman John P. Garrow
Director Roger Claar
Director Daniel Fusco
Director Thomas Hanley
Director Robert Neal
Director Arthur Philip

Executive Director Robert Hickman
Chief of Legal, Frank Howard
Chief of Finance, Nicholas Jannite
Chief of Administration, Richard DeRobertis
Chief Engineer, Kenneth Desmaretz
Manager of Operations Support, Cassandra Mills
Chief of Physical Services, John O'Brien
Illinois State Police, Captain Gregory Fritz
Assistant Chief of Legal, Robert Douglas

Mr. DeRobertis briefed the Board on the status of the contract negotiations with Local 73 of the Telecommunicators. He indicated that the negotiations had gone well and that a tentative agreement had been reached and that pending acceptance by the Telecommunicators, the contract would be presented to the Board at the next Board Meeting.

Director Philip moved and Director Hanley seconded that the Board come out of Executive Session at approximately 11:55 a.m.

Minutes prepared by: _____
Robert E. Douglas

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On February 18, 1993, upon Motion of Director Fusco and seconded by Director Neal, the Authority Board of Directors met in Executive Session at approximately 2:48 p.m. Those present were:

Chairman John P. Garrow
Director Robert Neal
Director Roger Claar
Director Calvin Covert
Director Daniel Fusco
Director Thomas Hanley

Executive Director Robert Hickman
Chief of Administration, Richard DeRobertis
Chief of Finance, Nicholas Jannite
Chief Engineer, Kenneth Desmaretz
Chief of Legal, Frank Howard
Chief of Physical Services, John O'Brien
Illinois State Police, Captain Gregory Fritz
Assistant Chief of Legal, Robert Douglas

Mr. Howard briefed the Board on settlement with the Village of Lisle regarding the property which was the subject of Insolia vs. the Authority. Mr. Howard pointed out the salient points of the agreement which included retention of the property by the Authority with the ability to sell the two plus acres and the payment by the Village of Lisle of \$200,000.00 which reflected the difference between the price the Authority paid for the property and it's current appraised value. Mr. Howard indicated that this was a good settlement and should be given consideration by the Board.

Mr. Howard next briefed the Board on the sale of the old Central Administration Building noting that the appraisals had been updated.

Director Neal moved and Director Fusco seconded that the Board come out of Executive Session at approximately 3:10 p.m.

Minutes prepared by: _____
Robert E. Douglas

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On March 10, 1993, upon Motion of Director Fusco and seconded by Director Claar, the Authority Board of directors met in Executive Session at approximately 11:45 a.m. Those present were:

Chairman John P. Garrow
Director Roger C. Claar
Director William E. Dugan
Director Daniel Fusco
Director Robert P. Neal
Director Arthur W. Philip

Executive Director Robert Hickman
Chief of Legal Frank Howard
Chief of Finance Nicholas Jannite
Chief Engineer, Kenneth Desmaretz
Chief of Administration Richard DeRobertis
Chief of Physical Services, John O'Brien
Manager of Operations Support, Cassandra Mills
Assistant Chief of Legal, Robert Douglas

Mr. Desmaretz began the Executive Session by briefing the Board on the suspected causes of the 5th Avenue bridge collapse. He noted that preliminary investigations pointed to the sub-contractor Excatech and a combination of factors which they undertook to speed up the bridge demolition which contributed to the bridge collapse. The investigation is on-going.

Mr. Howard then briefed the Board on the status of the old Central Administration Building indicating that contracts had been signed and that the proposed closing date was June 1, 1993, baring any unforeseen consequences before the Oak Brook Zoning Board.

Director Neal moved and Director Fusco seconded that the Board come out of Executive Session at approximately 12:10 p.m.

Minutes prepared by: _____
Robert E. Douglas

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On March 18, 1993, the Authority Board of Directors met in Executive Session at approximately 2:50 p.m. Those present were:

Chairman John P. Garrow
Secretary Agatha Kiefer
Director Arthur Philip
Director Daniel Fusco
Director Roger Claar
Director Robert Neal
Director Calvin Covert

Executive Director Robert Hickman
Chief of Legal Frank Howard
Chief of Finance Nicholas Jannite
Chief Engineer Kenneth Desmaretz
Chief of Administration Richard DeRobertis
Chief of Physical Services John O'Brien
Illinois State Police Captain Fritz
Manager of Real Estate Ben Swislow
Assistant Chief of Legal Robert E. Douglas

Mr. Howard briefed the Board on pending litigation titled Deleuw, Cather, Inc. vs. ISTHA. This matter arose from Contract CIP-617, on the North-South Tollway Project. Sidley & Austin are the attorneys for the Authority on this case and it is scheduled for trial in May of this year. The Plaintiff's rejected our last offer which was \$25,000.00 less than what they want. We have paid \$90,000.00 in attorneys fees and it will take approximately \$100,000.00 to try the case. Sidley & Austin recommends that we settle.

Mr. Howard then briefed the Board on the sale of the old Central Administration Building. We have received a signed agreement from Costco with the only contingencies being clear title and zoning. They want June 1 as a closing date if possible. The Authority will net 9 million dollars on this sale. Meisrow, a real estate brokerage firm, whose client is Walmart, submitted an offer of \$9,350,000. However, Meisrow would be entitled to a \$300,000.00 real estate commission. This offer was submitted after Costco's price was known.

Director Neal moved and Director Fusco seconded to come out of Executive Session at approximately 3:05 p.m.

Minutes Prepared By: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On April 29, 1993, upon Motion of Director Hanley and seconded by Director Fusco, the Authority Board of Directors met in Executive Session at approximately 2:47 p.m. Those present were:

Chairman John P. Garrow
Secretary Aggie Kiefer
Director Arthur Philip
Director Daniel Fusco
Director Roger Claar
Director Thomas Hanley
Director Robert Neal
Director Calvin Covert
Director Thomas Fitzgibbon

Executive Director Robert Hickman
Chief of Legal Frank Howard
Chief of Finance Nicholas Jannite
Chief Engineer, Kenneth Desmaretz
Chief of Administration Richard DeRobertis
Chief of Physical Services John O'Brien
Assistant Chief of Legal Robert E. Douglas
Administrative Assistant, Trudy Steinhauser

Mr. Howard began the Executive Session by briefing the Board on the status of the sale of the old Central Administration Building. We have received \$500,000 from Costco which is being held in escrow by Near North Title. All furniture and equipment has been removed; the building is empty. Costco has taken soil samples and environmental studies are almost complete. Zoning changes will go to the Plan Commission Board on May 17. There will then be a public hearing and a Board Meeting. Zoning approval may get pushed from June to July depending on the Village's Board Agenda.

Mr. Howard then briefed the Board on the Amtech vs. The Illinois State Toll Highway Authority law suit. The original suit was dismissed. An appeal has been filed but should have no effect on our AVI.

Mr. Howard then briefed the Board on Fellion vs. The Illinois State Toll Highway Authority. Mr. Fellion retired one day before the Supplemental Pension Plan came into effect. The Federal Court case was dismissed. Mr. Fellion refiled the case in State Court in Cook County on April 23 which was also dismissed. At this time it is uncertain if there will be an appeal.

Executive Session Minutes
April 29, 1993
Page Two

Director Fusco moved and Director Hanley seconded that the Board
come out of Executive Session at approximately 2:59 p.m.

Minutes prepared by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On May 27, 1993, upon Motion of Director Neal and seconded by Director Hanley, the Authority Board of Directors met in Executive Session at approximately 2:27 p.m. Those present were:

Chairman John P. Garrow
Director Roger Claar
Director Calvin Covert
Director William Dugan
Director Thomas Fitzgibbon
Director Daniel Fusco
Director Thomas Hanley
Director Robert Neal
Director Arthur Philip

Executive Director Robert Hickman
Secretary Agatha Kiefer
Chief of Legal, Frank Howard
Chief of Finance, Nicholas Jannite
Chief of Administration, Richard DeRobertis
Chief Engineer, Kenneth Desmaretz
Chief of Physical Services, John O'Brien
Illinois State Police, Captain Gregory Fritz
Assistant Chief of Legal, Robert Douglas
Administrative Assistant Trudy Steinhauser

Chief of Legal, Frank Howard, briefed the Board on the sale of the old Central Administration Building.

We have turned over the keys to Costco and asked for final readings from the utility companies. They are beginning to remove asbestos and contracting for demolition of the building. The zoning issue should be finalized by the middle of June.

Mr. Howard then briefed the Board on the Fellion litigation. The Federal and State Courts have dismissed Mr. Fellion's lawsuit against the Authority. He has filed a Motion for Leave to File an Amended Complaint. He originally wanted \$100,000 and now he wants 1 million dollars for fraud and emotional distrust.

Mr. Howard then reviewed the Executive Session Minutes. The Board reviewed these and decided on which ones to release or hold.

Director Hanley moved and Director Dugan seconded that the Board come out of Executive Session at approximately 3:00 p.m.

Minutes prepared by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On June 16, 1993, upon Motion of Director Neal and seconded by Director Claar, the Authority Board of Directors met in Executive Session at approximately 11:50 a.m. Those present were:

Chairman John P. Garrow
Director Roger Claar
Director Calvin Covert
Director Thomas Fitzgibbon
Director Daniel Fusco
Director Robert Neal
Director Arthur Philip

Executive Director Robert Hickman
Chief of Legal, Frank Howard
Chief of Finance, Nicholas Jannite
Chief of Administration, Richard DeRobertis
Chief Engineer, Kenneth Desmaretz
Administrative Assistant Trudy Steinhauser

Chief of Administration, Richard DeRobertis, briefed the Board on the terms of the contract for Local 73.

We have three contracts with Local 73 and approximately 1100 employees. Last year we finished the Teamsters negotiations. Local 73 requested a re-opener. An arbitrator reviewed and said there was a slight difference between the Teamsters settlement and the settlement made with Local 73. There's a 12 cent difference over a three year term.

We met with Local 73 over the last couple of weeks and agreed to give them a \$100.00 check on the payday of July 2 which would cover last year and this year. We will also increase their wages by 10 cents per hour for the final year of the contract. This comes to a 2.6% settlement for the final year which is in the range of settlement claims for other unions. This will cost the Authority approximately \$140,000 this year and twice that next year.

As of today, the Toll Collectors haven't come in with their final vote.

Director Fusco moved and Director Covert seconded that the Board come out of Executive Session at approximately 12:05 p.m.

Minutes prepared by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On August 19, 1993, upon Motion of Director Fitzgibbon and seconded by Director Dugan, the Authority Board of Directors met in Executive Session at approximately 2:10 P.M. Those present were:

Chairman John P. Garrow
Director Roger Claar
Director Calvin Covert
Director William Dugan
Director Thomas Fitzgibbon
Director Daniel Fusco
Director Thomas Hanley
Director Robert Neal
Director Arthur Philip

Executive Director Robert L. Hickman
Chief of Legal Frank Howard
Chief of Engineering Kenneth Desmaretz

Chief Engineer Ken Desmaretz presented the following items:

Due to threatened litigation, a motion to reject all bids on Contracts MIP-93-552, MIP-93-553 and MIP-93-554 for Pavement Rehabilitation on the Northwest Tollway and Contract MIP-93-566 for Pavement Rehabilitation on the East-West Tollway.

All four (4) contracts were bid as Joint/Tri-Ventures. On Contract MIP-93-566 we received two bids; on Contracts MIP-93-552 and MIP-93-554 we received two bids; and on Contract MIP-93-553 we received only one bid.

Chief Engineer Ken Desmaretz recommended the award of contract on all jobs due to good competitive pricing. The division of work is okay. Each contractor dispersed a work force on all three contracts on the Northwest Tollway. Envirodyne Engineering reviewed the bids and recommends the award of contracts. To rebid in the spring would be at higher pricing. The bids were under the engineer's estimate.

Executive Director Hickman stated that in the future he would conduct pre-construction conferences to discourage single-bid joint-venture proposals. He stated, emphatically, that we want competitive bidding and that single bid contracts would not be acceptable. The Board joined in as a matter of policy to discourage single bid contract awards.

Chairman Garrow stated emphatically that he was against the award of the contract to a tri-venture single-bid.

Executive Session Minutes

August 19, 1993

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The Board discussed a future policy limitation on single bidding and joint ventures and agreed to handle on a case-by-case basis since there was no precedent.

The majority of the Board concluded that there were valid reasons to award to a single bidder in this case.

Chief of Legal Frank Howard presented the question for the Board's direction with regard to the Authority changing its policy relative to union agreements on projects.

It was discussed that the present Tri-State Project, as well as the prior North-South Project, were done on a Project Specific basis. That is for purposes of health, safety and welfare of the public and in the best interest of all, to enter into project specific agreements with all pertinent trade unions. All work done on that project would be done in accordance with prevailing wages and the appropriate union benefits paid.

The BOSTON HARBOUR case was recently decided by the U.S. Supreme Court which held that project specific agreements were valid.

Mr. Howard warned the Board that to take the project specific agreement to the next step of Multi-Project, that is, a contractor working on Authority contracts must join the appropriate union and be a member of the collective bargaining unit, was, in his opinion, beyond the scope of the BOSTON HARBOUR case and that the Authority would probably be sued.

Director Neal made a motion to come out of Executive Session, seconded by Director Claar.

Chairman Garrow called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Minutes prepared by _____
Frank Howard

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On September 22, 1993, upon Motion of Director Fusco and seconded by Director Philip, the Authority Board of Directors met in Executive Session. Those present were:

Chairman John P. Garrow
Director Arthur Philip
Director Daniel Fusco
Director Roger Claar
Director Thomas Fitzgibbon

Chief of Legal Frank Howard
Chief of Finance Nicholas Jannite
Chief Engineer, Kenneth Desmaretz
Chief of Administration Richard DeRobertis
Chief of Physical Services John O'Brien
Assistant Chief of Legal Robert E. Douglas
Attorney Nancy Marren
Administrative Assistant, Trudy Steinhauser

Mr. Howard began the Executive Session by briefing the Board on the status of possible litigation. In June the Board awarded Contract No. MIP-92-538 to Colfax Corporation. In July, Ken Desmaretz asked the Board to rescind the resolution to award because we were changing some specs. It was re-bid and Colfax was again the apparent low bidder.

Mr. Howard then briefed the Board on the sale of the old CA Building. Costco received the zoning from the Village of Oak Brook. Costco then notified the Authority that they made a business decision to get out of the contract which they can do according to the terms of our agreement.

The contract for sale stated Costco would pay up to \$400,000 for the demolition of the building and 1.2 million for environmental clean-up. Additional contaminated sand was found all over the site which would require 2 million to clean-up. Costco wanted us to pay the 2 million for the clean-up and they would still purchase the property. They said they would clean it up but they needed more money. If we paid this, we would only net about 6 million for the site. We'll continue with the demolition of the building and clean-up the site ourselves and sell as a clean site. Costco will finish the demolition of the building.

Executive Session Minutes
September 22, 1993
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According to the contract, if demolition and clean-up exceeded 1.7 million, either party could back out. United Analytical, who was hired by Costco with our approval, gave the 2 million dollar figure. In approximately 45 days, we will have a certificate from the EPA saying it is a clean site. The site is now zoned commercial and Walmart has contacted us that they're still interested in purchasing the site.

Director Fusco moved and Director Claar seconded that the Board come out of Executive Session at approximately 12:35 p.m.

Minutes prepared by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On September 30, 1993, upon Motion of Director Claar and seconded by Director Philip, the Authority Board of directors met in Executive Session at approximately 2:40 p.m. Those present were:

Chairman John P. Garrow
Director Thomas Hanley
Director Thomas Fitzgibbon
Director William Dugan
Director Calvin Covert
Director Roger Claar
Director Arthur Philip

Executive Director Robert Hickman
Chief of Legal Frank Howard
Chief Engineer, Kenneth Desmaretz
Chief of Administration Richard DeRobertis
Chief of Physical Services John O'Brien
Chief of Finance, Nicholas Jannite
Illinois State Police Captain Gregory Fritz
Assistant Chief of Legal, Robert Douglas
Administrative Assistant, Trudy Steinhauser

Frank Howard briefed the Board on the award of Contract MIP-92-538R to Colfax Corporation. Mr. Howard stated that Colfax served letters on the Authority and the Unions and a copy of a Complaint naming each of the Directors, which they will file tomorrow if this contract is not awarded to them. We're breaking new ground here. We would be expanding existing legal precedent. It's a policy question. The Boston Harbour case said Project Specific labor agreements are okay, that is what we now have. This would carry that one step further.

Chairman Garrow informed the Board that we requested Colfax to sign a Multi-Project Agreement. The law firm of Bell, Boyd & Lloyd is assisting Frank Howard in this case. It's a policy question. In June, we awarded the Contract to Colfax. We rescinded in July. They came back as the lowest bidder for the second time. In my judgment, we're here to represent the Tollway as directors and to do a good job for our bondholders. We wouldn't be doing the best thing for the bondholders if we went into litigation.

Director Philip - How much of this contract is involved in Oases that we may be tearing down? Maybe we should save the money and not award until we've made up our minds if we're going to tear down the Oasis or not. The Finance Committee just had a

preliminary meeting on the renovation of Oases and we haven't decided what we're going to do.

Executive Session Minutes
September 30, 1993
Page Two

Chairman Garrow - When will you know?

Director Philip - It may be several months before we know what we're doing. Maybe we're spending money on something we might tear down.

Ken Desmaretz stated it would be premature to award this contract in regard to what the Finance Committee discussed today.

Director Fitzgibbon moved and Director Hanley seconded that the Board come out of Executive Session at approximately 3:09 p.m.

Minutes prepared by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On October 20, 1993, upon Motion of Director Neal and seconded by Director Covert, the Authority Board of Directors met in Executive Session at approximately 11:00 a.m. Those present were:

Chairman John P. Garrow
Director Arthur Philip
Director Robert Neal
Director Calvin Covert
Director Roger Claar
Director Thomas Fitzgibbon

Executive Director Robert Hickman
Chief of Legal Frank Howard
Chief of Finance Nicholas Jannite
Chief Engineer Kenneth Desmaretz
Chief of Administration Richard DeRobertis
Chief of Physical Services John O'Brien
Assistant Chief of Legal Robert E. Douglas
Administrative Assistant Trudy Steinhauser
Scott Dworschak
Bob Messier, EEI
Kesti Susinskas, Engineering
William Ponall
James Canham
David Wilson

Mr. Howard began the Executive Session by stating that we were here to discuss the acquisition of property for the new proposed tollways. We are meeting with various elected officials. Engineering will show a presentation on the proposed new roads.

Director Covert commented on the amount of people attending Executive Session. He stated he thought it was for Board Members only. Mr. Howard said there is nothing that says what is discussed here must remain here but we hope it will stay in this room since some items are sensitive. Anything discussed here should stay here.

Mr. Desmaretz then gave a brief background on the new proposed tollways.

Frank Howard explained that the Authority must submit to the government the proposed routes and estimated costs of the proposed

studies. We have permission from the Governor for these routes.

Executive Session Minutes
October 20, 1993
Page Two

Before issuing any bonds, we must also submit to the Governor preliminary plans showing the proposed route and estimated cost of the construction. A public hearing must be held with at least 5 directors present. A transcript of this hearing goes to the Governor.

There being no further business, Chairman Garrow requested a motion to adjourn.

At approximately 12:45 p.m., Director Neal moved to adjourn; seconded by Director Covert.

Chairman Garrow called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Minutes prepared by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On December 16, 1993, upon Motion of Director Banks and seconded by Director Philip, the Authority Board of Directors met in Executive Session at approximately 2:47 p.m. Those present were:

Chairman John P. Garrow
Director James Banks
Director Roger Claar
Director Calvin Covert
Director William Dugan
Director Thomas Fitzgibbon
Director Thomas Hanley
Director Robert Neal
Director Arthur Philip

Executive Director Robert Hickman
Secretary Agatha Kiefer
Chief of Legal Frank Howard
Chief of Finance Nicholas Jannite
Chief Engineer Kenneth Desmaretz
Chief of Administration Richard DeRobertis
Chief of Physical Services John O'Brien
Assistant Chief of Legal Robert E. DOUGLAS
Administrative Assistant Trudy Steinhauser

Mr. Howard began the Executive Session by stating that the Authority By-Laws would have to be changed if the Directors wanted to change the Board Meeting time from 2:00 p.m. to 10:00 a.m.

The Directors did change the Operations Meeting from Wednesday to Thursday of the week before the Board Meeting.

Mr. Howard then told the Board that the Supreme Court of the State of Illinois issued an order which said the Authority is entitled to interest on excess deposits for quick-claims. If we under-deposit money, we pay interest at the time the jury case is in. It was unfair that we didn't get interest in return.

Mr. Howard then advised the Board that they were all sued personally and in their capacity as Directors, by Colfax. Bell, Boyd and Lloyd is the law firm handling the case for the Authority.

Executive Session Minutes
December 16, 1993
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Director Philip then stated that the Engineering Committee was discussing tearing out the asbestos while the Finance Committee was discussing re-doing the buildings.

Frank then briefed the Board on the Fellion lawsuit. On November 29, Judge Odis Nickleson, of Cook County, dismissed the Fellion complaint with prejudice after a motion to reconsider. Mr. Fellion may or may not file an appeal.

At approximately 3:04 p.m., Director Neal made a motion to come out of Executive Session; seconded by Director Claar.

Chairman Garrow called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Minutes prepared by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On January 20, 1994, upon Motion of Director Covert and seconded by Director Neal, the Authority Board of Directors met in Executive Session at approximately 11:12 a.m. Those present were:

Director James Banks
Director Calvin Covert
Director William Dugan
Director Thomas Fitzgibbon
Director Robert Neal
Director Arthur Philip

Executive Director Robert Hickman
Chief of Legal Frank Howard
Chief of Finance Nicholas Jannite
Chief Engineer Kenneth Desmaretz
Chief of Administration Richard DeRobertis
Chief of Physical Services John O'Brien
Illinois State Police Captain Gregory Fritz
Assistant Chief of Legal Robert E. Douglas
Administrative Assistant Trudy Steinhauser

Mr. Howard began the Executive Session by briefing the Board on the Colfax litigation. We are proceeding with Discovery, Interrogatories are out and we have a Motion to Dismiss. Bell, Boyd and Lloyd is representing us in this case. They will proceed to defend and keep us advised.

Mr. Howard then reviewed, with the Board, the Executive Session Minutes of the past six months. Director Neal stated that in the past we released portions of Minutes. He would like to release the Minutes in whole or not at all. It was decided this will be discussed further in the future.

Mr. Howard then briefed the Board on the old Central Administration site. The property is now clean. We have approximately 30 individuals or realtors expressing interest in the site. We have to find out from the EPA where we can dump lead from the gun range, masks and equipment that were used in the clean-up which are contaminated.

Executive Session Minutes
January 20, 1994
Page Two

We anticipated netting approximately 8.8 million dollars for this site. To net the same amount, we would now have to sell the site for a little over 11 million dollars because of the expense of the clean-up. Director Philip said we should let the buyer come to us. We should go slow on this. Executive Director Hickman stated that he has ordered for sale signs to be put on the property with the phone number of our Real Estate Department. Mr. Hickman will talk to the interested buyers and get back to the Board with updates.

At 12:10 P.M. Director Neal moved to come out of Executive Session; seconded by Director Covert.

Executive Director Hickman called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Minutes prepared by _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On January 27, 1994, upon Motion of Director Philip and seconded by Director Dugan, the Authority Board of Directors met in Executive Session at approximately 2:44 P.M. Those present were:

Chairman John P. Garrow
Director James Banks
Director William Dugan
Director Thomas Fitzgibbon
Director Thomas Hanley
Director Robert Neal
Director Arthur Philip
Secretary Agatha Kiefer

Executive Director Robert Hickman
Chief of Legal Frank Howard
Chief of Finance Nicholas Jannite
Chief Engineer Kenneth Desmaretz
Chief of Administration Richard DeRobertis
Chief of Physical Services John O'Brien
Illinois State Police Captain Gregory Fritz
Assistant Chief of Legal Robert E. Douglas
Controller, Mark Swidergal
Administrative Assistant Trudy Steinhauser

Mr. Howard began the Executive Session by briefing the Board on the newspaper articles which pertain to the Executive Director's use of the Authority helicopter. It was stated by the Governor that Mr. Hickman had the right to use the helicopter on business.

Mr. Howard then stated that a motion has been recommended for synthetic refunding and also a motion with regard to our collective bargaining agreements, which would give the Chief of Legal and the Executive Director the direction to prepare a multi-labor construction contract. Mr. Howard then respectfully excused himself and introduced the Assistant Chief of Legal, Mr. Robert Douglas, to continue the meeting.

Discussion was then had on the multi-project labor agreement. Mr. Hickman stated he was getting instructions from Springfield and will be working on drawing up the agreements.

At 3:20 P.M. Director Philip moved to come out of Executive Session; seconded by Director Hanley.

Chairman Garrow called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Minutes prepared by _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On February 10, 1994, upon Motion of Director Neal and seconded by Director Dugan, the Authority Board of Directors met in Executive Session at approximately 10:37 A.M. Those present were:

Director Roger Claar
Director Calvin Covert
Director William Dugan
Director Thomas Fitzgibbon
Director Robert Neal

Executive Director Robert Hickman
Chief of Legal Frank Howard
Chief of Finance Nicholas Jannite
Chief Engineer Kenneth Desmaretz
Chief of Administration Richard DeRobertis
Chief of Physical Services John O'Brien
Assistant Chief of Legal Robert E. Douglas
Administrative Assistant Trudy Steinhauser

Mr. Hickman began the Executive Session by discussing with the Board the Press Release issued by the Treasurer, Mr. Quinn. He explained to the Directors that Mr. Quinn gave the Board 30 days in which to respond. Mr. Hickman stated that we could put together some details like in the McNulty case. Frank will prepare a proper legal response and he'll bring it to the Board for editing.

Mr. Howard then went on to brief the Board on the Colfax litigation. There is a Motion up today. We filed a Motion to Dismiss. If the Judge doesn't grant our Stay on Discovery, we may have to give depositions.

The Directors then went into a discussion regarding Palumbo bidding tollway work. Mr. Hickman stated we were waiting for an answer from the Governor's Office. Frank said he would check informally with the Attorney General and get an opinion from him and also an outside opinion.

Mr. Hickman also informed the Board that the Authority terminated Doug Donenfeld, one of the legislative liaisons.

At 11:25 A.M. Director Neal moved to come out of Executive Session; seconded by Director Fitzgibbon.

Mr. Hickman called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Minutes prepared by _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On March 17, 1994, upon Motion of Director Hanley and seconded by Director Dugan, the Authority Board of Directors met in Executive Session at approximately 10:45 A.M. The Chairman asked everyone to excuse themselves from this meeting with the exception of the Board of Directors. Those present were:

Chairman John P. Garrow
Director James Banks
Director Roger Claar
Director Calvin Covert
Director William Dugan
Director Thomas Hanley
Director Robert Neal
Director Arthur Philip
Executive Director Robert Hickman

Executive Director Robert Hickman informed the Board that he had submitted his resignation to the Governor on Wednesday afternoon, March 16, to be effective April 21, 1994. Hickman expressed his regrets, but he stated that he had several opportunities which he was considering in the private sector and he felt it was time to make a move.

The Board expressed their regrets at his decision but he wanted the Board to be aware of his resignation prior to his making a public announcement on Friday, March 18. He asked the Directors not to talk to anyone regarding his resignation so as not to usurp his announcement.

There being no further business, a motion was made by Director Neal, seconded by Director Covert, to go out of Executive Session.

Chairman Garrow called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:45 a.m.

Minutes prepared by: _____
Chairman John P. Garrow

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On March 24, 1994, upon Motion of Director Neal and seconded by Director Dugan, the Authority Board of Directors met in Executive Session at approximately 10:27 A.M. Those present were:

Chairman John P. Garrow
Director James Banks
Director Roger Claar
Director Calvin Covert
Director William Dugan
Director Thomas Fitzgibbon
Director Robert Neal
Director Arthur Philip

Executive Director Robert Hickman
Chief of Finance Nicholas Jannite
Chief Engineer Kenneth Desmaretz
Chief of Administration Richard DeRobertis
Chief of Physical Services John O'Brien
Chief of Legal Frank Howard
Administrative Assistant Trudy Steinhauser

Mr. Nicholas Jannite began the Executive Session by briefing the Board on the proposed refunding. We are moving ahead trying to finalize documents which would allow us to go to the market when the interest rates become attractive. We're somewhere at less than a 3% refunding (present value). The dollar amounts are somewhere near 1 ½ million to 2 million dollars. We're looking at a minimum of 3%, somewhere in the neighborhood of 3.8 million dollars. We had one day where rates took our savings from 2 million to almost 4 million. At the same time, within hours we have lost a couple million. We're trying to get documents finalized so we're set to go. Rates have not been kind to us lately.

Director Philip asked if Mr. Quinn could stop this refunding. Mr. Howard responded that his signature is not necessary on these documents. Nick said the reason Mr. Quinn had to sign the bonding papers was that when we had a construction fund we needed his authorization to place the funds with our trustees. If we do a new money issue, like refunding, there is no new money that we get. He's only the custodian of our funds.

Executive Session Minutes
March 24, 1994
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The Board went on to discuss Palumbo. Mr. Howard stated he had outside counsel's opinion.

Chairman Garrow suggested a Special Board Meeting to award these contracts so the lanes could be opened by Memorial Day weekend.

Mr. Hickman went on to discuss fiber optics. We have been talking and negotiating with MFS (Metropolitan Fiber Systems) for the right-of-way. Palmer Belview is the consultant. Mr. Desmaretz briefed the Board on the background of this and how it would change communications at the Authority.

Frank Howard then updated the Board on the sale of the old CA building. Ben Swislow has sent letters to approximately 70 to 80 people who expressed interest, asking for a minimum bid of 11 million dollars. We have received no offers.

Mr. Howard then stated that there was one last item which Bob Hickman would address. The Board is aware that there was an authorization by resolution for us to approve and implement a multi-project labor agreement. I have provided a document called The Illinois State Toll Highway Multi-Project Labor Agreement and that matter is being considered. We talked to the Governor's Office source and they have okayed it. Bill Dugan has to get all the unions to sign the agreement.

Motion to adjourn by Director Claar; seconded by Director Neal.

Meeting adjourned at 11:20 a.m.

Minutes prepared by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On April 14, 1994, upon Motion of Director Neal and seconded by Director Dugan, the Authority Board of Directors met in Executive Session at approximately 11:30 a.m. Those present were:

Chairman John P. Garrow
Director James Banks
Director Calvin Covert
Director William Dugan
Director Thomas Fitzgibbon
Director Robert Neal
Director Arthur Philip

Executive Director Robert Hickman
Chief of Legal Frank Howard

Mr. Howard began the Executive Session by briefing the Board on the status of the upcoming personnel changes. Mr. Robert Hickman's resignation will be effective April 30, 1994. A Special Board Meeting will be held on May 2, at which time the Board will pass a resolution naming Mr. Ralph Wehner as Executive Director of the Authority. However, the Directors prefer to address said resolution at the Board Meeting to be held on April 21, 1994. It will be on a Supplemental Agenda.

The Board then had discussion in regard to fiber optics. MFS - \$10 million dollar offer was rejected. TCI's offer of zero is in negotiation.

Mr. Howard then briefed the Board on pending litigation. The State Police are conducting an investigation with regard to the following:

- Helicopter usage
- Palumbo Bros. - Rt. 59 and the Northwest Tollway Interchange
- Waste Management - Purchase of Meyers Road (N)

The Authority may retain outside legal counsel for the Board of Directors and Authority employees. Counsel must be approved and appointed by the Attorney General before being retained by the Chairman.

Executive Session Minutes
April 14, 1994
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There being no further business, a motion was made by Director Covert, seconded by Director Banks, to go out of Executive Session.

Chairman Garrow called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 12:00 P.M.

Minutes prepared by: _____
Frank M. Howard

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On May 19, 1994, upon Motion of Director Covert and seconded by Director Fitzgibbon, the Authority Board of Directors met in Executive Session at approximately 10:35 a.m. Those present were:

Chairman John P. Garrow
Director Cal Covert
Director William Dugan
Director Thomas Fitzgibbon
Director Arthur Philip

Executive Director Wehner
Chief of Finance Nicholas Jannite
Chief Engineer Kenneth Desmaretz
Chief of Administration Richard DeRobertis
Chief of Physical Services John O'Brien
Chief of Legal Frank Howard
Illinois State Police Captain Gregory Fritz
Administrative Assistant Sue Cruse
Administrative Assistant Trudy Steinhauser

Mr. Howard began the Executive Session by briefing the Board on the Colfax litigation. Bell, Boyd and Lloyd is handling the case which is pending in Federal Court. All Discovery has been given and a Motion to Dismiss. The case will be heard on June 15 by Judge Hart and at that time we will know whether we're out of the case or if we need to go to trial.

Mr. Howard then gave the Board a brief history on the sale of the old CA building. At this time we have not listed with a realtor and have not advertised in any papers. We have been trying to handle it ourselves. Approximately 60 people have showed interest in the property over the last year or two. We sent them a standard letter and told them we were looking for 11 million dollars and we had some standard terms. Zoning was the only contingency. We received a lot of phone calls but only four parties put any numbers on the table. We have not negotiated with anyone because we're waiting for some direction from the Board.

Director Philip stated that we should get a good escrow deposit and not have too many contingencies. We should move slow on this sale.

Mr. Howard went on to say that he thought we should update our appraisals and that we have had about 5 appraisals on this property. (He distributed a sheet to the Directors showing the appraisals.) We've only had one appraisal on the clean site. Mr. Howard then stated that he would have Paul Olszewski prepare a

standard agreement for this sale.

Executive Session Minutes

May 19, 1994

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Chairman Garrow then stated that if we get a viable offer we will go with it. He also asked Mr. Howard if when he does the boiler plate agreement he's going to put in a percentage amount for escrow.

Mr. Howard stated yes, a substantial amount so we don't get speculators. There is also no broker fee to the Authority but there is a broker representing the buyer who is interested, Homart.

Director Philip then brought up the subject of ramps to the East-West Tollway from Route 83 and discussion was had.

There being no further business, a motion was made by Director Dugan, seconded by Director Philip, to go out of Executive Session.

Chairman Garrow called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 10:55 A.M.

Minutes prepared by: _____
Trudy Steinhauser

EXECUTIVE SESSION

JUNE 23, 1994
10:40 A.M.

DERO: In the next 4 or 5 months we will be engaging in union negotiations for the following:

- . Telecommunicators
- . Toll collectors, lane walkers, etc.
- . Custodians
- . Money room counters

The issue of the supplemental pension plan will be an item for negotiation. Bob Neal requested copies of contracts be sent to each of the Board Members for their review and comments.

FRANK: An opinion is expected tomorrow, June 24th on Amtech litigation for AVI Contract.

We will keep Board advised as to action on sale of real estate.

Discussed resolution to extend contracts for Oasis, including cleaning wall to wall and floor to ceiling.

NICK: Discussion was held on video games at the Oasis. Nick would like for the Authority to include in the contracts coming up for renewal "No Video Games". Stated the Authority received \$100,000 from McDonald's on June 22nd.

Video games were put in September of 1991 without our knowledge and have collected \$223,000 from seven locations which is approximately \$95,000 a year up to May, 1994.

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Numerous complaints have been made regarding the video games some of which are:

- . Theft of a video game
- . Complaints at Lincoln Oasis of people gathering to play games only
- . Complaints by patrons of too much noise

from the various machines

Our cafeteria contract is also up at the end of this year. Marriott has submitted an invoice for \$15,000 to cover an additional employee they claim was needed due to the design of the cafeteria. Mr. Hickman apparently approved one additional person, but the files are not clear as to who would pay for the extra person. The additional \$15,000 would mean the Authority would be paying \$85,000 for 1993 and 1994.

Frank says Legal needs to negotiate contracts and has questions on the additional \$15,000 for the resolution along with extension of one year contract with Marriott.

Meeting adjourned at 11:25 a.m.

Sue Cruse

EXECUTIVE SESSION

JUNE 30, 1994
10:35 A.M.

FRANK: Old CA property has had a flurry of activity, received an offer for \$10,700,000 from Orix, I am still studying the contract at this time.

Homart is perhaps interested if they can obtain adjacent site, Kodak. Bethany property is still under consideration. Homart was contacted on June 29th, at which time they stated they would talk with Kodak, and might only be interested if this could be worked out.

Third offer of \$10,500,000 is from Cousins.

Chairman Garrow recommended meeting with Director Philip and Finance Committee to make a decision and report back to Board after Frank has reviewed all offers.

After discussing the matter at length, the decision was made to have interested parties come in and make their presentation to the Committee for review and then report to Board.

Frank stated they will set up the meeting to have Orix, Cousins and Homart come in and make their presentations.

Discussions were then held regarding whether additional ramps could be put in at 83 which would require land from Kodak.

CHAIRMAN GARROW:

Next item we need to consider is items of supplemental pension plan:

- . In light of union negotiations pending I've received a recent Teamster bulletin on this issue. The Board needs to consider whether or not the supplemental pension will be an item for negotiation or if the plan itself will continue in its present form.
- . Auditor General was here several months ago and from this audit the findings stated our supplemental pension plan was unfunded.
- . Information has been in newspapers again around June 16th - we need to take necessary steps to end the supplemental pension plan effective June 30, 1994.

RALPH

- . Explained contents of SERS Curran Bill should it get approved. This has been in the legislature for the past two or three years and would help all state employees.

CHAIRMAN

- . Initial benefit was to help our employees.
ISTHA contribution is over 11.5% total for our employees. Lengthy discussion was held in order to determine what possibilities could be acted upon, along with legal repercussions.
- . Board members feel we are not wrong to continue with our supplemental pension plan.
- . Chairman Garrow recommends we discontinue.
- . After a very lengthy discussion on the benefits our employees receive from SERS, recommendation was made to further study the supplemental plan which could even include employee contribution.

- . We should not penalize our employees because of the poor percentage they receive from SERS.
- . Any employee who has worked 1,000 hours will be eligible for supplemental pension.
- . Director Claar requested an extension be given to the Board Members to at least give them two weeks to study.
- . Chairman Garrow led a lengthy discussion on possibilities of future plan.
- . Board decision was to hold off on making a decision today.

Meeting adjourned at 11:40 A.M.

Sue Cruse

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On July 21, 1994, upon Motion of Director Claar and seconded by Director Banks, the Authority Board of Directors met in Executive Session at approximately 10:50 a.m. Those present were:

Chairman John P. Garrow
Secretary Kirk Brown
Director James Banks
Director Roger Claar
Director William Dugan
Director Thomas Fitzgibbon
Director Thomas Hanley
Director Robert Neal
Director Arthur Philip

Executive Director Wehner
Chief of Finance Nicholas Jannite
Chief Engineer Kenneth Desmaretz
Chief of Administration Richard DeRobertis
State Police District 15 Captain Gregory Fritz
Chief of Physical Services John O'Brien
Chief of Legal Frank Howard
Deputy Chief of Legal Katie Nee
Real Estate Manager Ben Swislow
Controller Mark Swidergal
Administrative Assistant Trudy Steinhauser

Frank Howard briefed the Board on the current status of the sale of the old CA Building and presented Minutes of the Finance Committee Meeting. An item that came up was whether or not an interested party would consider depositing a non-refundable dollar amount with the Authority. Cousins stated they would forfeit their security deposit if they backed out. Everyone else said they wouldn't do it. The Board preferred the offer of TMK and directed Frank to send them a certified letter asking them for a \$250,000 non-refundable deposit.

Richard DeRobertis led a brief discussion regarding the Supplemental Pension Plan as it relates to pending union contract negotiations. Ralph Wehner then gave the background on how the Supplemental Plan came into effect and discussed some options to the Plan. He also stated that we would receive a written opinion from Katten Muchin in the near future.

Mr. Howard requested the Board dispense with the Executive Session Minutes until the Board Meeting next week.

There being no further business, a motion was made by Director Hanley, seconded by Director Neal, to go out of Executive Session.
Executive Session Minutes
July 21, 1994
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Chairman Garrow called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 12:10 A.M.

Minutes prepared by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On July 28, 1994, upon Motion of Director Banks and seconded by Director Neal, the Authority Board of Directors met in Executive Session at approximately 10:40 a.m. Those present were:

Director Arthur Philip, Acting Chairman
Director James Banks
Director Roger Claar
Director Calvin Covert
Director William Dugan
Director Thomas Fitzgibbon
Director Robert Neal

Executive Director Wehner
Secretary Agatha Kiefer
Controller Mark Swidergal
Chief of Legal Frank Howard
Deputy Chief of Legal Katie Nee
Administrative Assistant Trudy Steinhauser

Frank Howard apprised the Board that Copley News reported to the DuPage County State's Attorney that we were in apparent violation of the Open Meetings Act due to previous Executive Session regarding the Supplemental Pension Program discussion.

The Board of Directors reviewed the Executive Session Minutes. The Minutes of March 17, 1994 will be released to the public. All Minutes will be approved next month and from then on, on a monthly basis. In the future, Minutes will not be partially released. The Directors requested the Minutes be sent to them for a full review, before the next Meeting.

Mr. Howard then briefed the Board on the Fellion law suit and the sale of the Old CA Building.

There being no further business, a motion was made by Director Dugan, seconded by Director Neal, to go out of Executive Session.

Acting Chairman Philip called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:45 A.M.

Minutes prepared by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On August 25, 1994, upon Motion of Director Hanley and seconded by Director Covert, the Authority Board of Directors met in Executive Session at approximately 10:35 a.m. Those present were:

Chairman John P. Garrow
Director James Banks
Director Kirk Brown
Director Roger Claar
Director Cal Covert
Director William Dugan
Director Thomas Fitzgibbon
Director Thomas Hanley
Director Robert Neal
Director Arthur Philip

Executive Director Wehner
Secretary Agatha Kiefer
Chief of Finance Nicholas Jannite
Chief Engineer Kenneth Desmaretz
Chief of Administration Richard DeRobertis
Chief of Physical Services John O'Brien
Chief of Legal Frank Howard
Deputy Chief of Legal Katie Nee
Real Estate Manager Ben Swislow
Administrative Assistant Trudy Steinhauser

Frank Howard briefed the Board and handed out a two page explanation on the Colfax lawsuit. The Judge dismissed the case but Colfax will probably appeal.

Frank then explained that during the Engineering Committee Meeting, the Directors asked for information regarding the Tri-State Tollway. Specifically, the amount of parcels required, what has been acquired, and total right-of-way cost to date. This amount is approximately 13 million dollars. The revised projected amount is approximately 21 million dollars.

Frank also had hand-outs updating the Board on the sale of the old Central Administration Building. A summary was given on which companies will give a non-refundable deposit. There was also discussion on another piece of property, Meyers Road South, which is approximately 12 acres and received a bid of \$550,000.00.

There being no further business, a motion was made by Director Neal, seconded by Director Banks, to go out of Executive Session.

Executive Session Minutes
August 25, 1994
Page Two

Chairman Garrow called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:27 A.M.

Minutes prepared by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On November 10, 1994, upon Motion of Director Hanley and seconded by Director Dugan, the Authority Board of Directors met in Executive Session at approximately 10:36 a.m. Those present were:

Chairman John P. Garrow
Director James Banks
Director Kirk Brown
Director Cal Covert
Director William Dugan
Director Thomas Fitzgibbon
Director Thomas Hanley - left meeting at 10:50 a.m.
Director Arthur Philip

Executive Director Wehner
Chief of Finance Nicholas Jannite
Chief Engineer Kenneth Desmaretz
Chief of Administration Richard DeRobertis
State Police District 15 Captain Gregory Fritz
Chief of Physical Services John O'Brien
Chief of Legal Frank Howard
Administrative Assistant Trudy Steinhauser

Frank Howard briefed the Board on the Colfax lawsuit. The contract was not awarded to Colfax and they sued us in Federal Court. Bell, Boyd & Lloyd are representing the Authority in this case. All State and Federal Courts dismissed the case. They filed a Motion to Reconsider with an Amended Complaint. We're waiting for Judge Hart's ruling on this.

Ed Hogan, our outside counsel on this case is here today. Ed said possible settlement would have to be talked about. At least 2 of the 4 parties are willing to see if we can settle this now. Frank said he would like to see if there's some type of settlement that is reasonable. He'll report back to the Board next month.

Frank then briefed the Board on discussion had at the Finance Committee Meeting held earlier this morning with regard to the Supplemental Pension Plan.

Frank then passed out an updated sheet with the top five companies listed who are interested in the old Central Administration Building site. Ben Swislow will send a letter asking for final and best offers to be in to us by next Thursday. We will vote on this at the Board Meeting.

Executive Session Minutes
November 10, 1994
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There was also discussion on the property across the street from Waste Management. It was appraised at a half million dollars and that is what we have been offered. We will advertise for 30 days and if nothing happens, we'll go with the offer we have.

The Directors then had a brief discussion on the Authority's proposed Code of Ethics.

There being no further business, a motion was made by Director Banks, seconded by Director Dugan, to go out of Executive Session.

Chairman Garrow called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:00 a.m.

Minutes prepared by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On November 17, 1994, upon Motion of Director Philip and seconded by Director Banks, the Authority Board of Directors met in Executive Session at approximately 10:25 a.m. Those present were:

Chairman John P. Garrow
Director James Banks
Director Kirk Brown
Director Roger Claar
Director William Dugan
Director Thomas Fitzgibbon
Director Robert Neal
Director Arthur Philip

Executive Director Wehner
Chief Counsel Frank Howard
Deputy Chief Counsel Katie Nee
Manager of Real Estate Ben Swislow
Administrative Assistant Trudy Steinhauser
Administrative Assistant Sue Cruse

Frank Howard stated that at the Finance Committee Meeting last week, he presented to the Committee members all the updated letters, proposals, etc. from interested parties for the old CA property. We gave a final and best offer letter to 5 of the interested parties. Ben Swislow faxed and mailed these letters and they were due back to us by 4:30 P.M. Tuesday. Each of these individuals asked that if they did not get the bid if we would keep their bids confidential.

It was asked whether this could be done in Executive Session or if it should be done during the Regular Meeting. Frank stated that this is a financially sensitive issue and therefore is exempt from the Open Meetings Act.

Executive Director Ralph Wehner then opened the sealed envelopes. The bids came in as follows:

| | |
|---------------|-----------------|
| TMK | \$11,761,000.00 |
| Homart | \$11,405,000.00 |
| WPI | \$ 9,500,000.00 |
| Cousins | \$10,700,000.00 |
| Benn Builders | \$10,500,000.00 |

There being no further business, a motion was made by Director Neal, seconded by Director Fitzgibbon, to go out of Executive Session.

Executive Session Minutes
November 17, 1994
Page Two

Chairman Garrow called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 10:40 a.m.

Minutes prepared by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On December 8, 1994, upon Motion of Director Neal and seconded by Director Claar, the Authority Board of Directors met in Executive Session at approximately 10:49 a.m. Those present were:

Chairman John P. Garrow
Director James Banks
Director Roger Claar
Director Thomas Fitzgibbon
Director Robert Neal
Director Arthur Philip

Executive Director Wehner
Chief of Finance & Administration Nicholas Jannite
Chief Engineer Kenneth Desmaretz
Chief Counsel Frank Howard
Deputy Chief Counsel Katie Nee
Administrative Assistant Trudy Steinhauser
Administrative Assistant Sue Cruse

Nick Jannite briefed the Board on Union negotiations with Local 73. Normally there are 3 bargaining groups but we're negotiating them all at the same time; toll collection, custodians and clerks and money room employees. This covers approximately 1,000 employees.

Two of the important issues covered were a non lay-off clause and a "me too" clause. They were reluctant to have a non lay-off clause. We told them we have no intention of having a lay-off. The "me too" clause is one we had in the contracts last year. Local 73 felt they were not getting as good a deal as Local 726 so they had this clause put into their contract. If we settled for more with Local 726, Local 73 could re-open their contract. We tried to get that out this year but couldn't. What we did do was, the clause will stay in but we tied it strictly to wages and not benefits also. The increase they get will be equal to or greater than what 726 gets.

Toll collectors start at \$9.25 and top off at \$12.72; clerks and warehouse workers' minimum pay is \$10.96 and the top rate is \$13.80; custodians start at \$9.30 and top off at \$12.88; the Money Room starts at \$10.85 and the top is \$12.62. These are salaries before the 45 cent increase. The weighted average rate of pay is \$12.48 for all categories.

We agreed to provide life insurance for those employees who don't work an 8 hour shift. We will provide this coverage after 1 year.

Executive Session Minutes
December 8, 1994
Page Two

We agreed to increase mileage. We will pay the state rate of 29 cents per mile. We currently pay 24 cents per mile.

The total cost of all the groups together, taking into account FICA, social security, workman's compensation, pension, dental, etc., is approximately a 4.53% increase. This also includes an inflation factor of 7% on our health insurance.

Wages will be increased the first year at a cost of \$1,700,000; \$1,600,000 the second year and \$1,700,000 the third year. This will be brought to the union for ratification during the week of December 15.

Frank Howard then discussed the Supreme Court decision on The Illinois State Toll Highway Authority vs. American National Bank. They ruled in our favor in regard to the North-South Tollway Project. It went to Jury and the issue that came up was whether or not the benefits of the North-South Tollway being built by Roosevelt Road off-set any of the damages. Rudnick & Wolf is handling this case. We deposited the money yesterday. We had an amount of \$603,571.00 as Final Compensation and we're questioning the \$176,300 Preliminary Just Compensation. This is in question because it is the amount that is requested for damages. This litigation is still pending.

Frank then briefed the Board on ISTHA vs. Heritage Standard Bank & Trust Co. We tried the case and the Jury said we must pay Final Just Compensation in the amount of \$670,750.00. The Preliminary Just Compensation which we deposited was \$2,486,500.00. The owner was instructed to refund us \$1,815,750.00. The owner is filing a Petition for a Re-Hearing to the Supreme Court. The Supreme Court also ordered that interest on the excess amount be paid from 1/17/92 until now.

Frank then briefed the Board on the Kenessey parking lot lease. Mr. Kenessey wants to buy the property from us. The appraised value is \$50,000.00. Kenessey has offered \$40,000.00. We should sell this property because the underlying liability is a major problem. Some of the parking lot is also owned by IDOT.

Frank then briefed the Board on another pending litigation. The Alter Group, ISTHA, NI-Gas, Downers Grove and Hamilton Partners are all involved in this litigation with regard to Lacey and

Finley Roads.

We relocated NI-Gas on Alter property without an agreement. Our outside Counsel, Don Glickman, did a legal analysis and he said we have exposure for the trespass by NI-Gas and the trespass and
Executive Session Minutes
December 8, 1994
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disturbance of Lacey Creek. Alter denies he gave us permission to go on his property and change it.

We have never received a Right-of-Entry Agreement in writing, so we have been trespassing since 1987. We have a claim against Hamilton Partners because Lacey Road is on our property. NI-Gas wants \$44,000 from us because we said in the agreement that if they incurred legal expenses, we would pay for them.

It was decided to take one point at a time. We can negotiate with NI-GAS, take care of Alter on Lacey Road and then deal with Hamilton. Alter is going to Court in January.

Frank, Katie and Ken were excused from the meeting.

Director Claar asked when Frank's last day was and what, in regard to vacation time, sick time, pension, etc., he would be getting.

Ralph responded that Monday was his last day and he would get any unused vacation or sick time but he is not vested in the Pension Plan.

There being no further business, a motion was made by Director Neal, seconded by Director Claar, to go out of Executive Session.

Chairman Garrow called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 12:20 p.m.

Minutes prepared by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On January 18, 1995, upon Motion of Director Neal and seconded by Director Claar, the Authority Board of Directors met in Executive Session at approximately 10:50 a.m. Those present were:

Director James Banks
Director Kirk Brown
Director Roger Claar
Director Thomas Fitzgibbon
Director Robert Neal
Director Arthur Philip

Executive Director Wehner
Chief of Finance & Administration Nicholas Jannite
Chief Engineer Kenneth Desmaretz
Acting Chief Counsel Katie Nee
Administrative Assistant Trudy Steinhauser

Ms. Nee briefed the Board on TMK's purchase of the old CA Building site. The purchase price authorized was \$11,761,000. The contingencies were that they would put up \$250,000 in escrow and over a period of time, \$135,000 of that money would become part of a non-refundable amount. The representations made by the Authority to Orix, and other potential purchasers, was that this was a clean site. The issues right now concern the environmental condition of the property.

Ms. Nee and Ken Desmaretz then gave background on the Costco sale. The Authority and Costco were going to put up money for environmental clean-up. Costco directed the clean-up effort and the Authority has now inherited what Costco did. Costco intended to remediate what was necessary on what they knew from our use of the property and what they planned on doing with the property. They never did a Phase I study which is reviewing historical records, or a Phase II environmental study which is when you do soil borings, grids, etc. We know Kodak could be contaminated and it appears that Costco never investigated that part of our property.

When Costco did the demolition of the building, they found pilings which were the foundation of the original building. They're approximately 30 feet long. Costco decided they wouldn't impact their construction plans, so they were never removed. Their environmental consultants opinion was that these pilings do not create an environmental problem with the soil and therefore, would not need to be taken out.

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Ken stated that he had some reservations about that opinion. The estimated cost to pull these pilings back up would be approximately \$150,000. There are 180 pilings and being that they're that long, they would probably splinter and then you're talking about excavating the whole area.

Katie went on by saying that the negotiations with TMK began with them wanting a full indemnity. We said we couldn't give them a full indemnity. We don't have any reports concerning potential contamination from Kodak. TMK wants all our environmental reports. We agreed to give them this if they would sign a confidentiality agreement.

The deal, as proposed, would be that the Authority would be responsible for any remediation associated with the pilings. This would be for actionable conditions. TMK has 120 days to do their environmental investigation of the site. At day 120, if they find anything, they have to put together a report with an environmental consultant which we will be involved in to determine the estimated cost of any remediation. If it's under \$500,000, they have to go forward with the deal. If costs are more than \$500,000, they have the option of backing out of the deal, leaving whatever hard money is on the table. They would lose about \$50,000. Of the \$500,000, they want us to put up \$250,000 and they will put up \$250,000, the cost to be charged against each party, dollar for dollar. TMK will take the property in an "as is" condition and we are attempting to negotiate with them an indemnity of the Tollway.

It changes the original deal by a \$250,000 additional cost by the Authority. Monies cannot be withdrawn to pay for anything without the signature of both parties.

Ken recommended that we have our own consultants this time to advise us on what was done and what share of the cost is the Authority's.

Katie explained that we have three additional costs: \$250,000 to be placed in escrow; an unknown cost concerning the removal of the pilings; and any related costs associated with environmental engineering consulting services. TMK will have their own environmental consultant.

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Directors Neal and Claar said they never heard of an environmental study being done without doing a Phase I and Phase II.

Ken Desmaretz then gave a brief history of the leaking storage tanks. TMK plans on putting their detention under ground.

Katie said this deal is different from Costco wherein we are not giving up control of the site like we did before. No remediation will be done until after Closing. She again stated that the pilings are our responsibility if it's actionable. This means if it is an environmental hazard. In order for anything to be our responsibility, it has to be an actionable condition now. If TMK makes it actionable, it is their problem.

TMK has filed all of their zoning documents and are on the agenda for the Planning Commission Meeting in February.

Director Claar stated that this project wasn't just Bob Hickman or Frank Howard. He wanted to know why the Engineering staff didn't look at the reports when we got them here and see that the site wasn't clean.

Director Brown asked how we decided it was a clean site. Who oversaw the job.

Ken Desmaretz stated that no one from Engineering was ever at the site.

Director Claar asked who the documents came back to. It was stated that Legal has the documents. Katie said they had the compiled reports but no back-up as yet. Some back-up is with Bollinger Lach, some with Air Safety and some with United Analytical. Everyone has some documents. They forwarded all of the reports which were also forwarded to the IEPA. IEPA gave us a no further action letter which only goes to the LUST.

Ken asked if the Phase II report from TMK's consultants came back different than ours if they could get out of the deal. Katie said no. The \$500,000 is for remediation which is required by the IEPA. We will only pay costs associated with minimum levels of remediation which are required by the IEPA up to \$250,000.

Katie said she feels that TMK wants to renegotiate the contract, not get out of it. She thinks they want some built in "outs" in the agreement.

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The Directors said to do the Phase I and Phase II studies. Katie should go ahead and finalize this agreement and the Board will ratify it at the Special Board Meeting to be held on February 9.

Katie then briefed the Board on the Meyers Road South property. This property is currently zoned as residential. The direction from the November Engineering Committee Meeting was to advertise in the paper that this property was for sale. Shannon and Associates made an offer on this property in the past.

We advertised for 4 days, statewide, in the Tribune. We received a number of inquiries. Subsequent to these inquiries, we asked all interested parties for a sealed bid. We received 5 envelopes. The direction at the Operations Meeting was that we would open the bids and decide then. The appraised value of this property is \$500,000. Director Philip then gave a little background on this property.

Ralph opened the sealed bids and they were as follows:

J. Mark Mayernik - \$100,000.00

LNS Management and Financial Consultants - \$200,000.00

Kenneth Engs - \$450,000.00 with Phase I Environmental Study

Oak Brook Park District - They will pay appraised value in March

Brian J. Mulhern, Attorney - \$550,000.00 with a contingency if they get either the zoning they want with the County which was more dense or the zoning they want with Oak Brook. (Mr. Mulhern represents Shannon).

Director Claar stated he would rather sell to the Oak Brook Park District for \$500,000 because Shannon will tie everything up for many months.

Ralph stated that we should clarify the appraisal on this property. This will be brought back to the Board at the February Operations Meeting and decided at that time.

Katie then briefed the Board on the Diaz litigation. Mr. Diaz was suspected of using and selling drugs on Tollway property. He was never caught in the act, but based on information given by informants, he was terminated. The problem is proving our grounds for termination. The informants will not testify and we don't have any direct evidence.

The recommendation by the Federal Magistrate was to settle for \$40,000. The Plaintiff will accept this settlement. I recommend the Board authorize settlement of this case.

Director Fitzgibbon asked if Mr. Diaz was a union member and if so, if everything was done legally. What does his Personnel file reveal. How could we fire him if we didn't have any proof.

Director Claar asked where the responsibility of staff is in this organization. Mr. DeRobertis was called to give some information on Diaz.

Mr. DeRobertis gave background on his recollection of what happened. Other employees told us that they had seen Mr. Diaz sell drugs on Authority property. We wanted to honor their confidentiality and never revealed their names. The State Police sent dogs but they never came up with any drugs. One informant stated he had drugs and said who he bought them from. Some suspensions were reversed.

Katie stated that the EEOC Statute is over. Some of these employees may have a direct claim still available to them. There are two other employees who were also fired.

Director Fitzgibbon stated that the internal procedure should be reviewed on how we fire people in this type of situation.

The Board directed Katie to give a full report on this case at the February 9th Meeting.

Mr. Nick Jannite then briefed the Board on contract negotiations with the Telecommunicators. There are currently 19 people covered by this contract. The wages would go from \$29,000 to \$36,000 on the high side. Some employees may get a salary increase of 20 to 22% where others might get 5%. This is to bring everyone in line.

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The Telecommunicators asked for a 36% increase over a 3 year period. We presented 12% over 3 years and they are contemplating

this. This slightly under what Local 73 received.

This contract includes some fringes. Overall, our employees in the Telecommunicators Department are better paid than most others. We did check prevailing rates.

Director Claar asked what it is that Nick wants. Nick will continue negotiating.

Mr. Wehner then reminded everyone that there will be a Special Board Meeting held on February 9.

There being no further business, Director Fitzgibbon moved to go out of Executive Session; seconded by Director Claar.

Meeting adjourned at approximately 12:45 P.M.

Minutes prepared by _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On February 9, 1995 upon Motion of Director Neal and seconded by Director Hanley, the Authority Board of Directors met in Executive Session at approximately 10:50 a.m. Those present were:

Acting Chairman Arthur Philip
Director James Banks
Director Kirk Brown
Director Roger Claar
Director Thomas Fitzgibbon
Director Thomas Hanley
Director Robert Neal

Executive Director Wehner
Chief Engineer Kenneth Desmaretz
Chief of Operational Services Richard DeRobertis
Acting Chief Counsel Katie Nee
Administrative Assistant Trudy Steinhauser
Administrative Assistant Sue Cruse
Engineering Maintenance Manager John Benda
Outside Counsel Malcolm Erickson

Ms. Nee briefed the Board on the discrimination law suit with Arcadio Diaz.

He was terminated on November 22, 1989 but events began about a year prior, in the fall of 1988. Another Authority employee came to John Benda and advised him, confidentially, that there was a drug problem at the M2 facility and that a number of accidents that had been occurring there might not be so accidental.

John Benda met with Mark Hillier, Chief Engineer, who in turn discussed it with District 15 to see if this information was accurate. One of the things District 15 did was to place an undercover person at M2 to see what type of evidence he could get. He was not a trained law enforcement officer, he was a civilian. He confirmed the suspicions but didn't get any hard evidence.

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District 15 thought we needed a trained law enforcement officer out there. They put a trooper at M2 as a maintenance worker. This took place the summer of 1989.

The Engineering Department consulted with the Legal Department to see how to go about getting rid of this individual. Engineering was told that they would need two (2) sources to say he was selling drugs or would have to catch him in the act of selling drugs.

While the trooper is at M2, another employee who was terminated, pulled a knife on the undercover trooper. He suggested that he knew this guy was a snitch. In a sense, the undercover scenario is blown.

In the fall of 1989, Benda receives another confidential letter from an employee outlying the drug sales. We have also received information that drug sales appear to be higher during the winter months.

We decided to do a surprise drug inspection with District 15. Immediately prior to the inspection, the union is called and are on-site during the inspection. They didn't find anything at that time but the dogs did "hits" which means there probably were drugs at one time. A total of 7 or 8 employees were interviewed regarding what was going on. One employee confessed using drugs and getting them from Diaz.

We interviewed Diaz and he was uncooperative. He said he couldn't understand or speak English. He denied knowing one of his fellow employees who he rode to work with every day. After all the employees were interviewed, the Authority and District 15 met with the Legal Department to assess the information and develop strategy on what course of action to take. It was recommended that Diaz be terminated because of drug sales, use and possession.

Director Fitzgibbon stated he didn't know how we could fire anyone on these grounds since none of them were proven.

Mr. Benda stated that Diaz was fired because of information provided by other employees who provided written information. They have not refused to testify but would rather not because they fear for their safety and the safety of their family.

Mr. Benda went on to say that Diaz would pass out small quantities of drugs to people so they would then do favors for him.

Three employees were terminated. One for intimidation of an employee, one was in violation of his contract, no show, no call and no drivers license, and Diaz's termination was drug related. His work record is clean. He was terminated for drug use and sale.

In 1990 Diaz filed a lawsuit with the EEOC stating discrimination of civil rights. His Title 7 action is the only thing that wasn't dismissed. In 1992 he filed another lawsuit. In 1993 Discovery starts. The Court wants to know who told on Diaz. The Authority personnel had a meeting to discuss what we should do. We decided to protect our employees.

Benda contacted the employees to discuss if they would talk. Both employees said they would not refuse to cooperate but they were scared.

Mr. DeRobertis stated that if we decided to tell who these employees were, we wouldn't get cooperation from employees in the future. We brought to Court a Motion for Protection Order that these people were kept anonymous. The Court said it would allow us to keep these people secret, however, we cannot bring these people to testify on our behalf. That's where we're at today.

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We have Discovery to do yet and there are 17 deposition notices. There are also significant pre-trial motions. A pre-trial order in Federal Court takes a lot of time.

We see a potential of estimated costs in the range of 17 to 25 thousand dollars in fees which we will probably incur from today to the date of trial. To this you can add another 15 to 20 thousand dollars of costs of trial.

Statute of Limitations has expired on all the other employees who were terminated. Under their contract though, there is still time for them to file a lawsuit.

The first person put in as a decoy was a drug user.

Mal stated that he feels we have a 40% chance of winning, 60% chance of losing. If we do not win, one of the remedies is reinstatement of Diaz which would mean all back pay. We don't have to prove he had the drugs.

Director Hanley asked if we did drug testing. Mal responded that in 1989 the whole area of drug testing was in a state of flux. There was some uncertainty of what we could do.

We have two ways to go on this. Go to court or give him \$40,000. In the Settlement Agreement Mal has drafted a provision that he would lose the settlement if he told anyone what he received.

Director Claar stated that if we didn't have the evidence to charge him with drug use or sale, we should have fired him for some other reason.

Ms. Nee was given instruction by the Board to pay Diaz the \$40,000. The Board will vote on this next week.

At this time John Benda, Richard DeRobertis and Malcolm Erickson left the meeting.

Ms. Nee continued by briefing the Board on the Meyers Road South parcel which is located on the south side of I-88 just west of Meyers Road. The Legal Department followed up with the Oak Brook Park District concerning their offer based on the appraised value. We weren't sure what appraised value they were referring to. They would be willing to pay the appraised price of \$800,000 which Ward Fleming had done a few years ago.

Director Philip stated he had talked to someone at the Park Board and he didn't know anything about buying this property. The Park District cannot sell property, so what we think might be happening is the Park District would purchase this property and then trade it to McDonalds for another piece of property. This could take a considerable amount of time. We wouldn't really be selling this property to the Park District, we would be selling it to McDonalds.

Director Neal suggested we contact Shannon and if he dropped the zoning contingency, we should go with him.

The Board directed Katie to send out another letter asking for the best price with no contingencies. This should also be advertised in the newspapers.

Katie then briefed the Board on the sale of the old CA property to ORIX/TMK. We will monitor the environmental clean-up. Our environmental expert is Environmental Specialist. To do the minimum work needed and to review all of the work is estimated to cost \$15,000. This doesn't include taking out the pilings.

There being no further business, Director Hanley moved to go out of Executive Session; seconded by Director Neal.

Meeting adjourned at approximately 11:45 a.m.

Minutes prepared by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On February 16, 1995 upon Motion of Director Hanley and seconded by Director Dugan, the Authority Board of Directors met in Executive Session at approximately 10:45 a.m. Those present were:

Chairman John P. Garrow
Director James Banks
Director Roger Claar
Director William Dugan
Director Thomas Hanley
Director Robert Neal
Director Arthur Philip

Executive Director Wehner
Chief Engineer Kenneth Desmaretz
Acting Chief Counsel Katie Nee
Administrative Assistant Trudy Steinhauser
Administrative Assistant Sue Cruse

Ms. Nee briefed the Board on the issuance of permits to MFS to install fiber optic cable under tollway property. This would be for telephone cables and does not compete with our plans for a fiber optic system. We have provided permits to Ameritech and therefore, MFS feels we are discriminating against them.

MFS has the right to go up to our right-of-way. They also have the condemnation right to go under our property with 10 days notice. They are a public utility and have requested to bore under our land. They want a permit to cross our right-of-way.

Ken Desmaretz stated that based on the information we have, we should not deny the permit. Katie said we could deny it but we might get into a lawsuit. We might be able to hold them up in court for approximately 30 days.

Director Claar stated that if we go back to bid on fiber optics in April, MFS could go on line immediately. They could lease to other companies. It would be to our advantage if they were our contractor.

There being no further business, Director Neal made a motion to come out of Executive Session; seconded by Director Philip.

Meeting adjourned at approximately 11:05 a.m.

Minutes prepared by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On March 23, 1995 upon Motion of Director Neal and seconded by Director Hanley, the Authority Board of Directors met in Executive Session at approximately 10:55 a.m. Those present were:

Chairman John P. Garrow
Director James Banks
Director Roger Claar
Director William Dugan
Director Thomas Hanley
Director Robert Neal
Director Arthur Philip

Executive Director Wehner
Chief Engineer Kenneth Desmaretz
Acting Chief Counsel Katie Nee
Administrative Assistant Trudy Steinhauser
Administrative Assistant Sue Cruse
Senior Staff Attorney, Algirdes Ambutas
Mr. Phil O'Conner, Palmer Bellview
Mr. Dennis Gallatino, Coffield, Ungaretti & Harris

Ms. Nee stated that in February, Legal was directed to provide an analysis of MFS permit requests and their claims of litigation if the permits were denied. The preliminary analysis was sent to all Directors. Legal negotiated a temporary stay with MFS. They will not act on their threat until after the March Board Meeting.

MFS has sent another letter saying that if the permits are not granted at the March Board Meeting, they will start putting in their cable. Under Illinois law, MFS is a telephone company and they have the ability to use extraordinary eminent domain powers to access tollway right-of-way without ever going into court first. They have to issue a 10 day notice letter to let us know that they will be on our property to do their work. They are regulated by the Illinois Commerce Commission.

Director Dugan asked if they were allowed on our property even if they used outside contractors. Ms. Nee stated they were and went on to say that we could deny for public health reasons, safety, or interference of the use of a public highway as a road. We might be able to stop them by trying to fit something into one of these categories.

Ms. Nee then stated that we could say we denied the permits because they would have an unfair competitive advantage. We would have to prove that the granting of these permits would, in fact, give them an unfair competitive advantage. The types of evidence

we would need to establish this would be evidence such as who are all of the competitors in this market, what types of services there are, and we would have to compare figures from not only MFS, but from all potential competitors. How do we get the information from the competitors? We have some subpoena power but we probably wouldn't get the latitude from the Judge. The bottom line is that this would be extremely costly and almost impossible to establish.

Director Claar asked if we got counsel from either Jim Montana or Jim Ryan. He has a great concern that they were low bidder because of the advantage. Ms. Nee stated that she thought the Attorney General's Office would give us an opinion.

Ms. Nee then briefed the Board on the Meyers Road South property. We re-bid for a price of \$500,000 with no contingencies. We would also like to put a draft contract in with the bid package. Because of the sewer problem we may not get any bids back. We could give a permit for a sewer contingency. Director Neal stated there would be no contingencies.

There being no further business, Director Dugan moved to adjourn; seconded by Director Neal.

Meeting adjourned at approximately 11:45 a.m.

Minutes prepared by _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On April 27, 1995 upon Motion of Director Hanley and seconded by Director Neal, the Authority Board of Directors met in Executive Session at approximately 10:26 a.m. Those present were:

Chairman John P. Garrow
Director James Banks
Director Roger Claar
Director Thomas Hanley
Director Robert Neal
Director Arthur Philip

Executive Director Ralph Wehner
Chief Engineer Kenneth Desmaretz
Acting Chief Counsel Katie Nee
Administrative Assistant Trudy Steinhauser
Administrative Assistant Sue Cruse

Ms. Nee stated that the Meyers Road property was advertised for sale previously and we advertised a second time with a bid package per the Authority's Purchasing Department. The bids were opened Tuesday afternoon at 2:00. We received two bids. One was from Shannon & Associates for \$579,000. The appraised value is \$500,000. There was a two year old appraisal for \$800,000.

The second offer, from the Park District, is non-responsive because it's not an offer. They said they will give us an offer in the future for \$800,000. Therefore, the bid from Shannon & Associates for \$579,000 is accepted.

Ms. Nee went on to say that we need to put out a press release that the Park District said they would pay \$800,000 if that was confirmed by a new appraisal. The Purchasing Department writes down the number they see which was \$800,000. They were not aware that it was based on a new appraisal.

Director Neal said Katie should go back to Purchasing and have them put an asterisk saying see letter attached. Our records should reflect that the Park District was willing to pay the appraised value which is now \$500,000. Make sure it says they will pay \$800,000 only if the current appraisal says that.

Ms. Nee then told the Board that the contract for the sale of the old CA Building has been signed. She also stated that the Fallion case, with regard to the Supplemental Pension Plan, is still on-

going.

There being no further business, Director Neal moved to go back into regular session; seconded by Director Hanley.

Meeting adjourned at approximately 10:50 a.m.

Minutes prepared by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On May 18, 1995 upon Motion of Director Claar and seconded by Director Dugan, the Authority Board of Directors met in Executive Session at approximately 11:00 a.m. Those present were:

Chairman John P. Garrow
Director James Banks
Director Kirk Brown
Director Roger Claar
Director Julian D'Esposito
Director William Dugan
Director Thomas Fitzgibbon
Director Robert Neal
Director Arthur Philip

Executive Director Ralph Wehner
Chief of Operational Services, Richard DeRobertis
Acting Chief Counsel Katie Nee
Administrative Assistant Trudy Steinhauser

Mr. DeRobertis briefed the Board on the negotiations with the Telecommunicators. There are approximately 17 people under this contract who belong to the Metropolitan Alliance of Police Union. They have agreed to a 3 year contract which is effective from May 1, 1995 through April 30, 1998. The costs over all are about 4.2% per year. Salaries range from approximately \$21,000 to \$36,000 so some people will get a little more money than others. They are also the only group that has not received the state employee retirement pick-up. Effective January 1 the Authority will pick up this retirement.

Since July of 1994, there have been 17 meetings with this group. A Federal Mediator sat in during the last 2 meetings and it seems progress was made. They said they would accept this contract.

It was decided by the Board that Mr. DeRobertis should go forth and finalize this agreement.

There being no further business, Director Neal moved to adjourn; seconded by Director Dugan.

Meeting adjourned at approximately 11:15 a.m.

Minutes prepared by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On June 29, 1995 upon Motion of Director D'Esposito and seconded by Director Neal, the Authority Board of Directors met in Executive Session at approximately 1:30 p.m. A roll call vote was taken and their being "Ayes" and no "Nays" the motion was carried. Those present were:

Chairman John P. Garrow
Director James Banks
Director Roger Claar
Director Julian D'Esposito
Director Thomas Fitzgibbon
Director Robert Neal
Director Arthur Philip

Executive Director Ralph Wehner
Chief of Legal George Sotos
Administrative Assistant Sue Cruse
Administrative Assistant Trudy Steinhauser

Executive Director Ralph Wehner briefed the Board on a law suit filed by Sari Mintz against the Authority. She alleges we didn't consider her for the promotion to Press Secretary which we gave to Dave Loveday. We received the law suit about two weeks ago from the EEOC. We have 35 days in which to answer, which puts us at July 17. She filed in both the Federal and State Court.

Mr. Wehner then briefed the Board on Sari and the cat problems. Last May Sari asked him if she could attend the Public Relations Seminar in Washington D.C. About May 12 it was approved and signed by Mr. Wehner, that she leave Saturday, June 24 and return on Wednesday, June 28. On Wednesday, June 21, Sari called Ralph and said she would still go to the conference, even though the cat problems had started. On Monday, June 26, we had two letters faxed to Washington; one to the hotel and one to IBTTA. We checked and she was not at the hotel. About 7:45, the hotel called Ralph and said she was not there but she was registered.

At about 5:30 p.m., the Chairman received a call from Andy Foster of the Governor's Office. We tried to check the airline to see if the tickets were used. The letter we sent to Sari said you need to return to work by 8:30 Wednesday morning, June 28 and report to Ralph. At 8:55 a.m. Wednesday, Sari called Ralph and said that she did not attend the conference in Washington, and that she was taking Thursday and Friday off. She had to appear in Court on Wednesday afternoon and again this morning. Ralph then said

George Sotos would proceed.

Mr. Sotos reported that in Court this morning Sari made some attempt to dispose of the animal but her finance', Tom Harmon, is now saying he is the owner. Judge Wheaton said Sari did everything that was requested of her so this part is closed. She would not be held in contempt and she would be released from these proceedings.

Ralph then continued by telling the Board that Sari went to Iowa this morning, where the cat is being held, to have the cat destroyed. When she arrived, there was a fax from Tom's attorney saying that Tom is the owner.

Ralph went on to say that Sari would not be back to work until July 5. She has been suspended for the two days she was suppose to be in Washington. She will also reimburse the Authority for all expenses. It will be made clear to her she will have nothing to do with Public Relations or the media. She cannot deal with the public. If we fire her she'll probably add that to the law suit. They can say that her only mistake was using bad judgment.

There being no further business, a roll call vote was taken to adjourn. There being "Ayes" and no "Nays", the meeting adjourned at approximately 2:05 p.m.

Minutes prepared by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On August 24, 1995 upon Motion of Director Neal and seconded by Director Hanley, the Authority Board of Directors met in Executive Session at approximately 2:10 p.m. The Assistant Secretary called the roll and their being "Ayes" and no "Nays" the motion was carried. Those present were:

Chairman John P. Garrow
Director James Banks
Director Roger Claar
Director Julian D'Esposito, Jr.
Director William Dugan
Director Thomas Fitzgibbon
Director Thomas Hanley
Director Robert Neal
Director Arthur Philip

Executive Director Ralph Wehner
Chief of Legal George Sotos
Chief of Engineering Ken Desmaretz
Assistant Chief of Legal Katie Nee
Administrative Assistant Sue Cruse
Administrative Assistant Trudy Steinhauser

Mr. George Sotos briefed the Board on the sale of the old CA property. Since the last meeting, we have resolved the matter where there will, hopefully, be no liability to the Authority. Also, upon direction from the Board, the Authority will pay between \$300,000 and \$500,000 to clean-up the site. The pilings and contaminated soil will be removed. The time period of 180 days, wherein the purchaser could come back with more problems, has been removed from the contract. Our estimate of future expense in this matter is minimal. Once the closing takes place, the Authority will be out of any future claims by the purchaser.

The amount of money to be put in escrow is \$390,000.01. This escrow can only be used for the removal of the pilings and the clean-up of the contaminated soil. Ms. Nee stated that the money can stay in escrow forever. If the clean-up costs \$200,000.00, ORIX still gets all the money. The amount which we will be getting for the sale of this property is \$11,370,999.99.

Mr. Sotos asked the Board to approve this agreement as part of the original sales contract. It will be voted on at the next Board Meeting.

Mr. Ken Desmaretz then asked the Board to approve a resolution to appraise property on the Northwest Tollway for a proposed new oasis site. He explained that the Des Plaines Oasis is in the way of the proposed O'Hare By-Pass and would have to be moved.

As part of the oasis study, a good location for a new oasis, once the By-Pass is in, would be somewhere west of Route 53 along I-90. The Engineering Department looked at possible sites for a new facility and would like to buy property now, and reserve it for if and when the By-Pass gets constructed. This way, we will already have a place to move the Des Plaines Oasis.

This resolution would give us authority to appraise property for the new oasis.

Director Philip thought it would be a very good idea to purchase the property now while it's still cornfields. The Board will vote on this at the next Regular Meeting.

There being no further business, Director Neal motioned to adjourn; seconded by Director D'Esposito. A roll call vote was taken, and there being "Ayes" and no "Nays", the meeting adjourned at approximately 2:28 p.m.

Minutes prepared by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On October 19, 1995 upon Motion of Director Neal and seconded by Director Hanley, the Authority Board of Directors met in Executive Session at approximately 2:27 p.m. The Assistant Secretary called the roll and their being "Ayes" and no "Nays" the motion was carried. Those present were:

Chairman Julian C. D'Esposito, Jr.
Director James Banks
Director William Dugan
Director Thomas Fitzgibbon
Director Thomas Hanley
Director Robert Neal
Director Arthur Philip

Executive Director Ralph Wehner
Chief of Legal George Sotos
Chief of Finance & Administration Nick Jannite
Chief of Operational Services Richard DeRobertis
Administrative Assistant Sue Cruse
Administrative Assistant Trudy Steinhauser

Mr. Nicholas Jannite briefed the Board on the union negotiations with the State and Municipal Teamsters and Chauffeurs Union.

After outlining what the Union is asking for in terms of salary and benefits, Mr. Jannite requested authorization to extend the current contract by 6 months and to offer retroactive pay to the union employees.

There being no further business, Director Neal motioned to adjourn; seconded by Director Dugan. A roll call vote was taken, and there being "Ayes" and no "Nays", the meeting adjourned at approximately 2:53 p.m.

Minutes prepared by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On October 26, 1995 upon Motion of Director Philip and seconded by Director Banks, the Authority Board of Directors met in Executive Session at approximately 2:05 p.m. to discuss pending litigation. The Assistant Secretary called the roll and their being "Ayes" and no "Nays" the motion was carried. Those present were:

Chairman Julian C. D'Esposito, Jr.
Director James Banks
Director Roger Claar
Director Thomas Fitzgibbon
Director Thomas Hanley
Director Robert Neal
Director Arthur Philip

Executive Director Ralph Wehner
Chief of Legal George Sotos
Chief Engineer Ken Desmaretz
Administrative Assistant Trudy Steinhauser

Mr. George Sotos briefed the Board on the background of the litigation entitled LaSalle National Bank v. Thomas H. Morsch, Jr. et al. 91 MR 0074.

We have reached a settlement with everyone involved except NI-Gas. Their claims against us will be studied. We will pay \$341,000 to Alter and receive the easement where the NI-Gas lines were moved.

After much discussion by the Board, Chairman D'Esposito requested we hold this resolution until next month and that it be brought to the Board at the Operations Meeting of 11/9/95 for further discussion.

There being no further business, Director Claar motioned to adjourn; seconded by Director Hanley. A roll call vote was taken, and there being "Ayes" and no "Nays", the meeting adjourned at approximately 2:25 p.m.

Minutes prepared by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On December 14, 1995 upon Motion of Director Dugan and seconded by Director Claar, the Authority Board of Directors met in Executive Session at approximately 11:50 a.m. to discuss pending litigation. The Chief Counsel called the roll and their being "Ayes" and no "Nays" declared the motion carried. Those present were:

Chairman Julian C. D'Esposito, Jr.
Executive Director Ralph Wehner
Director James Banks
Director Roger Claar
Director William Dugan
Director Robert Neal
Director Arthur Philip
Director Robert Turner
Mr. George Sotos
Mr. Paul Olszewski
Ms. Katie Nee
Mrs. Trudy Steinhauser

Chairman D'Esposito excused himself from Executive Session because in the 1980's he represented Northern Illinois Gas Company, including this lawsuit. NiGas wants to be reimbursed for its attorneys fees and other administrative expenses.

Mr. Sotos briefed the Board on the background of this litigation and then turned the discussion over to Mr. Paul Olszewski.

Paul explained that this litigation involves Finley Road and the East-West and North-South Tollways. NiGas had to move its lines during construction and part of the main gas line now sits on Mr. Alter's property. We promised, verbally, to convey to Mr. Alter part of the land which is owned by DuPage County, which we thought was going to be turned over to ISTHA. We had no intergovernmental agreement with DuPage County, and we never received the property from the County to complete the conveyances to Alter or NiGas.

We have a Utility Relocation Agreement with NiGas and we promised to give them Fee Simple Title to the property. We had also promised to give Alter Fee Simple Title.

In 1991, Alter filed a law suit against us alleging that we, and NiGas, were trespassing on his property.

In November of 1994, we thought we were going to settle everything. In December of 1994, a payment to NiGas of \$194,000, (which is the difference between the fee interest and the easement interest, and some administrative expenses), was approved by the Board. The breakdown was as follows:

Executive Session
December 14, 1995
Page Two

\$ 25,000 in administrative expenses
\$ 44,000 in attorney's fees
\$125,000 for the difference between the easement and fee

It is the opinion of the Chief Counsel and Paul Olszewski, that we don't have to reimburse them for their additional claim for attorney's fees. Last year, after the check was cut for \$194,000, but before it was sent to NiGas, NiGas made additional demands. They now want us to pay all their attorney's fees which amounts to approximately \$100,000. The breakdown now is as follows:

\$125,000 for the difference between the easement and fee
\$ 25,000 in administrative expenses, and
\$ 42,000 in additional administrative expenses
\$100,000 in attorney's fees

It has been our policy not to pay attorney's fees in this type of situation. The only reason it was considered a year ago was it seemed to be the extra that would finalize this deal. It's not clear from the statute or agreement with NiGas as to what the rights and liabilities of the parties are.

We do know that any settlement has to be approved by the Attorney General. NiGas is entitled to some amount of money. Mr. Sotos recommended we pay some attorney's fees if we want this lawsuit to end. Their attorneys have spent approximately 400 hours on this case in the last 6 or 7 years.

Mr. Sotos stated that he thought a figure of around \$230,000 would be a reasonable settlement to NiGas. In order to settle with Alter, he proposed we give Alter the land and \$341,000. If we're forced to condemn Alter property, it could cost us a lot more than \$341,000.

Mr. Sotos was directed by the Board to start the negotiations for settlement with NiGas under \$240,000.

Director Neal moved to adjourn from Executive Session; seconded by Director Turner.

There being "Ayes" and no "Nays", the meeting adjourned at approximately 1:00 p.m.

Minuted taken by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On December 21, 1995 upon Motion of Director Banks and seconded by Director Dugan, the Authority Board of Directors met in Executive Session at approximately 11:10 a.m. to discuss personnel issues and pending litigation. The Assistant Secretary called the roll and their being "Ayes" and no "Nays" declared the motion carried. Those present were:

Chairman Julian C. D'Esposito, Jr.
Director James Banks
Director William Dugan
Director Thomas Fitzgibbon
Director Robert Neal
Director Arthur Philip
Director Robert Turner

Executive Director Ralph Wehner
Mr. George Sotos
Mr. Richard DeRobertis
Mr. Nick Jannite
Ms. Katie Nee
Ms. LaDonna Lloyds from Deutsch, Levy
Ms. Sue Cruse
Mrs. Trudy Steinhauser

Mr. Nick Jannite briefed the Board on the status of the Union negotiations. Local 726 wants to put the money truck drivers into their union. At this time, they are not union, but work closely with the money room which is Local 723. We rejected this proposal. Local 726 went to the Labor Board and filed a petition. Local 723 became aware of the efforts of 726. In the past, Local 723 has tried to get the truck drivers into their union but we never agreed to that. Local 723 went to Local 726 and made an agreement that if we allowed the truck drivers to be put into 723, then 726 will not ask us to get them into 726. From an operational standpoint, they should be in Local 723 and we would approve this.

We need agreement from the Directors to allow us to issue a letter to Local 723 telling them we would approve the money truck drivers going into Local 723. After much discussion, the Directors agreed on proceeding with this action.

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Mr. George Sotos then discussed current litigation with regard to recovery of costs expended in making the previously installed State II Vapor Recovery System at the Oases operational. Ms. LaDonna Loitz from Deutsch, Levy and Engel gave the background on this case. Regulations were passed in 1986 for Vapor Recovery Systems to be put in at all the Oases. When it became law, in 1993, to use these systems, we found that the only one that worked was the one at the Belvidere Oasis.

After close investigation, dips were found in the lines, some lines were flat, and some were back pitched. Since it is a gravity system, it must be pitched properly. Some explanations of how this could have happened are that it was put in wrong in the first place, or the Consulting Engineering didn't check it.

After much discussion, the Board agreed to proceed with the litigation, except outside counsel was instructed to prepare the case for trial within a budget of \$100,000.00. This item will be voted on in regular session.

Mr. Sotos was then instructed by the Board to make another presentation next month on litigation entitled LaSalle National Bank v. Thomas H. Morsch, Jr., et. al.

Director Neal moved to adjourn from Executive Session; seconded by Director Banks.

There being "Ayes" and no "Nays", the meeting adjourned at approximately 11:35 a.m.

Minuted taken by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On February 22, 1996 upon Motion of Director Neal and seconded by Director Claar, the Authority Board of Directors met in Executive Session at approximately 10:45 a.m. to discuss pending litigation. The Assistant Secretary called the roll and their being "Ayes" and no "Nays" declared the motion carried. Those present were:

Chairman Julian C. D'Esposito, Jr.
Director James Banks
Director Roger Claar
Director William Dugan
Director Thomas Fitzgibbon
Director Robert Neal
Director Robert Turner

Executive Director Ralph Wehner
Mr. George Sotos
Mr. Richard DeRobertis
Mr. Nick Jannite
Ms. Katie Nee
Ms. Sue Cruse
Mrs. Trudy Steinhauser

Chairman D'Esposito excused himself from Executive Session because in the 1980's he represented Northern Illinois Gas Company with regard to the lawsuit known as LaSalle National Bank vs. The Illinois State Toll Highway Authority.

Mr. George Sotos briefed the Board on the background of this lawsuit. The total amount of the claim was in excess of 3 million dollars. In December of 1994, the Board approved a settlement with Alter in the amount of \$341,000. \$194,000 was approved by the Board to NI-Gas. NI-Gas stated they wanted \$287,602.50 because they had an additional \$90,000 in expenses.

The Legal Department recommended to the Board that we pay an additional \$59,215.13. \$42,817.63 should be paid under our relocation agreement with them and we're picking up approximately \$16,000 for their legal fees. Therefore, we're recommending a \$254,000 total payment to NI-Gas.

Mr. Sotos went on to recommend we pay Alter \$341,000 to settle this case.

These settlement amounts were approved by the Board.

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February 22, 1996
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Mr. Jannite then briefed the Board on the union contract with Local 726. The overall increase is about 11.35% over a 3 year period. The annual cost to the Authority will be approximately \$600,000 for an estimated 435 employees.

Chairman D'Esposito then discussed with the Board the Colfax lawsuit. He talked to Colfax and believes both parties want to settle this suit.

There being no further business, Director Dugan moved to adjourn; seconded by Director Fitzgibbon.

Meeting adjourned at approximately 12:10 p.m.

Minutes taken by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On March 28, 1996 upon Motion of Director Dugan and seconded by Director Fitzgibbon, the Authority Board of Directors met in Executive Session at approximately 10:20 a.m. to discuss pending litigation. The Assistant Secretary called the roll and those present and absent were as follows:

Present

Acting Chairman Arthur Philip
Director James Banks
Director Roger Claar
Director William Dugan
Director Thomas Fitzgibbon
Director Robert Turner

Absent

Governor Edgar
Director Kirk Brown
Chairman Julian D'Esposito
Director Thomas Hanley
Director Robert Neal

Executive Director Ralph Wehner
Mr. George Sotos
Mr. Ken Desmaretz
Ms. Katie Nee
Ms. Sue Cruse
Mrs. Trudy Steinhauser

Mr. Sotos briefed the Board on the background of the Colfax litigation. This case was dismissed by the District Court Judge in Federal Court. Colfax appealed this decision. The Appellate Court upheld the Trial Court's ruling. The State case is still pending in Cook County.

Our analysis is that the dismissal of the Federal case goes a long way with doing away with the State claim as well.

We have been in contact with the Colfax people to determine what could make the State litigation go away. There is some communication between their attorneys and ours that it may be possible to have them do the work on the asbestos removal project if certain terms and conditions can be agreed upon. These are very preliminary talks.

Director Philip and Director Dugan stated that they didn't know why we should make a deal with Colfax.

Executive Session Minutes
March 28, 1996
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Mr. Desmaretz told the Board that we have asbestos in our maintenance facilities, toll plazas and oases. It would be better for us to remove the asbestos now in some of these buildings. We will be doing an asbestos management plan and it will probably cost us about \$100,000 a year for consultants for this plan.

Mr. Sotos stated that a decision on the State case will be reached in approximately three weeks.

The Board doesn't think we should negotiate with Colfax and we should go all the way in court.

There being no further business, Director Banks moved to come out of Executive Session; seconded by Director Claar.

A roll call vote was taken, and there being "Ayes" and no "Nays", the meeting was adjourned at approximately 10:32 a.m.

Minutes taken by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On April 18, 1996 upon Motion of Director Banks and seconded by Director Neal, the Authority Board of Directors met in Executive Session at approximately 11:52 a.m. to discuss pending litigation, and the review of Executive Session Minutes. The Assistant Secretary called the roll and those present and absent were as follows:

Present

Chairman Julian D'Esposito, Jr.
Director James Banks
Director Roger Claar
Director William Dugan
Director Thomas Fitzgibbon
Director Robert Neal
Director Arthur Philip
Director Robert Turner

Absent

Governor Edgar
Director Kirk Brown
Director Thomas Hanley

Executive Director Ralph Wehner
Mr. George Sotos
Mr. Ken Desmaretz
Mr. Robert Douglas
Mr. John Hauk
Mr. Nick Jannite
Mr. Mark Swidergal
Ms. Katie Nee
Ms. Sue Cruse
Mrs. Trudy Steinhauser

Chairman D'Esposito told the Board that he has talked to Senator DeAngelis about an Advisory Committee Meeting to be held in Springfield. Senator DeAngelis recommends that we do this on the 30th of April and invite members of the House and Senate Transportation Committees. Details will be worked out and conveyed to the Board.

Chairman D'Esposito then stated that May 30, 1996 is the tentative date for the Public Hearing on the South Extension Project. Director Claar recommended that we have our May Board Meeting at this Hearing.

Executive Session Minutes
April 18, 1996

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Mr. Rob Douglas reported to the Board his findings with regard to the complaints of citizens who have spoken before the Operations Meetings about their dealings with the Authority and how we take their property for the South Extension. Mr. Wehner explained that for property over \$100,000 we get two appraisals which are then submitted to our review appraiser. If we get two appraisals far apart, we get a third one.

Chairman D'Esposito then discussed the Owner Controlled Insurance Program (copy attached). This is where the owner assumes the responsibility for purchasing insurance for all prime and sub-contractors on the job. Mr. Jannite described the services we're asking the insurance companies to provide to us and Mr. Hauk briefed the Board on the various carriers. The Board then had a lengthy discussion with regard to wrap-up insurance. As noted on the attached, there is a big difference in price from the three carriers that gave presentations which is of some concern to the Directors.

Chairman D'Esposito directed Mr. Hauk and Mr. Jannite to negotiate a contract with Sedgwick James with very specific language as to what we want them to do.

Mr. Sotos then brought up the review of Executive Session Minutes. He will get a set of all Minutes to the Directors for their review.

Chairman D'Esposito requested a motion to come out of Executive Session.

Director Turner moved to adjourn; seconded by Director Dugan.

Meeting adjourned at approximately 1:30 p.m.

Minutes taken by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On April 25, 1996 upon Motion of Director Turner and seconded by Director Hanley, the Authority Board of Directors met in Executive Session at approximately 10:50 a.m. to discuss pending litigation, land acquisition and review of Executive Session Minutes. The Assistant Secretary called the roll and those present and absent were as follows:

Present

Chairman Julian D'Esposito, Jr.
Director James Banks
Director Roger Claar
Director Thomas Hanley
Director Thomas Fitzgibbon
Director Robert Neal
Director Arthur Philip
Director Robert Turner

Absent

Governor Edgar
Director Kirk Brown
Director William Dugan

Executive Director Ralph Wehner
Mr. George Sotos
Mr. Ken Desmaretz
Ms. Katie Nee
Mr. Al Ambutas
Mr. Ed Stapleton
Ms. Sue Cruse
Mrs. Trudy Steinhauser

Mr. Sotos briefed the Board on the investigation with regard to the allegations of a homeowner in the path of the South Extension, that we're taking their homes and then putting them on the market to be sold and moved.

We have a contract with Kelly to demolish these homes. When a house mover became aware of the contract, he contacted Kelly to see if they could move three homes. There were discussions between our contractor and the moving firm, but there was never any agreement. We have sent a letter to the homeowners explaining the situation.

Chairman D'Esposito stated that Dave Loveday should put out a statement of what we have done with regard to this issue.

Ralph Wehner then briefed the Board on each case that has come before them with regard to the homeowners in the path of the South Extension.

Director Neal suggested that when we purchase a property, once it is vacated, we should put a sign on it stating if you have any questions, please call this number.

Ralph will send a letter to each of the homeowners who have questioned our appraisals and offers, or how they're being treated, informing them on what we have found out about each individual case.

Mr. Sotos then briefed the Board on the Colfax litigation. A Motion to Dismiss is being argued on the State case today. If we are not successful, Julian wants to talk to the Board again next month. To date, we have spent \$230,000 on the Federal case.

Mr. Sotos and the Board then discussed Executive Session Minutes. These will be approved monthly.

Mr. Ed Stapleton then briefed the Board on the microwave project. The Authority's initial cost would be 19.6 million dollars on the contract. The base price stated in the agreement is 18.5 million dollars. That's with 70 microwave hops. We're paying 19.6 million dollars because we want 6 more lanes.

Chairman D'Esposito stated that Primeco is a general contractor and will build the microwave system to our specifications for 19.6 million dollars. We believe we will end up with a system worth between 28 and 31 million dollars.

Primeco is offering to share sites with us and pay us \$1200 per month for each of 10 sites, for 10 years. AT&T wants 15 sites at \$1200 per month for 10 years. After 10 years the lease is up and we renegotiate the rate. We have built in a 4% increase into the agreement.

Mr. Al Ambutas stated that they indicated to us that if we don't move quickly, they will go to other facilities, other towers. We need an answer by the end of April and that's why we have to act on this today. They originally had 13 interfering links and have engineered around 10 of these since January.

Chairman D'Esposito stated that the issues are whether or not we should buy our

microwave system this way. Should we lease our property at these rates?

Chairman D'Esposito requested a motion to go out of Executive Session.

Executive Session Minutes

April 25, 1996

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Director Neal moved to go back to regular session; seconded by Director Hanley.

Chairman D'Esposito called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Executive Session adjourned at approximately 11:46 a.m.

Minutes taken by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On June 20, 1996 upon Motion of Director Banks and seconded by Director Turner, the Authority Board of Directors met in Executive Session at approximately 10:40 a.m. to discuss land acquisition. The Assistant Secretary called the roll and those present and absent were as follows:

Present

Chairman Julian D'Esposito, Jr.
Director James Banks
Director Kirk Brown
Director Roger Claar
Director Thomas Hanley
Director Robert Neal
Director Arthur Philip
Director Robert Turner

Absent

Governor Edgar
Director Thomas Fitzgibbon
Director William Dugan

Executive Director Ralph Wehner
Mr. George Sotos
Mr. Ken Desmaretz
Ms. Sue Cruse
Mrs. Trudy Steinhauser
Mr. Scott Dworschak

Mr. Ken Desmaretz briefed the Board on the background of the Doshier School. When we did the Tri-State Widening, there was a ramp that connected to 88th Street. The County asked us to widen 88th Street for 3 blocks; we did. The school didn't want the ramp there. They passed a resolution for us to close the ramp. We therefore eliminated the ramp and then the Village said we don't want it eliminated, we want you to buy the school.

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An Act was passed by State Legislators that said we have to buy the school. Legislation says the school needs to be bought at replacement cost not fair market value.

The Village now wants us to put in a full interchange. To put in what we took out will cost approximately \$500,000. They want 88th wider and signal lamps also. The trouble with this interchange is that just north of this you have access to get on or off by LaGrange Road. If we have to put it back it might not pay for itself. Chairman D'Esposito asked how we decide where we put interchanges.

Director Brown asked if it was to our financial benefit to put the interchange in? If the County is not willing to help on the widening of 88th, buy the school and leave it at that.

After much discussion, Chairman D'Esposito stated that we should find out how much the ramps are going to cost, if they're needed from a traffic standpoint, and what it would cost us versus what revenues we would get. Staff will get this information together and present it to the Board next week when a decision will be made.

Mr. Desmaretz stated that the minute we take title to the school we want plans to demolish it. We need to bid this the first of July and award it at the July Board Meeting so it can be removed in August.

Mr. Sotos then briefed the Board on Gurrie Rhoades Development sound wall problem. He stated we could fight this issue or resolve the dispute for approximately \$80,000. Mr. Sotos was given direction by the Board to settle the dispute.

There being no further business, Chairman D'Esposito requested a motion to adjourn.

Director Claar moved to adjourn; seconded by Director Philip.

Meeting adjourned at approximately 12:20 p.m.

Minutes taken by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On June 27, 1996 upon Motion of Director Hanley and seconded by Director Claar, the Authority Board of Directors met in Executive Session at approximately 10:50 a.m. to discuss property sales, litigation and personnel matters. The Assistant Secretary called the roll and those present and absent were as follows:

Present

Chairman Julian D'Esposito, Jr.
Director James Banks
Director Roger Claar
Director William Dugan
Director Thomas Hanley
Director Robert Neal
Director Arthur Philip

Executive Director Ralph Wehner
Mr. George Sotos
Mr. Ken Desmaretz
Mr. Scott Dworschak
Ms. Katie Nee
Ms. Sue Cruse
Mrs. Trudy Steinhauser

Absent

Governor Jim Edgar
Director Kirk Brown
Director Thomas Fitzgibbon
Director Robert Turner

Mr. George Sotos briefed the Board on the background of Gurrie Rhoades development. We were to build sound walls between 47th and 48th Street on the Tri-State Tollway. We have put up some sound wall and some wooden fencing. The local municipality wanted us to fulfill what we promised to do. This would cost more than we had originally calculated. We can resolve all conflicts for \$80,000.

After some discussion, the Board authorized the Legal Department to settle this case for \$80,000.00.

The next item discussed was Doshier School. Mr. Wehner stated that Rep. Zickus canceled their scheduled meeting because the Village President could not attend. The Board then discussed buying the school and having it demolished.

Director Philip wanted to know why we have to pay replacement value for the school when we don't pay it to homeowners. They didn't build a new school, they added classrooms to an existing school. Chairman D'Esposito explained that we pay fair market value on our acquisitions as the constitution states for general condemnation. This is not part of the typical condemnation. School property is special use property under condemnation law and you have to pay replacement value.

Chairman D'Esposito stated that our alternatives are to pay the replacement value, refuse to pay and be sued and say that the law is unconstitutional and they have it wrong because the ramp isn't there any more, or call in the school district and tell them that we want to pay less. The best alternative is the first one, pay for the school.

There being no further business, Director Neal moved to adjourn; seconded by Director Hanley.

Chairman D'Esposito called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

The Board then went back into regular session to vote on these matters.

Meeting adjourned at approximately 11:25 a.m.

Minutes taken by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On July 18, 1996 upon Motion of Director Banks and seconded by Director Dugan, the Authority Board of Directors met in Executive Session at approximately 11:22 a.m. to discuss personnel matters. The Assistant Secretary called the roll and those present and absent were as follows:

Present

Chairman Julian D'Esposito, Jr.
Director James Banks
Director Tom Fitzgibbon
Director William Dugan
Director Tom Hanley
Director Robert Neal
Director Arthur Philip
Director Robert Turner

Absent

Governor Jim Edgar
Director Kirk Brown
Director Roger Claar

Executive Director Ralph Wehner
Mr. Ken Desmaretz
Mr. George Sotos
Mr. Al Ambutas
Mr. Brian Farley
Ms. Katie Nee
Ms. Sue Cruse
Mrs. Trudy Steinhauser

Mr. Ken Desmaretz discussed the transfer of excess Parcel Numbers NS-10-001.1 and NS-10-001.2 (Boughton Road Bridge Approaches) and a Permanent Easement for Parcel NS-10-001B (Boughton Road Bridge) on the North-South Tollway to the Village of Bolingbrook.

The appraisal came in at \$10.00 for approximately 6 acres, of which 1 ½ to 2 acres is pavement and the rest is drainage. Director Neal asked if we typically do this type of transfer and Mr. Desmaretz stated that we do. After some discussion, the Board directed staff to go ahead with the transfer.

Mr. Sotos then briefed the Board on the law suit entitled Cusamano v. Mapco v. ISTHA and Spangler v. ISTHA v. Mapco. Mr. Cusamano filed his case in Cook County and Mapco's Mr. Spangler filed in DuPage County. Since Mapco didn't have us on their insurance, we had a claim against them for the failure to name us (a breach of contract claim) and for our costs in this case. Recently the Court of Appeals held that the Authority's losses, costs of defense and workmen's compensation would probably be covered. This is roughly \$300,000.

Mr. Cusamano received 1.4 million dollars from Mapco. We have a claim against this money. The actual cost to us is about \$100,000 for the workmen's compensation claim. We are being offered \$78,000 from Mapco to settle and in addition, the Spangler case settled with no additional burden to us. Our hope of recovery would be about \$100,000.

Mr. Sotos stated that at that time, Notices to Proceed were being issued without the certificates of insurance being received. Director Fitzgibbon asked if we now make sure we have the insurance. It was decided that the auditors will pull some and check.

Mr. Sotos went on to say that the Legal Department is looking for authorization to settle in the range of \$78,000 and contributing approximately \$25,000 in Spangler. The Board authorized Mr. Sotos to settle.

Mr. Sotos then discussed the case entitled ISTHA v. CNWRR. (Billboard overhang) and requested direction. We have filed suit to get the billboard off our right-of-way. Patrick, the owner has offered to provide us with an indemnity if we allow it to stay the size it is now. We have a permanent easement and a 10 foot drop line and that is where the sign lands.

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July 18, 1996
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The Board directed Mr. Sotos to talk to Rich Christopher and get the rules for signs and to reject Patrick's offer.

Mr. Brian Farley then briefed the Board on ISTHA v. Mack Truck. We took some land (a drainage pond), from Mack Truck for the Tri-State Widening. We didn't provide for the drainage that we took and consequently, for the past 5 years, they have been flooding. In 1994 we rebuilt the ramp and added to the drainage. They're claiming damages to wetland property and Mack Truck property. We paid approximately \$400,000 for the property, the easement and the damages to the property we took. That case is still pending.

The potential claim could cost the Authority 1.7 million dollars. We have made a tentative offer to settle for \$600,000 and they are willing to accept that offer. The Board directed Legal to settle for \$600,000.

There being no further business, Chairman D'Esposito requested a motion to adjourn.

Director Turner moved to adjourn; seconded by Director Neal.

Chairman D'Esposito called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 12:20 p.m.

Minutes taken by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On July 25, 1996 upon Motion of Director Dugan and seconded by Director Turner, the Authority Board of Directors met in Executive Session at approximately 10:40 a.m. to discuss personnel matters. The Assistant Secretary called the roll and those present and absent were as follows:

Present

Chairman Julian D'Esposito, Jr.
Director Roger Claar
Director William Dugan
Director Tom Fitzgibbon
Director Robert Neal
Director Arthur Philip
Director Robert Turner

Absent

Governor Jim Edgar
Director Jim Banks
Director Kirk Brown
Director Tom Hanley

Executive Director Ralph Wehner
Mr. Nick Jannite
Mr. Mark Swidergal
Ms. Katie Nee
Ms. Sue Cruse
Mrs. Trudy Steinhauser

Mr. Wehner stated that staff work has been completed on the Supplemental Pension benefits which was terminated in late 1994.

Mr. Jannite explained the forms which will be going out to the employees, with a letter from Mr. Wehner. Staff will also compile a list of employees who will be receiving these benefits which will be given out when a FOIA request is received. We have already received one FOIA so a story will probably appear next week. We are required by law to disperse the funds.

Director Neal asked if this plan was for non-union personnel only and Nick answered that it was.

Chairman D'Esposito stated that Dave Loveday was contacted by Crain's regarding the use of free passes by the Directors and the Advisory Committee. There was much discussion on this issue and also with regard to OP (official pass) cards which are given to police and emergency personnel.

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July 25, 1996
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It was recommended by Ralph Wehner that he would try to put together recommendations on these issues.

There being no further business, Director Dugan moved to adjourn; seconded by Director Turner.

Chairman D'Esposito called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:02 a.m.

Minutes taken by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On August 29, 1996 upon Motion of Director Dugan and seconded by Director Hanley, the Authority Board of Directors met in Executive Session at approximately 11:00 a.m. to discuss threatened litigation. The Assistant Secretary called the roll and those present and absent were as follows:

Present

Chairman Julian D'Esposito, Jr.
Director James Banks
Director Roger Claar
Director William Dugan
Director Tom Hanley
Director Arthur Philip
Director Robert Turner

Absent

Governor Jim Edgar
Director Kirk Brown
Director Robert Neal

Executive Director Ralph Wehner
Mr. George Sotos, Chief Counsel
Mr. Richard DeRobertis, Chief of Operational Services
Mr. Neal MacDonald
Ms. Katie Nee
Ms. Sue Cruse
Mrs. Trudy Steinhauser

Mr. Sotos briefed the Board on threatened litigation from AT/Comm regarding our acceptance of the RFP from Syntonic for the completion of I-PASS.

Chairman D'Esposito has removed himself from any discussions regarding this issue and left the meeting

Mr. Sotos explained that a meeting was held yesterday with an attorney representing AT/Comm wherein the main issue is a patent dispute with Mark IV/Nippondenso. The Mark IV people have assured us that there are no patent problems and that the Authority is fully protected and indemnified should any future court decide that there are some patent infringements. We need these assurances.

We would like the Board to adopt a resolution that would authorize the Executive Director and Legal Department to find an expert in patent law to assess what we should have built into this

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August 29, 1996
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award wherein we are fully protected on the patent issue. We will set an upper limit of \$15,000 which would be for the attorney to review the documentation and to focus on the protection to the Authority. If we go forward, we want to be sure we're covered.

After much discussion, Director Hanley moved to adjourn; seconded by Turner.

Meeting adjourned at approximately 11:18 a.m.

Minutes taken by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On September 19, 1996 upon Motion of Director Turner and seconded by Director Banks, the Authority Board of Directors met in Executive Session at approximately 11:30 a.m. to discuss threatened litigation. The Assistant Secretary called the roll and those present were as follows:

Chairman Julian D'Esposito, Jr.
Director James Banks
Director Kirk Brown
Director Roger Claar
Director Thomas Fitzgibbon
Director Tom Hanley
Director Robert Neal
Director Arthur Philip
Director Robert Turner

Executive Director Ralph Wehner
Mr. Richard DeRobertis
Mr. Neal MacDonald
Mr. George Sotos
Ms. Katie Nee
Ms. Sue Cruse
Mrs. Trudy Steinhauser
Mr. Phil Miller - CTE
Mr. James Naughton - Patent Attorney

Mr. Sotos briefed the Board on the threatened litigation from AT/Comm and introduced Mr. James Naughton, Patent Attorney, who was hired to advise the Authority on the merits of the patent issues.

Mr. Naughton stated that he reviewed some of the background patent material. Based on the investigation of the patent issue, it seems that the patent infringement contention is over-stated. AT/Comm has not attempted to explain many things and the issues they have explained were not supported. If AT/Comm does file a suit against the Authority, they may ask for a preliminary injunction. It is rarely granted and we feel it's unlikely a preliminary injunction would be awarded. One patent they state is being infringed will expire in 3 years even though the lawsuit may extend beyond that time.

AT/Comm has offered to meet with the Authority to explain their infringement position. If we

meet with them we can ask pointed questions on matters which are currently unexplained, and we can share with them some facts we think they don't know.

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September 19, 1996
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Mr. Naughton stated that he would order back-up files from the patent office that show how the patent was granted. He has reviewed the patents themselves but wants to investigate further.

Mr. Sotos then asked the Board to recommend that our Special Counsel contact AT/Comm's patent attorneys and try to set up a meeting between now and next week to see if claims can be flushed out.

Mr. Sotos then discussed Executive Session Minutes. The Board deferred approving these Minutes to a later date.

There being no further business, Director Claar moved to adjourn; seconded by Director Turner.

Meeting adjourned at approximately 12:20 p.m.

Minutes taken by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On September 26, 1996 upon Motion of Director Banks and seconded by Director Hanley, the Authority Board of Directors met in Executive Session at approximately 11:15 a.m. to discuss threatened litigation. The Secretary called the roll and those present were as follows:

Chairman Julian D'Esposito, Jr.
Director James Banks
Director Roger Claar
Director William Dugan
Director Thomas Fitzgibbon
Director Tom Hanley
Director Robert Neal
Director Arthur Philip
Director Robert Turner

Executive Director Ralph Wehner
Mr. Richard DeRobertis
Mr. Neal MacDonald
Mr. George Sotos
Mrs. Trudy Steinhauser
Mr. James Naughton - Patent Attorney

Mr. Sotos stated that he and Mr. Naughton met with AT/Comm yesterday. According to AT/Comm, the meeting was to inform us of the matters regarding patent infringement. We believe the proposed system would not infringe on any of their patents. The new system will be a centralized system and with this type of system, there is no apparent infringement of the AT/Comm patents. In the current system, the deduction takes place in the transponder making it a decentralized system. This de-centralized system was presented by AT/Comm in their best and final offer.

Mr. Sotos went on to say that he received a communication from an attorney hired by AT/Comm who outlined a claim that the Authority changed or modified its procurement procedures in order to benefit the Mark IV group. We feel our procurement process was proper and didn't violate our rules or process in securing best and final offers.

After some discussion, Chairman D'Esposito requested a motion to adjourn.

Director Philip moved to adjourn; seconded by Director Banks.

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September 26, 1996
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Chairman D'Esposito called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:40 a.m.

Minutes taken by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On October 31, 1996 upon Motion of Director Hanley and seconded by Director Turner, the Authority Board of Directors met in Executive Session at approximately 10:23 a.m. to discuss pending litigation. The Secretary called the roll and those present were as follows:

Chairman Julian D'Esposito, Jr.
Director James Banks
Director William Dugan
Director Thomas Fitzgibbon
Director Tom Hanley
Director Robert Neal
Director Arthur Philip
Director Robert Turner

Executive Director Ralph Wehner
Mr. Richard DeRobertis
Mr. George Sotos
Mrs. Trudy Steinhauer
Ms. Sue Cruse
Ms. Katie Nee

Mr. Sotos stated that AT/COMM has filed suit against the Authority on the awarding of the electronic toll contract. The matter was moved for emergency hearing on Friday morning, October 25, 1996. Discovery will begin tomorrow at the Authority and the status date will be in late November. The Plaintiff has asked for the documentation surrounding this RFP process. We're going through and segregating what we believe is privileged.

The Plaintiff claims that Syntonic/Mark IV was not authorized by the FCC to use a transponder with a LCD display. Our response will be that Mark IV had a licensed transponder. AT/COMM is also claiming that the proposals were incomplete. We employed a "best and final offer" and that has built into it a process of continued exploration of the individuals or companies that respond to our RFP's. AT/COMM also claims that we failed to follow the Open Competitive Bidding Process. There is also a claim that the Authority manipulated the bid process so AT/COMM would not be a participant in the project. We're seeking assistance from outside counsel. Mr. Sotos asked the Board for approval of a resolution to retain outside counsel to assist the Authority with this case in an amount not to exceed \$50,000.00.

Mr. Sotos then briefed the Board on the Graham case. This case has been around for several years. It was voluntarily withdrawn and dismissed a year ago. The first case alleged that the

Authority had an illegal rate structure. The second case was a multi-count complaint. They believe the Authority's funds should be handled by the appropriation process of the General Assembly.

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October 31, 1996
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There were other secondary counts of which four were dismissed. The one remaining count that dealt with the appropriation of our monies was kept by the Court. The Court denied our Motion to Dismiss with no explanation attached, and directed us to respond. Our next strategy is a Motion to Reconsider and move for a Summary Judgment. We're going to ask the Court to re-examine it's decision.

There being no further business, Director Neal moved to adjourn from Executive Session; seconded by Director Banks.

Director Turner moved to reconvene into regular session; seconded by Director Fitzgibbon.

Chairman D'Esposito called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 10:42 a.m.

Minutes taken by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On December 12, 1996 upon Motion of Director Hanley and seconded by Director Banks, the Authority Board of Directors met in Executive Session at approximately 11:40 a.m. to discuss personnel matters. The Secretary called the roll and those present were as follows:

| | |
|---------------------------------|---------------------------------|
| Chairman Julian D'Esposito, Jr. | Executive Director Ralph Wehner |
| Director James Banks | Mr. Richard DeRobertis |
| Director Roger Claar | Mr. George Sotos |
| Director William Dugan | Mr. Nick Jannite |
| Director Thomas Fitzgibbon | Mr. Ken Desmaretz |
| Director Tom Hanley | Mrs. Trudy Steinhauser |
| Director Robert Neal | Ms. Sue Cruse |
| Director Arthur Philip | |
| Director Robert Turner | |

Mr. Nick Jannite briefed the Board on the union negotiations for Local 73, Money Room Truck Drivers.

The wage scale agreed upon was the H4 wage rate which is covered in the Teamster's contract. The current average rate of pay is about \$12.16 and under the new contract it will be \$15.22. There were negotiations on sick leave and it was agreed to that they must have at least 7 sick days in a bank. We agreed to assign three individuals to a permanent route and everyone else will be on a rotational route.

There being no further business, Director Hanley moved to adjourn; seconded by Director Neal. There being "Ayes" and no "Nays", the motion was carried.

Meeting adjourned at approximately 11:55 a.m.

Minutes taken by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On January 23, 1997 at approximately 10:50 a.m., upon Motion of Director Banks and seconded by Director Hanley, the Authority Board of Directors met in Executive Session to discuss pending litigation. The Secretary called the roll and those present were as follows:

| | |
|---------------------------------|------------------------|
| Director James Banks | Mr. George Sotos |
| Director Roger Claar | Mr. Richard DeRobertis |
| Director Thomas Fitzgibbon | Mr. Nick Jannite |
| Mr. Thomas Hanley | Ms. Katie Nee |
| Director Robert Neal | Mr. Mike Woodward |
| Director Art Philip | Mrs. Trudy Steinhauser |
| Director Robert Turner | Ms. Sue Cruse |
| Executive Director Ralph Wehner | |

Mr. Sotos introduced attorneys from Deutsch, Levy & Engle who have been involved in the Vapor II Recovery for the Authority. Ms. LaDonna Loitz gave the background on this case. It involves 4 Oasis sites that were constructed by Walsh Construction and a 5th site which was constructed by a Madden Joint Venture in the late 1980's. When the system was turned on in the early 1990's, it didn't function. The system was blocked in each of the 5 sites. The design engineers declined to remedy the problem. The Authority paid \$600,000 to have the system fixed.

The contractors have presented an offer of \$100,000 to settle with regard to their liability. We hope to hear from the designers as to what position they will take. The two designers involved are Steven Rugo and Turner Witt.

The Board inquired as to whether or not we can recoup legal fees in this law suit. Mr. Sotos stated that our attorneys fees are not covered. The most we can get is the \$600,000 it cost us to repair the systems.

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After much discussion, the Board instructed Mr. Sotos to present a budget next week from the law firm handling this case.

Mr. Sotos then briefed the Board on the lawsuit with Mandel Green. Mr. Green was a tollway inspector whom we terminated for conduct unbecoming a tollway employee. The original suit against the Authority was for \$130,000.00. Mr. Green has passed away and his estate is continuing with the suit and has requested a jury trial. We have negotiated with the attorney for Mr. Green's heirs and they are willing to accept a settlement offer of \$15,000. The Board recommended settlement of this case of \$15,000.

Mr. Sotos then discussed the South Extension lawsuit. All parties involved in this suit are in favor of appealing the judge's ruling. Mr. Sotos stated that the Attorney General's Office still had to be reached and he would get back to the Board next week with more information.

There being no further business, Director Philip moved to adjourn; seconded by Director Hanley. There being "Ayes" and no "Nays", the motion was carried.

Meeting adjourned at approximately 11:15 a.m.

Minutes taken by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On January 30, 1997 at approximately 10:40 a.m., upon Motion of Director Turner and seconded by Director Banks, the Authority Board of Directors met in Executive Session to discuss personnel and pending litigation. The Secretary called the roll and those present were as follows:

| | |
|---------------------------------|------------------------|
| Chairman Julian D’Esposito, Jr. | Mr. Richard DeRobertis |
| Director James Banks | Mr. Nick Jannite |
| Director William Dugan | Mr. George Sotos |
| Director Thomas Hanley | Mr. Ken Desmaretz |
| Director Robert Neal | Ms. Katie Nee |
| Director Art Philip | Ms. Sue Cruse |
| Director Robert Turner | Mrs. Trudy Steinhauser |
| Executive Director Ralph Wehner | |

Chairman D’Esposito briefed the Board on the options available to the Authority regarding the Judge’s order on the South Extension of the North-South Tollway. We can appeal on a regular or expedited basis; we can tell the Judge why we did what we did; or we can prepare a supplement to the EIS.

We’re recommending to the Board that we appeal on an expedited basis. We should try to get the South Extension built under the old rules which are under the 2010 Plan.

Chairman D’Esposito then briefed the Board on the Employee Pride Survey which was sent to all employees. Over 60% of the employees responded and we received approximately 13,000 written comments. When complete, the results of the survey will be presented to the Board.

There being no further business, at approximately 11:09 A.M., Director Hanley moved to come out of Executive Session; seconded by Director Philip. There being “Ayes” and no “Nays”, the motion was carried.

Minutes taken by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On February 20, 1997, at approximately 10:48 a.m., upon Motion of Director Turner and seconded by Director Banks, the Authority Board of Directors met in Executive Session to discuss personnel and pending litigation. The Secretary pro tem called the roll and those present were as follows:

| | |
|---------------------------------|------------------------|
| Chairman Julian D'Esposito, Jr. | Mr. Richard DeRobertis |
| Director James Banks | Mr. Mark Swidergal |
| Director Roger Claar | Ms. Katie Nee |
| Director William Dugan | Ms. Sue Cruse |
| Director Thomas Fitzgibbon | Mrs. Trudy Steinhauser |
| Director Robert Neal | |
| Director Art Philip | |
| Director Robert Turner | |
| Executive Director Ralph Wehner | |

Chairman D'Esposito briefed the Board on entering into an agreement with Bill Hay. He will assist in defining the Communications position and presenting candidates to fill this position.

Mr. Wehner went on to say that we are proposing to hire an individual that would oversee all of our internal and external communications. Scott Dworschak would report to this individual to coordinate governmental affairs and the legislation report; Sari Mintz will handle all internal communications; and Dave Loveday will be responsible for the newspaper and TV media. A job description will be distributed to the Board when it's finalized.

Ms. Nee then briefed the Board on the vapor recovery system litigation which is being handled by Deutsch, Levy. After much discussion, the Board agreed on increasing the upper limit of compensation by \$50,000.00 to settle this suit.

Chairman D'Esposito then stated that the House Appropriations Committee is holding a hearing on Monday in Chicago and on Wednesday in Springfield on highway funding. He and Ralph will be attending these hearings on behalf of the Authority.

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February 20, 1997
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Mr. DeRobertis stated that we had a three year contract with Brinks to buy our coin and give us credit. Brinks deposited the coin in Cole Taylor's storage area and Cole Taylor would then deposit it with the Federal Reserve. The Federal Reserve said our coin was dirty and they wouldn't accept it unless it was reverified. Brinks stated that it wasn't their responsibility and left the coin in Cole Taylor's bin at Brinks. Cole Taylor is now saying that they lost an opportunity by having this money in storage for a 5 month period. Brinks rolled and sold the coin for us and Cole Taylor reverified. The Treasurer's Office asked us to compensate Cole Taylor for this missed opportunity. We have offered to pay them \$1.00 per bag of coin which would cost the Authority approximately \$118,000.00.

There being no further business, Director Neal moved to adjourn; seconded by Director Claar.

There being "Ayes" and no "Nays", the Board came out of Executive Session at approximately 11:40 a.m.

Minutes taken by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On March 20, 1997, at approximately 11:10 a.m., upon Motion of Director Banks, seconded by Director Claar, the Authority Board of Directors met in Executive Session to discuss personnel and litigation. The Secretary called the roll and those present were as follows:

| | |
|---------------------------------|------------------------|
| Chairman Julian D'Esposito, Jr. | Mr. Richard DeRobertis |
| Director James Banks | Mr. Nick Jannite |
| Director Roger Claar | Mr. George Sotos |
| Director William Dugan | Ms. Katie Nee |
| Director Thomas Fitzgibbon | Mrs. Trudy Steinhauser |
| Director Robert Neal | Ms. Sue Cruse |
| Director Robert Turner | Ms. Barbara McKinzie |
| Executive Director Ralph Wehner | |

Chairman D'Esposito briefed the Board on the Amoco and Mobil Oil lawsuits. Deutsch, Levy & Engel have represented us in this lawsuit which involves soil contamination at the oasis and Legal is requesting an increase in the upper limit of compensation on this Agreement by \$100,000.00.

Ms. Nee stated that we are in the process of preparing the site classification and have filed all the preliminary documents with the IEPA.

Chairman D'Esposito stated that the contamination issue will impact the bidding process for the Oasis redevelopment project. After much discussion, the Board approved the increase in the upper limit of compensation.

Mr. Sotos then requested an increase in the upper limit of compensation by \$10,000 to the law firm of Brinks, Hofer, Gilson & Lione. These are the attorneys who provided us with opinions and guidance on the patent issues regarding the AT Comm litigation. Since AT Comm has been unsuccessful under the proceedings they have filed, the next issue may be regarding the patents.

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March 20, 1997
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Mr. Sotos stated that AT Comm filed a Temporary Restraining Order to stop the Authority from signing with Syntonic. We filed a Motion to Dismiss, believing that the matter would not stand up in Court. AT Comm filed for a Temporary Restraining Order and the court denied them. We expect them to file an Appeal. We have finalized the contract with Syntonic and it has been signed.

Director Neal asked when Syntonic would present a prototype to the Board. Chairman D'Esposito responded that a presentation may be given in May.

The Board then discussed, with Ms. Barbara McKinzie, the proposed new position of Investigative Auditor for the Internal Audit Department.

There being no further business, Director Neal moved to come out of Executive Session; seconded by Director Banks. There being "Ayes" and no "Nays", the meeting adjourned at approximately 12:30 p.m.

Minutes taken by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On April 17, 1997, at approximately 11:15 a.m., upon Motion of Director Hanley, seconded by Director Banks, the Authority Board of Directors met in Executive Session to discuss pending litigation. The Secretary called the roll and those present were as follows:

| | |
|---------------------------------|------------------------|
| Chairman Julian D'Esposito, Jr. | Mr. George Sotos |
| Director James Banks | Ms. Katie Nee |
| Director William Dugan | Ms. Sue Cruse |
| Director Thomas Fitzgibbon | Mrs. Trudy Steinhauser |
| Director Thomas Hanley | |
| Director Robert Neal | |
| Director Art Philip | |
| Director Robert Turner | |
| Executive Director Ralph Wehner | |

Mr. Sotos briefed the Board on the AT/Comm case. The matter of whether or not they have proper standing to bring the case in court was submitted and decided by a magistrate. We received a written opinion from the magistrate which was in our favor. That, in turn, was transmitted to the District Court Judge about 5 weeks ago, for his review and approval. To date, we haven't heard anything from the Judge. Mr. Sotos believes the delay is the result of the Judge's workload and nothing more than that. The Court and plaintiff are aware that we are moving forward with this project.

Chairman D'Esposito stated that once the District Judge decides, the case is appealable and that is probably what will happen. The attorneys should analyze the risk of plaintiff bringing a patent law suit.

Mr. Sotos then discussed the appeal on the South Extension case. We have been given a briefing schedule which states that our Brief must be submitted by the end of June. We have not heard from the Federal Government as yet on whether they will join in on this.

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With regard to the Graham case, Mr. Sotos stated that it was presented to the Court in February. It has been over 60 days and since a significant amount of information was provided, he feels the Judge is taking his time going through it. The Motions to Dismiss have been pending since late February. If we have to go forward with a hearing, we're ready to do so. We have our witnesses and documentation ready.

Chairman D'Esposito asked if there were any comments on the Hickman/Kotlarz case. There were none.

There being no further business, Director Hanley moved to adjourn; seconded by Director Banks. There being "Ayes" and no "Nays", the meeting adjourned at approximately 11:30 a.m.

Minutes taken by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On May 29, 1997, at approximately 11:20 a.m., upon Motion of Director Neal, seconded by Director Turner, the Authority Board of Directors met in Executive Session to discuss litigation. The Secretary called the roll and those present were as follows:

| | |
|---------------------------------|------------------------|
| Chairman Julian D'Esposito, Jr. | Mr. George Sotos |
| Director James Banks | Ms. Katie Nee |
| Director Roger Claar | Mr. Nick Jannite |
| Director William Dugan | Ms. Sue Cruse |
| Director Paula Fasseas | Mr. John Hauk |
| Director Thomas Fitzgibbon | Mrs. Trudy Steinhauser |
| Director Robert Neal | |
| Director Art Philip | |
| Director Robert Turner | |
| Executive Director Ralph Wehner | |

Chairman D'Esposito stated that last week, Frank Rousseau of L & H Administrators, was indicted by the Will County State's Attorney in connection with activities as an insurance broker in Will County.

Simultaneously, his license as a claims administrator in Nevada was suspended because he was co-mingling client escrow funds.

Nick and John will keep a very close eye on our escrow. At next month's Administration Committee Meeting, they will tell us and what safeguards we use to distribute funds and whether or not we should re-bid this contract.

Mr. Sotos then briefed the Board on the AT/Comm case. The period for appeal has run out and notice was not filed.

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May 29, 1997
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There being no further business; Director Neal moved to come out of Executive Session; seconded by Director Banks.

Chairman D'Esposito called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:40 a.m.

Minutes taken by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On June 19, 1997, at approximately 11:40 a.m., upon Motion of Director Dugan, seconded by Director Neal, the Authority Board of Directors met in Executive Session to discuss litigation. The Secretary called the roll and those present were as follows:

| | |
|---------------------------------|---------------------------------|
| Chairman Julian D'Esposito, Jr. | Director Robert Turner |
| Director James Banks | Executive Director Ralph Wehner |
| Director William Dugan | Mrs. Trudy Steinhauser |
| Director Paula Fasseas | Mr. Ken Desmaretz |
| Director Robert Neal | Ms. Katie Nee |
| Director Arthur Philip | |

Chairman D'Esposito stated that we have appealed the denial of the EIS on the South Extension. He and Katie met with the Attorney General and Jones & Day to talk about the Brief which we are proposing to file and the status of the Federal Government. They have not yet decided on whether or not they will join us on this issue. It is possible they will not participate in the appeal. Their recommendation is that we go through a process called re-evaluation. Whether or not they join us, we will appeal. They may ask for a Stay of Appeal and go through this process on their own.

With regard to the Graham case, a Preliminary Injunction was entered by Judge Schiller. A Motion to Intervene was filed by the bondholders which has not as yet been ruled on. We will appeal on an expedited basis. There are two issues here; legal and policy. The Order states that we cannot make any payments after December 16, 1997.

There being no further business, Chairman D'Esposito requested a motion to adjourn. Director Turner moved to adjourn; seconded by Director Banks. There being "Ayes" and no "Nays", the motion was carried.

Meeting adjourned at approximately 11:55 a.m.

Minutes taken by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On June 26, 1997, at approximately 11:00 a.m., upon Motion of Director Fitzgibbon, seconded by Director Dugan, the Authority Board of Directors met in Executive Session to discuss litigation. The Secretary called the roll and those present were as follows:

| | |
|---------------------------------|---------------------------------|
| Chairman Julian D'Esposito, Jr. | Executive Director Ralph Wehner |
| Director James Banks | Mr. Nick Jannite |
| Director Roger Claar | Mr. George Sotos |
| Director William Dugan | Mrs. Trudy Steinhauser |
| Director Paula Fasseas | Mr. Richard DeRobertis |
| Director Thomas Fitzgibbon | Mr. Mark Swidergal |
| Director Robert Neal | Ms. Katie Nee |
| Director Arthur Philip | Ms. Sue Cruse |
| Director Robert Turner | |

Mr. Sotos briefed the Committee on the South Extension litigation. He stated that on Friday the Authority filed for a 21 day extension of time to file our Brief.

Chairman D'Esposito then briefed the Board on the Graham case. On Tuesday the Plaintiffs filed 2 additional Counts which named all of the Board, Ralph Wehner, Mark Swidergal and Nick Jannite. One amended complaint seeks to hold all individuals named personally liable for all allegedly unauthorized expenditures after 5/26/97. Plaintiffs are also seeking to name unknown vendors whose invoices are currently being processed and who are receiving payments from the Authority.

We have spoken with the Attorney General's Office regarding this litigation. They will advise us as to whether or not the Authority is legally authorized to continue processing invoices and making payments. Additionally, there is a statute that authorizes the named defendants to request the state to indemnify them.

Mr. Sotos continued, stating that the Plaintiffs are willing to settle for 3 to 5 million dollars. The Attorney General's Office has filed a Notice of Appeal and asked for an expedited briefing schedule and hearing in this matter. This matter will be appealed directly to the Illinois Supreme Court. Oral argument could be scheduled as

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June 26, 1997
Page Two

early as September. While Plaintiffs' attorneys had wanted to stop all spending by the Authority, except for police and emergency repairs, the Judge would not agree to that. His intention was to keep things operating until the Supreme Court or the General Assembly comes to a decision.

There being no further business, Chairman D'Esposito requested a motion to adjourn. Director Neal moved to adjourn; seconded by Director Banks. There being "Ayes" and no "Nays", the motion was carried.

Meeting adjourned at approximately 11:40 a.m.

Minutes taken by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On July 24, 1997, at approximately 11:00 a.m., upon Motion of Director Neal, seconded by Director Banks, the Authority Board of Directors met in Executive Session to discuss personnel, litigation and real estate. The Secretary called the roll and those present were as follows:

| | |
|---------------------------------|---------------------------------|
| Chairman Julian D'Esposito, Jr. | Executive Director Ralph Wehner |
| Director James Banks | Mr. Nick Jannite |
| Director Kirk Brown | Ms. Katie Nee |
| Director William Dugan | Mrs. Trudy Steinhauser |
| Director Paula Fasseas | Mr. Ken Desmaretz |
| Director Thomas Fitzgibbon | Mr. Mark Swidergal |
| Director Robert Neal | Mr. George Sotos |
| Director Arthur Philip | Ms. Sue Cruse |

Mr. Nick Jannite stated that when we go into negotiations with Local 73, we would again like to utilize the services of the law firm of Vedder, Price, Kaufman & Kammholtz. The union contract is up at the end of the year, so we would probably start negotiations in September. We anticipate an item for discussion to be the changes to the pension plan.

Chairman D'Esposito stated that this should be discussed with the Administration Committee and they should be briefed on what the objectives of these negotiations will be.

Director Dugan inquired why we need outside counsel for this. Chairman D'Esposito stated that the outside attorneys do not need to be involved in every negotiation session.

In response, Mr. Jannite stated that he will get a list together of things we plan on discussing with the union so that outside counsel will only be brought in on special matters.

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Mr. Sotos then briefed the Board on the Spangler lawsuit. The Authority was successful on appeal in the federal case where it was deemed that Mapco was suppose to have purchased a policy that would cover the accident. In the still pending state case, Mr. Spangler will settle for \$100,000. The Judge hoped the Authority and Mapco would divide this amount. We offered \$25,000 to resolve this case, but Mapco didn't want to pick-up the \$75,000.

The state court has now ruled that the policy of insurance which Mapco had been required to provide would have included a declining limit. Mapco is now willing to pay \$62,500 toward the \$100,000 settlement. If we will increase our settlement offer to \$37,500 from \$25,000, we could resolve this case. If it goes to trial, we may end up spending a great deal more. Therefore, staff recommends settling this case for the amount of \$37,500.

Director Dugan moved to approve the settlement of this case in the amount of \$37,500.00.

Director Philip requested that Barbara McKinzie pull a contract from time to time to make sure all documents and insurance forms are signed.

Mr. Sotos then briefed the Board of the Graham case. The Supreme Court has deemed our request to have the appeal heard on an expedited basis. Therefore, we will not have oral arguments in September. The present plan is to request, at the time we file our brief, that an expedited hearing take place in November.

Chairman D'Esposito went on to explain that he thought the ruling was a message that the Supreme Court would like the General assembly to look at the question. The Legislative Veto Session takes place in the fall and it's designed to look over matters which the Governor may veto. The session is over by Thanksgiving.

The Plaintiff's in the case have asked the Judge to accept the filing which would add additional counts naming officers of the Authority. The Attorney General's Office has filed objections to filing these counts.

Mr. Sotos explained that there is a team working on the preparation of the appeal. This team consists of two people from the Attorney General's Office, our Legal Department, George Pitt and Jim Murray, as well as Richard Johnson of Schiff, Hardin & Waite. Mr. Johnson is preparing some of the pleading work.

Mr. Sotos requested approval of a resolution authorizing an agreement with C. Richard Johnson to continue his participation in the appeal process.

Director Philip asked what our status would be if the General Assembly didn't act on this.

Chairman D'Esposito stated that he didn't attribute anything to the Court's denial for an expedited hearing. When we file our Brief in mid August, we will ask the Supreme Court to stay the effect of Judge Schiller's Order until they have decided the case. The Chairman also stated that the University of Illinois and Southern Illinois University would be filing.

With regard to the South Extension lawsuit, the Federal Government thinks they can go back to the Trail Court and in a short period of time tell Judge Conlon that what was done was appropriate. We don't agree. We have filed our appeal and the Feds have filed a Motion of Stay. We will file a response to that stating that the EIS was fine and we'll defend it.

There being no further business, Chairman D'Esposito requested a motion to adjourn.

Director Philip moved to adjourn; seconded by Director Fitzgibbon. There being "Ayes" and no "Nays", the motion was carried.

Meeting adjourned at approximately 11:50 a.m.

Minutes taken by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On July 31, 1997, at approximately 11:30 a.m., upon Motion of Director Banks, seconded by Director Fasseas, the Authority Board of Directors met in Executive Session to discuss litigation and real estate. The Secretary called the roll and those present were as follows:

| | |
|---------------------------------|---------------------------------|
| Chairman Julian D'Esposito, Jr. | Executive Director Ralph Wehner |
| Director James Banks | Mr. Ken Desmaretz |
| Director Roger Claar | Mr. Robert Douglas |
| Director William Dugan | Mr. Paul Bonin |
| Director Paula Fasseas | Mrs. Trudy Steinhauser |
| Director Thomas Fitzgibbon | Ms. Katie Nee |
| Director Robert Neal | Ms. Sue Cruse |
| Director Arthur Philip | |
| Director Robert Turner | |

Mr. Paul Bonin presented background information regarding Parcels NS-703-035 and NS-703-036. The owner of these parcels, Mr. Gosciejew, was present at the Operations Meeting of April 18, 1996, and stated that the Authority didn't treat him fairly. On April 19, we had a Quick Take of this property. Our appraisal, at that time, was \$245,000.00. The Judge issued an award of \$315,000 to be put in escrow. A Pre-Trial was held in Will County and a settlement was made in the amount of \$300,000. Mr. Gosciejew should repay the Authority \$15,000.00. We feel this settlement is equitable and would like to settle.

This is coming to the Board because our policy states that whenever we have to pay over \$50,000 of the appraised value, it has to go before the Board for its approval.

Mr. Douglas briefed the Board on the property acquisitions for the South Extension. We have 21 condemnation cases settled out of 162. We acquired 324 parcels of which a half were through negotiations and a half through condemnation.

Chairman D'Esposito requested that Mr. Douglas brief the Board, in Executive Session, on the North-South parcels, explaining such things as how much we have spent.

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Chairman D'Esposito requested a motion to settle this case with Mr. Gosciejew. Director Claar moved to settle; seconded by Director Philip. There being "Ayes" and no "Nays", the motion was carried.

There being no further business, Chairman D'Esposito requested a motion to adjourn Executive Session.

Director Banks moved to adjourn; seconded by Director Neal. There being "Ayes" and no "Nays", the motion was carried.

Meeting adjourned at approximately 11:55 a.m.

Minutes taken by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On August 21, 1997, at approximately 10:57 a.m., upon Motion of Director Banks, seconded by Director Neal, the Authority Board of Directors met in Executive Session to discuss pending litigation and negotiations with respect to fiber optics. The Secretary called the roll and those present were as follows:

| | |
|---------------------------------|------------------------|
| Chairman Julian D'Esposito, Jr. | Mr. Al Ambutas |
| Director James Banks | Mr. Ken Desmaretz |
| Director Roger Claar | Mr. Ed Stapleton |
| Director William Dugan | Mr. Nick Jannite |
| Director Paula Fasseas | Mrs. Trudy Steinhauser |
| Director Thomas Fitzgibbon | Ms. Katie Nee |
| Director Robert Neal | Ms. Sue Cruse |
| Director Arthur Philip | Mr. Mark Swidergal |
| Director Robert Turner | |

On the South Extension case, Chairman D'Esposito stated that the Federal Government filed a Motion asking if they could supplement the record. The Plaintiffs' are preparing a response.

Regarding the Graham case, Brief's will be filed on Monday. The Universities are also filing a Brief pointing out how this case could impact them.

Mr. Al Ambutas and Mr. Ed Stapleton then briefed the Board on negotiations with MFSNT with regard to constructing a fiber optics communications system for the Authority and marketing excess capacity to third party users. The Authority will fund the project at a cost of approximately 28 million dollars and receive 85% of the revenues from third party use of excess capacity. MFSNT will receive 15% of the revenues for maintaining and marketing the system.

We will hire MFSNT to be our contractor and we have the option to hire them to maintain the system.

After many questions and much discussion, Chairman D'Esposito asked the Board if they were comfortable acting on this next week or if they wanted more information. Questions raised were as follows: What is the payback? Where are we getting the cash? When will the Authority recover its investment? What happens to our capital program; what won't get done? Can we do this under state law? Can we provide fiber optic services to somebody else? What are the consequences under our indenture? Have we talked to any potential customers?

Mr. Ambutas stated that our Bond Counsel found nothing to preclude us from doing this. Palmer Bellview was hired to look at our enabling legislation, our Trust Indenture, etc., to see if we can do this. They also looked at case law and their opinion was inconclusive.

Chairman D'Esposito stated that he wants to read this contract and Mr. Ambutas should answer all questions asked above at the meeting next Thursday at 8:00 A.M. in the Engineering Conference Room. Mr. Ambutas will provide a summary of the history of this project to all the Directors prior to next week's meeting.

Mr. Ambutas stated that MFSNT will come in next week and give a presentation to the Board. They will be ready to answer any questions presented to them.

Chairman D'Esposito also stated that Mr. Jannite and Mr. Desmaretz will show the Board where the money will come from to install this system.

There being no further business, Chairman D'Esposito requested a motion to adjourn. Director Dugan moved to adjourn; seconded by Director Turner. There being "Ayes" and no "Nays", the motion was carried.

Meeting adjourned at approximately 12:25 p.m.

Minutes taken by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On September 18, 1997, at approximately 10:50 a.m., upon Motion of Director Banks, seconded by Director Neal, the Authority Board of Directors met in Executive Session to discuss pending litigation. The Secretary called the roll and those present were as follows:

| | |
|---------------------------------|------------------------|
| Chairman Julian D'Esposito, Jr. | Mr. John Hauk |
| Director James Banks | Ms. Sue Cruse |
| Director William Dugan | Ms. Katie Nee |
| Director Robert Neal | Mrs. Trudy Steinhauser |
| Director Arthur Philip | Mr. George Sotos |
| Executive Director Ralph Wehner | |

Mr. Sotos and Ms. Nee briefed the Board on a lawsuit pending from the Tri-State widening project. Argonaut was the wrap-up insurance carrier on this project. Ms. Nee explained that an accident occurred when the driver of a truck transporting concrete beams to the project overturned, killing the driver. Prestress and A & N Cartage were not covered under the wrap-up insurance. All the other defendants were covered. The settlement was for \$2,250,000.00. \$1,600,000 was paid by Prestress, \$600,000 by A & N Cartage and \$50,000 by the wrap-up defendants.

Mr. Sotos then briefed the Board on the pending litigation with the First Baptist Church of Lombard. This case involves allegations of flooding at the church. The church suggested we reconfigure and reconstruct the parking lot where most of the flooding occurs, at a cost of approximately \$325,000. The insurance company offered \$50,000 toward relocating the parking lot and the response from the church was a reduction to \$295,000. This case has been pending for 4 years and went to trial this week.

Mr. Sotos then briefed the Board on the Graham case. The Motions to Dismiss are being reviewed by the Attorney General's Office since they are providing us with representation. The motions will be filed tomorrow.

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There being no further business, Chairman D'Esposito requested a motion to adjourn. Director Neal moved to adjourn; seconded by Director Banks.

Chairman D'Esposito called for a voice vote, and there being "Ayes" and no "Nays", the motion was carried.

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On September 25, 1997, at approximately 11:50 a.m. on Motion Picture Studios, Director James Banks, seconded by Director Fasseas, the Authority Board of Directors met in Executive Session to discuss collective bargaining matters. The Secretary called the roll and those present were as follows:

Director James Banks
Director William Dugan
Director Paula Fasseas
Director Thomas Fitzgibbon
Director Robert Neal
Director Arthur Philip
Director Robert Turner

Mr. Nick Jannite
Mr. Rick Jannite
Mrs. Judy Jannite
Mr. George Sotos

Mr. Jannite briefed the Board on negotiations with toll collectors, warehouse workers, toll collectors and custodial services, which involves about 1,000 people.

In the cash handling and collection areas, we're looking at adding language on polygraphs.

Some areas state that they get paid back to 1988. We will add that they will get 1/2 sick days back to 1984 which is uniform throughout the Authority.

The change is that the seasonal employee definition changed. Right now it allows seasonal employees to be hired until September 30. We want to eliminate that language and be allowed to hire temporary employees when the workload calls for it.

We would also like to be allowed to cross train toll collectors and lanewalkers. This currently is not available to the Authority.

With regard to the new pension plan, we will negotiate the same as the state did wherein each employee will receive a stipend of \$565.00 in lieu of a raise in 1998 and not more than a 3% increase for the next two years after that.

Director Neal would like to know the dollar figure we would be paying for the sick days from 1984 through 1988.

There being no further business, Director Dugan moved to adjourn; seconded by Director Banks.

There being "Ayes" and no "Nays", the motion was carried.

Meeting adjourned at approximately 12:10 p.m.

Minutes taken by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On November 20, 1997, at approximately 11:45 a.m., upon Motion of Director Banks, seconded by Director Fasseas, the Authority Board of Directors met in Executive Session to discuss land acquisition. The Secretary called the roll and those present were as follows:

Chairman Julian D'Esposito
Director James Banks
Director Roger Claar
Director Paula Fasseas
Director Thomas Fitzgibbon
Director Arthur Philip
Director Robert Turner

Mr. Paul Bonin briefed the Board on Parcel NS-704-001. This is a 22 ½ acre parcel which is owned by Mr. Anthony Sartori and it was a contested quick take.

Mr. Bonin introduced Mr. Mike Martin, the Authority's outside counsel who is handling this case. The Judge ruled at \$14,400 per acre and therefore, Mr. Martin feels the Authority should settle this case in the amount of \$325,000.00.

Director Philip moved to approve said settlement; seconded by Director Turner. There being "Ayes" and no "Nays", the motion was carried.

Chairman D'Esposito then requested a motion to adjourn Executive Session. Director Turner moved to adjourn; seconded by Director Claar. There being "Ayes" and no "Nays", the motion was carried.

Meeting adjourned at approximately 12:11 p.m.

Minutes taken by: _____
Trudy Steinhauer

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On December 11, 1997, at approximately 11:30 a.m., upon Motion of Director Neal, seconded by Director Banks, the Authority Board of Directors met in Executive Session to discuss litigation and collective bargaining issues. The Secretary called the roll and those present were as follows:

Chairman Julian D'Esposito
Director James Banks
Director Roger Claar
Director William Dugan
Director Paula Fasseas
Director Thomas Fitzgibbon
Director Robert Neal
Director Arthur Philip
Director Robert Turner

Mr. George Sotos, introduced Mr. Robert Voight, counsel for the insurance company who was the carrier on the North-South Tollway construction project, to brief the Board on the First Baptist Church of Lombard v. The Illinois State Toll Highway Authority.

Mr. Voight stated that the church property floods approximately 2 times a year and they claim the construction of I-355 changed the drainage patterns and that's why they now flood. According to witnesses, from 1960 through 1987 there were no flooding problems. The church wants to move the parking lot out of the flood plane area and waterproof the church building. The entire area of the church and parking lot is in the flood plane of the east branch of the DuPage River.

The Court found that the parking lot never flooded prior to the construction of I-355 and awarded \$328,000 to the plaintiff for the expense of moving the parking lot and waterproofing the church. Mr. Voight stated he felt the Court was ordering us to pay for curing geographic problems that the church has always had. This claim is fully covered by the insurance company but we have until after Christmas to appeal.

After much discussion, the Board took a vote and 2 Directors voted to appeal and 4 Directors voted not to appeal. AIG is the insurance carrier and it is ultimately their decision on whether or not they appeal.

Mr. Sotos then introduced Mr. Dave Wilson to brief the Board on the case entitled Paul Jansen vs. ISTHA.

In December of 1993, a supervisory position in Safety & Training was vacated. This position was not posted. An employee, though new to that division, was promoted to the supervisory position and Mr. Jansen felt since he did not get the promotion, it was discriminatory action on the part of the Authority. He believes on the record he was clearly more qualified for the position but all employees were considered. There is nothing in Mr. Jansen's personnel file relating to any problems although there were problems with this employee. At the settlement conference last week before Judge Roseman, the plaintiff's asked for a settlement of \$70,000. Mr. Wilson told the Judge we wouldn't pay that. After talking with Nick Jannite, we offered \$6,000 and the plaintiff's came back with \$12,000.00. The Judge suggested we should settle this case in the amount of \$9,000.

The Board voted to settle this case in the amount of \$9,000.

Mr. Jannite stated that we have had 9 meetings with the union and are still discussing many issues. We will continue negotiations and keep the Board informed.

Chairman D'Esposito then requested a motion to adjourn Executive Session. Director Claar moved to adjourn; seconded by Director Philip. There being "Ayes" and no "Nays", the motion was carried.

Meeting adjourned at approximately 12:35 p.m.

Minutes taken by: _____
Trudy Steinhauser

MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On December 18, 1997, at approximately 11:50 a.m., upon Motion of Director Claar, seconded by Director Dugan, the Authority Board of Directors met in Executive Session to discuss litigation and collective bargaining issues. The Secretary called the roll and those present were as follows:

Chairman Julian D'Esposito
Director James Banks
Director Roger Claar
Director William Dugan
Director Arthur Philip
Director Robert Turner

Mr. Paul Bonin briefed the Board on the acquisition of Parcel NS-704-026 which is near the interchange of Route 7 and Gouger Road. This was a full take of 13.07 acres. Our appraiser, Southcomb, appraised the property at \$15,000 per acre. At the Quick Take Hearing, the Judge set a value of \$19,500 per acre. The Authority then hired Mr. Tadrowski to provide another appraisal on this property. He valued the property at \$253,000 or about \$19,500 per acre. After some discussion, the Board voted to authorize settlement of this case.

Mr. Jannite and Mr. DeRobertis then briefed the Board on the progress of the union negotiations which affect approximately 1100 employees. The union demand's included a 6% pay increase and pension costs would be paid by the Authority. In comparison, the State, which has about 60,000 employees, gave its unions the \$565.00 and a 3% increase for the second and third years of the contract. Direction was given to the staff to put a significant offer on the table and to report back next month, if necessary.

There being no further business, Chairman D'Esposito requested a motion to come out of Executive Session. Director Banks moved; seconded by Director Claar. There being "Ayes" and no "Nays", the motion was carried. Meeting adjourned at approximately 12:25 p.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On January 22, 1998, at approximately 10:45 a.m., upon Motion of Director Dugan, seconded by Director Turner, the Authority Board of Directors met in Executive Session to discuss property acquisition and collective bargaining issues. The Secretary called the roll and those present were as follows:

Chairman Julian D'Esposito
Director James Banks
Director William Dugan
Director Paula Fasseas
Director Thomas Fitzgibbon
Director Arthur Philip
Director Robert Turner

Mr. Jannite briefed the Board on union negotiations. Last Friday we put our best and final offer on the table. This offer included the following: The union members will receive a 45¢ increase the first year, effective July 1, 1998, 45¢ the second year and 45¢ the third year. This averages out to approximately 3.1% each year, for the three years. They will receive pension benefits which will cost the Authority approximately 3.5 million dollars over three years for this group. All members, except the money room employees, will receive an additional 15¢ at the 10 year mark. The money room will receive 15¢ after 7 years. This longevity portion will cost the Authority approximately \$287,000 over 3 years. The Authority will pick-up insurance for part timers after 6 months which will cost approximately \$400,000 per year. The Authority also agreed to move 18 toll collectors from the part time ranks to full time positions. Associated with that would be additional holidays and sick days which would cost approximately \$90,000 per year for the 18 positions. The Authority will increase sick leave for part timers from 3 days to 6 days and that will cost approximately \$130,000 per year. Overall, including pension, wages and other items, over 3 years, the total package is approximately a 16% increase, with the pension being a considerable amount.

We also have language included in the agreement stating that we will not lay-off individuals based on technology. However, as positions become vacant, the Authority is not required to fill them.

Mr. Wehner stated that since we waived the stipend to the union employees, do we want to do the same for our salaried employees? The stipend is not added to the base salary but we have to talk about doing that.

Chairman D'Esposito would like a summary of the negotiated package distributed to all Directors and would also like a summary of what range of options the Authority has for its other employees.

Chairman D'Esposito then asked Mr. Paul Bonin to brief the Board on the Kennedy property which is located where I-355 crosses Route 6. Mr. Bonin introduced Mr. Mike Devine and Mr. Goedert from Deutsch, Levy who are handling the case. Mr. Devine explained that this is a 240 acre parcel of which the Authority is taking 53 acres for an interchange. One of the issues is whether damages to the remainder can be off-set by special benefits to the property. The property owners claim that the remaining property is not as valuable because of the impact of the taking. The Authority argues that because of the road and the full interchange, this property will be more valuable. The interchange will enhance the value of the property by providing access and visibility for commercial development. However, because of the Sierra Club suit, and no clear time table of when the road would be built, the property owner argues that any claimed special benefits are purely speculative and thus inadmissible into evidence.

Other issues include whether the property should be valued with well and septic or with sewer and water. The values range from \$15,000 per acre to \$27,000 per acre depending on the assumptions. Another complicating issue is whether the homestead should be valued over and above the right-of-way land value. The owners homestead appraisal came in at \$400,000.

The owners would settle for \$1,850,000. If this goes to trial, they will ask for \$3,700,000. Mr. Devine recommended that the Board give him authority to settle this case for \$1,850,000 or less.

After discussion, there was a motion to authorize settlement. There being "Ayes" and no "Nays", the motion was carried.

Chairman D'Esposito then requested that staff recalculate the Authority's land acquisition budget and come back with a new budget figure. He would also like a summary, in the next couple of weeks, on the acquisition program.

Chairman D'Esposito discussed the new Procurement Code with the Directors and directed Legal to send all Directors Section 50-13 of that Code.

There being no further business, Chairman D'Esposito called for a motion to adjourn. Director Fasseas moved to adjourn; seconded by Director Banks. There being "Ayes" and no "Nays", the motion was carried.

Meeting adjourned at approximately 12:00 p.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On January 29, 1998, at approximately 10:50 a.m., upon Motion of Director Turner, seconded by Director Dugan, the Authority Board of Directors met in Executive Session to discuss land acquisition and litigation. Mr. Richard DeRobertis called the roll and those present were as follows:

Chairman Julian D'Esposito
Director James Banks
Director William Dugan
Director Paula Fasseas
Director Thomas Fitzgibbon
Director Arthur Philip
Director Robert Turner

Ms. Katherine Nee briefed the Board on the I-294 - Golf Road property involving an unpermitted use of Authority property.

After reviewing the facts and analyzing the law, Legal did not recommend pursuing any action against the unpermitted user or the adjacent property owner. The limited damages the Authority could potentially recover, coupled with a deal "lessor" and the fact that the unpermitted use has ended, mitigates against pursuing an action.

After some discussion, it was determined by the Board not to sue Mr. Meyer for trespassing.

Mr. Paul Bonin then briefed the Board on Parcel No. NS-706-005, the Kennedy property, which was discussed in detail last month. The case settled for \$1,835,640 which is under the amount originally requested.

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January 29, 1998
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There being no further business, Chairman D'Esposito requested a motion to adjourn. Director Philip moved to adjourn; seconded by Director Turner.

Chairman D'Esposito called for a voice vote, and there being "Ayes" and no "Nays", the motion was carried.

Meeting adjourned at approximately 11:05 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On February 19, 1998, at approximately 11:05 a.m., upon Motion of Director Turner, seconded by Director Claar, the Authority Board of Directors met in Executive Session to discuss collection bargaining issues and litigation. The Secretary called the roll and those present were as follows:

Chairman Julian D'Esposito
Director James Banks
Director Roger Claar
Director William Dugan
Director Paula Fasseas
Director Thomas Fitzgibbon
Director Arthur Philip
Director Robert Turner

The Directors discussed the need for outside counsel to represent them in union negotiations with M.A.P. which represents the Authority's telecommunicators. The Directors felt the Authority could commence negotiations with M.A.P. themselves and did not need an outside law firm at this time. After much discussion, it was decided that this item would be deleted from the agenda.

Ms. Nee then briefed the Board on the lawsuit entitled Marren v. ISTHA. Ms. Marren has filed a claim with The Illinois Department of Human Rights claiming that the Authority has discriminated against her for failing to provide an accommodation which amounted to transferring her to the Attorney General's Office downtown. There was an issue as to whether or not she could adequately perform her functions for the Authority outside of this office. We had discussions with the Attorney General's Office to transfer her to their payroll, but that was not an option. This went to an initial hearing at the Department of Human Rights. Preliminary settlement negotiations include terms for Ms. Marren to resign from the Authority and the Attorney General's Office, effective immediately, and executing a full release of claims, in exchange for a financial package.

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There was general discussion on hiring a new lawyer for the Authority. Katie recommended waiting about 4 months to see what will evolve in the Law Department.

There being no further business, Chairman D'Esposito called for a motion to adjourn Executive Session. Director Dugan moved to adjourn; seconded by Director Banks. There being "Ayes" and no "Nays", the motion was carried.

Meeting adjourned at approximately 11:15 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On February 26, 1998, at approximately 11:25 a.m., upon Motion of Director Banks, seconded by Director Turner, the Authority Board of Directors met in Executive Session to discuss litigation. The Secretary called the roll and those present were as follows:

Chairman Julian D'Esposito
Director James Banks
Director Roger Claar
Director William Dugan
Director Paula Fasseas
Director Arthur Philip
Director Robert Turner

Ms. Nee briefed the Board on the Kennedy property lawsuit. This case did settle.

Regarding First Baptist Church of Lombard, the Authority indicated to AIG, its insurance carrier, its desire not to appeal. Despite our wishes, AIG has appealed this case.

Ms. Nee then stated that the lawsuit entitled Marren v. ISTHA, has been settled.

There being no further business, Chairman D'Esposito called for a motion to adjourn. Director Dugan moved to adjourn; seconded by Director Banks. There being "Ayes" and no "Nays", the motion was carried.

The meeting adjourned at approximately 11:40 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On March 19, 1998, at approximately 10:35 a.m., upon Motion of Director Claar, seconded by Director Banks, the Authority Board of Directors met in Executive Session to discuss litigation, land acquisition and collective bargaining issues. The Secretary called the roll and those present were as follows:

Chairman Julian D'Esposito
Director James Banks
Director Roger Claar
Director Paula Fasseas
Director Thomas Fitzgibbon
Director Robert Turner

Mr. Paul Bonin and outside counsel, Mr. Steve Connelly, briefed the Board on the acquisition of Parcel NS-703-089, which is located on the north side of 143rd Street, about a half mile west of State Street and consists of approximately 9.8 acres. The taking is a Fee Simple of 2.8 acres and a temporary easement of 1.2 acres.

The landowner originally purchased this property, which consisted of 10 acres, and built an 11,000 square foot home on the back third of the property. At the time of the original purchase, the tollway was not located adjacent to the property. It was some time later that the alignment was changed to place the tollway immediately adjacent to the property. 143rd street will have an interchange and the west side of his property will be a frontage road which will take all the traffic from 143rd to the northbound tollway. Access control will prohibit any future development of the front part of the property.

Because of the frontage road, the landowner wants to move his entrance road from the west side of the house to the east side, which will cost approximately \$92,000. The Authority's appraiser, Mr. Tadrowski, valued the property at

\$250,000. The Trial Judge set preliminary just compensation at \$345,000, which didn't include the \$92,000 for the road. The owners are willing to settle for \$395,000 which includes the \$92,000 for the road. Staff recommends settlement.

Mr. Greg Busey then discussed the Maridon property which is the sub-standard lot which was appraised at \$20,000. In response to the Board's directive, Mr. Busey obtained a second appraisal which valued the parcel at \$18,000. Chairman D'Esposito directed Mr. Busey to provide a copy of the appraisal to each of the Directors. Action will be taken next month on this item.

Mr. Nick Jannite then briefed the Board on union negotiations. The Authority concluded negotiations with Local 73 and we had our attorney prepare the contract and forward it to the union for signature. After they reviewed it, they said the "me too" clause was missing. This was never discussed during negotiations, but the union stated that all provisions which were not negotiated remained the same. Mr. Jannite stated that this is still being discussed and he will apprise the Board of the outcome.

There being no further business, Chairman D'Esposito requested a motion to adjourn. Director Banks moved to adjourn; seconded by Director Turner. There being "Ayes" and no "Nays", the motion was carried. Meeting adjourned at approximately 11:05 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On April 23, 1998, at approximately 11:50 a.m., upon Motion of Director Claar, seconded by Director Turner, the Authority Board of Directors met in Executive Session to discuss litigation. The Secretary called the roll and those present were as follows:

Chairman Julian D'Esposito, Jr.
Director James Banks
Director Roger Claar
Director Thomas Fitzgibbon
Director Art Philip
Director Robert Turner

Ms. Nee briefed the Board on litigation entitled ISTHA v. Walsh and ISTHA v. Madden. Ms. Nee briefly explained the background for the suit, the settlement negotiations to date, as well as the rationale with accepting or rejecting the current offer. After due consideration, the Board recommended accepting the current offer of \$210,000 to settle this matter with all parties.

With regard to the Graham case, Ms. Nee explained that Mr. Schwartz has filed a new motion for Second Preliminary Injunction. In this motion is the Plaintiff's attempt to raise an issue relating to the lack of a cap for bonding in the Toll Highway Act. This lawsuit may delay any refunding issue.

There being no further business, Chairman D'Esposito requested a motion to adjourn. Director Turner moved to adjourn; seconded by Director Claar.

Chairman D'Esposito called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 12:10 p.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On April 30, 1998, at approximately 11:30 a.m., upon Motion of Director Turner, seconded by Director Banks, the Authority Board of Directors met in Executive Session to discuss litigation and personnel matters. The Secretary called the roll and those present were as follows:

Chairman Julian D'Esposito, Jr.
Director James Banks
Director Roger Claar
Director Paula Fasseas
Director Thomas Fitzgibbon
Director Art Philip
Director Robert Turner

Ms. Katherine Nee briefed the Board on the lawsuit entitled ISTHA v. Illinois Department of Revenue, in which the Authority was contesting real estate taxes levied against the Authority's oases. On appeal to the Circuit Court of Cook County, Judge Waid issued an order ruling that the Authority's Operating Agreements were leases and therefore the property was appropriately taxed. The Authority's outside counsel, Craig White, with Wildman, Harrold, Allen & Rixon, is recommending that the Authority not pursue any further appeals as the likelihood of success is remote. After some discussion, legal was directed to conclude the matter and not pursue any further appeals.

Mr. Wehner then briefed the Board on the interviews he had for the Chief Engineer position. He is recommending Mr. Kesti Susinskas to fill this vacancy. The Board approved his decision.

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April 30, 1998
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There being no further business, Chairman D'Esposito requested a motion to adjourn. Director Banks moved to adjourn; seconded by Director Claar. Chairman D'Esposito called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:55 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On May 21, 1998, at approximately 11:30 a.m., upon Motion of Director Dugan, seconded by Director Banks, the Authority Board of Directors met in Executive Session to discuss litigation. The Secretary called the roll and those present were as follows:

Chairman Julian D'Esposito, Jr.
Director James Banks
Director Roger Claar
Director William Dugan
Director Paula Fasseas
Director Thomas Fitzgibbon
Director Art Philip
Director Robert Turner
Director Lance Wyatt

Ms. Nee stated that the Authority had retained Mr. C. Richard Johnson of the law firm of Schiff, Hardin & Waite as Bond Counsel and the consulting expert on the Graham litigation. Mr. Johnson has changed firms and is now with the law firm of Foley & Lardner.

Yesterday Mr. Schwartz filed a Notice of Motion to file a 4th Graham lawsuit. In the suit he is claiming that the joint resolutions passed by the General Assembly to build new tollways have expired and thus the Authority lacks the authority to expend funds in furtherance of building them. He is attempting to bring this suit as a taxpayer lawsuit. The immediate question is whether or not we should retain Mr. Johnson, and his new law firm, as Bond Counsel and for the Graham cases. Chairman D'Esposito recommended that we have Mr. Johnson available in the Graham case but keep the Authority's Bond Counsel at Schiff, Hardin & Waite.

There being no further business, Chairman D'Esposito requested a motion to come out of Executive Session. Director Fasseas moved to adjourn; seconded by Director Banks.

Executive Session Minutes
May 21, 1998
Page Two

Chairman D'Esposito called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:50 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On May 28, 1998, at approximately 11:10 a.m., upon Motion of Director Turner, seconded by Director Claar, the Authority Board of Directors met in Executive Session to discuss litigation and personnel matters. The Secretary called the roll and those present were as follows:

Chairman Julian D'Esposito, Jr.
Director James Banks
Director Roger Claar
Director William Dugan
Director Art Philip
Director Robert Turner
Director Lance Wyatt

Chairman D'Esposito and Katherine Nee briefed the Board on the 4th Graham case. The matter has been sent over until June 17 and we will file a response then. The Attorney General and the Chairman are working on this.

Chairman D'Esposito also stated that nothing is happening on the Sierra Club case which involves the South Extension.

Mr. Ralph Wehner and Ms. Susan Sinz then briefed the Board on the Hay process. Chairman D'Esposito stated that the Board needs to exercise oversight over the staff but he's reluctant to set salaries for employees.

Director Wyatt stated that the Board can control the process but not try to run it on a day to day basis.

Director Philip would like a list of employees who are receiving raises and whose salary is being frozen.

Chairman D'Esposito will work with Mr. Wehner and Ms. Sinz on establishing some recommendations and guidelines on how the Board can become involved in the salary process.

Executive Session Minutes
May 28, 1998
Page Two

There being no further business, Chairman D'Esposito called for a motion to adjourn. Director Philip moved to adjourn; seconded by Director Wyatt.

Chairman D'Esposito called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 12:55 p.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On June 18, 1998, at approximately 11:40 a.m., upon Motion of Director Turner, seconded by Director Banks, the Authority Board of Directors met in Executive Session to discuss litigation and collective bargaining issues. The Secretary called the roll and those present were as follows:

Chairman Julian D'Esposito, Jr.
Director James Banks
Director Roger Claar
Director William Dugan
Director Paula Fasseas
Director Thomas Fitzgibbon
Director Art Philip
Director Robert Turner
Director Lance Wyatt

Ms. Katherine Nee briefed the Board on the existing staffing issues in the Legal Department and requested that attorney James Spizzo of Vedder, Price, Kaufman & Kammholz represent the Authority in union negotiations with Teamster's Local 726.

Mr. Jannite stated that the contract with Local 726 expires on September 30 and negotiations have not yet started.

With regard to the union negotiations with M.A.P., which represents the Authority's Telecommunicators, Mr. Jannite stated that earlier this week the Authority had reached a tentative agreement which was being presented to the full membership for their consideration.

Ms. Nee then briefed the Board on the Graham litigation and explained Martin, Brown & Sullivan's role in representing the Authority.

Executive Session Minutes

June 18, 1998

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Ms. Nee then requested the Board retain Mr. David Wilson to represent the Authority in the "Moon" litigation which involves an ex-employee who is suing the Authority claiming discrimination. Mr. Wilson had handled this matter while staff counsel for the Authority.

There being no further business, Chairman D'Esposito requested a motion to adjourn. Director Fitzgibbon moved to adjourn; seconded by Director Banks. There being "Ayes" and no "Nays", the motion was carried.

Meeting adjourned at approximately 12:10 p.m.

Minutes taken by: _____

Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On June 25, 1998, at approximately 11:25 a.m., upon Motion of Director Banks, seconded by Director Fasseas, the Authority Board of Directors met in Executive Session to discuss collective bargaining and personnel issues. The Secretary called the roll and those present were as follows:

Chairman Julian D'Esposito, Jr.
Director Roger Claar
Director William Dugan
Director Paula Fasseas
Director Art Philip
Director Robert Turner
Director Lance Wyatt

Mr. John Benda stated that the Authority had reached a tentative agreement with MAP for the telecommunicators. Mr. Benda received a phone call advising him that the telecommunicators turned down the offer. The Authority has taken measures for a contingency plan if a strike is called and is also looking at outsourcing the dispatch function of the Authority.

Mr. Ralph Wehner then briefed the Board on the search for a Project Director for the North Extension .

There being no further business, Chairman D'Esposito called for a motion to adjourn. Director Dugan moved to adjourn; seconded by Director Turner. There being "Ayes" and no "Nays", the motion was carried.

Meeting adjourned at approximately 11:55 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On July 23, 1998, at approximately 11:25 a.m., upon Motion of Director Turner, seconded by Director Banks, the Authority Board of Directors met in Executive Session to discuss collective bargaining, litigation and personnel issues. The Secretary called the roll and those present were as follows:

Chairman Julian D'Esposito, Jr.
Director James Banks
Director Roger Claar
Director Paula Fasseas
Director Thomas Fitzgibbon
Director Art Philip
Director Robert Turner
Director Lance Wyatt

Mr. Jannite stated that Local 73, Telecommunicators, took a vote and rejected the tentative agreement presented to them. The Authority offered a 10.3% increase over 3 years which is 3.4% per year. They countered with 11.7% over a 3 year period.

Director Philip asked staff if they looked into outsourcing this function for the Authority. Mr. Benda stated that he's talking with an Elmhurst firm about outsourcing.

Director Claar directed staff to pursue outsourcing, continue negotiating and report back to the Board.

Ms. Katherine Nee briefed the Board on Wilk v. ISTHA and Kenneth L. Desmaretz et al. This is a claim by a current secretary who brought a suit claiming tortious interference with contract. Ms. Wilk claimed the Authority prevented her from accepting a position with an outside company which position would have significantly increased her salary. The Authority offered to settle for \$15,000 cash and a \$5,000 increase in base salary. Her attorney countered with a \$17,500 cash settlement and a \$5,000 increase in base pay.

Executive Session Minutes
July 23, 1998
Page Two

After much discussion, the Board deferred this item until next week.

Mr. Wehner stated that Mr. David Lutyens has accepted the position of Project Director for the Lake County Transportation Improvement Project at a salary of \$45.00 per hour.

Ms. Nee briefed the Board on the lawsuit entitled Turofsky v. Bolek. We received a no liability ruling in this case yesterday.

There being no further business, Chairman D'Esposito called for a motion to adjourn. Director Turner moved to adjourn; seconded by Director Claar. There being "Ayes" and no "Nays", the motion was carried.

Meeting adjourned at approximately 12:05 p.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On July 30, 1998, at approximately 11:55 a.m., upon Motion of Director Claar, seconded by Director Fasseas, the Authority Board of Directors met in Executive Session to discuss litigation. The Secretary called the roll and those present were as follows:

Chairman Julian D'Esposito, Jr.
Director James Banks
Director Roger Claar
Director William Dugan
Director Paula Fasseas
Director Art Philip
Director Robert Turner
Director Lance Wyatt

Mr. Thomas Cieccko presented the results of his analysis of the case entitled Wilk v. ISTHA and Kenneth L. Desmaretz et al. Mr. Cieccko explained that a tentative settlement had been reached comprised of a \$5,000 salary increase, retroactive from March 1, 1998, and a lump sum payment of \$17,500.00.

Mr. Cieccko recommended the settlement, explaining that the costs to employ outside counsel to handle the matter and the uncertainty of success at any trial weighed against litigating the claim further and in favor of settlement.

There being no further business, Chairman D'Esposito called for a motion to adjourn Executive Session. Director Claar moved to adjourn; seconded by Director Philip. There being "Ayes" and no "Nays", the motion was carried.

Minutes taken by: _____

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE ENGINEERING COMMITTEE**

On August 20, 1998, at approximately 11:40 a.m., upon Motion of Director Turner, seconded by Director Claar, the Authority Board of Directors met in Executive Session to discuss the ISTHA v. Mobil and Amoco litigation. Those present were as follows:

Chairman Julian D'Esposito, Jr.
Director Roger Claar
Director William Dugan
Director Paula Fasseas
Director Robert Turner
Director Lance Wyatt

Ms. Katherine Nee
Mr. Kesti Susinskas
Ms. Mary Hanje - Wight & Co.
Mr. Chetan Trivedi - Wight & Co.

Mr. Chetan Trivedi of Wight & Co. briefed the Committee on the Belvidere South Oasis. Mr. Trivedi first provided a brief history of the site as background. He then explained the environmental investigation performed, to date.

Ms. Nee explained that the case is currently on the courts dormant call, pending the IEPA's regulatory review of the sites. Ms. Nee also briefed the Board on the theory of the case to refresh their recollection.

Chairman D'Esposito stated that we need to develop a strategy concerning any off-site issues.

There being no further business, Chairman D'Esposito called for a motion to adjourn. Director Wyatt moved to adjourn; seconded by Director Fasseas.

Meeting adjourned at approximately 12:10 p.m.

Minutes taken by: _____

Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On August 27, 1998, at approximately 11:10 a.m., upon Motion of Director Banks, seconded by Director Fasseas, the Authority Board of Directors met in Executive Session to discuss collective bargaining issues. Those present were as follows:

Chairman Julian D'Esposito, Jr.
Director Jim Banks
Director Roger Claar
Director William Dugan
Director Paula Fasseas
Director Art Philip
Director Robert Turner
Director Lance Wyatt

Ms. Katherine Nee
Mr. Nick Jannite
Mr. Richard DeRobertis
Mr. Ralph Wehner

Mr. Jannite stated that MAP had tentatively accepted all the items in the last offer except wages. In response, MAP countered with a wage package that included a 12% wage increase over three years. The Authority countered that offer with rates of \$1.86 that would not be retroactive but would start 6 months into the contract. We recently received a letter saying they wouldn't accept that since they believe the Authority has never done a contract which didn't offer retroactive pay. Mr. Jannite stated that this wasn't true and he would get this information.

Mr. Jannite then briefed the Board on negotiations which have just started with the Teamsters, Local 726, which involves 433 employees. After the first session, some of the items identified in Local 26's proposal are as follows: Incentive pay of 15¢ per hour; triple time for holidays; double time for hours worked over their normal shift; they want to discontinue performance evaluations; they want a 1% pay increase after 10 years of service; they want the ability to take vacations between November and April; they want to eliminate the sick leave bank; they want their tool allowance to increase from \$300 to \$400; they want to allow 5 days offer without having to call in instead of 2 days; and they want a severance package including pay and benefits.

Executive Session Minutes
August 27, 1998
Page Two

After some discussion, the Board instructed Mr. Jannite to continue negotiations.

There being no further business, Chairman D'Esposito called for a motion to adjourn Executive Session.

Director Turner moved to adjourn; seconded by Director Claar. There being "Ayes" and no "Nays", the motion was carried.

Meeting adjourned at approximately 11:40 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On September 24, 1998, at approximately 11:20 a.m., upon Motion of Director Wyatt, seconded by Director Dugan, the Authority Board of Directors met in Executive Session to discuss litigation. Those present were as follows:

| | |
|---------------------------------|------------------------|
| Chairman Julian D'Esposito, Jr. | Ms. Katherine Nee |
| Director Jim Banks | Ms. Sue Cruse |
| Director William Dugan | Mrs. Trudy Steinhauser |
| Director Paula Fasseas | |
| Director Art Philip | |
| Director Lance Wyatt | |
| Mr. Ralph Wehner | |

Ms. Katherine Nee briefed the Board on all four Graham lawsuits. Graham one has been dismissed; Graham two is the lawsuit on which we went to the Supreme Court on the appropriation issue; Graham three, in which all the Directors were named, is the lawsuit stating that the tollway was an appropriated agency and after Judge Schiller entered an injunction order we continued to pay on contracts; and Graham four, which has not yet been filed, is a Petition of Leave to file a taxpayer lawsuit.

The Graham two lawsuit has four counts still pending. Counts 1, 3, 10 and 11. In Counts 10 and 11, Mr. Schwartz states that the Toll Highway Act should have a cap on bonding issues. On September 10, we will argue this issue.

With regard to Count 3, Mr. Schwartz said if the Authority signed a General Release he would dismiss this action. The Authority's litigation counsel believes there are legal counts to get this dismissed and does not recommend signing a Release.

Executive Session
September 24, 1998
Page Two

After some discussion, the consensus of the Board was to not sign a General Release.

There being no further business, Chairman D'Esposito called for a motion to adjourn Executive Session.

Director Dugan moved to adjourn; seconded by Director Wyatt.

Chairman D'Esposito called for a voice vote, and there being "Ayes" and no "Nays", the motion was carried.

Meeting adjourned at approximately 11:30 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On October 29, 1998, at approximately 11:35 a.m., upon Motion of Director Banks, seconded by Director Wyatt, the Authority Board of Directors met in Executive Session to discuss litigation and collective bargaining issues. Those present were as follows:

Chairman Julian D'Esposito, Jr.
Director Jim Banks
Director Roger Claar
Director William Dugan
Director Robert Turner
Director Lance Wyatt

Ms. Katherine Nee
Mr. Nick Jannite
Mrs. Trudy Steinhauser
Mr. Ralph Wehner

Mr. Nick Jannite briefed the Board on negotiations with M.A.P. and will present the contract for approval.

Ms. Nee then briefed the Board on the Graham case. Judge Schiller set a new status hearing for two weeks from Tuesday at 2:00 p.m. He didn't indicated whether he would rule at that time. Therefore, a recommendation to increase the upper limit of compensation by \$100,000.00 for outside counsel on this case is being requested.

Director Claar stated he would like a chart outlining the property acquisitions for the South Extension.

There being no further business, Chairman D'Esposito called for a motion to come out of Executive Session. Director Claar moved to come out of Executive Session; seconded by Director Turner.

Chairman D'Esposito called for a voice vote, and there being "Ayes" and no "Nays" declared the motion carried.

Meeting adjourned at approximately 11:50 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On November 19, 1998, at approximately 11:25 a.m., upon Motion of Director Banks, seconded by Director Turner, the Authority Board of Directors met in Executive Session to discuss litigation and collective bargaining issues. Those present were as follows:

| | |
|---------------------------------|------------------------|
| Chairman Julian D'Esposito, Jr. | Mr. Ralph Wehner |
| Director Jim Banks | Ms. Katherine Nee |
| Director William Dugan | Mrs. Trudy Steinhauser |
| Director Paula Fasseas | |
| Director Thomas Hardy | |
| Director Art Philip | |
| Director Robert Turner | |
| Director Lance Wyatt | |

Chairman D'Esposito briefed the Board on the Sierra Club litigation. Judge Conlon issued her order holding the EIS on the south extension as invalid. The Authority and DOT will prepare a supplemental EIS which means we will update all of the modeling to the 2020 Plan.

There being no further business, Chairman D'Esposito called for a motion to come out of Executive Session.

Director Turner moved; seconded by Director Banks. Chairman D'Esposito called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:35 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On December 10, 1998, at approximately 11:10 a.m., upon Motion of Director [redacted] seconded by Director Banks, the Authority Board of Directors met in Executive Session to discuss litigation and collective bargaining issues. Those present were as follows:

Chairman Julian D'Esposito, Jr.
Director Jim Banks
Director Roger Claar
Director Paula Fasseas
Director Thomas Hardy
Director Art Philip
Director Robert Turner
Director Lance Wyatt
Mr. Ralph Wehner

Mr. Nick Janni
Ms. Katherine Nee
Mr. John Ronda
Ms. Elizabeth Looby
Mr. Robert Lane
Mr. Edward DeRobertis
Mrs. Tracy [redacted]

Ms. Katherine Nee introduced Ms. Elizabeth Looby and Mr. Robert Lane, two new staff attorneys, to the Board.

Chairman D'Esposito then called Mr. Nick Janni to brief the Board on Local 726 negotiations. Mr. Janni stated that a vote was taken and the contract has been ratified. A summary of the contract was provided.

Ms. Katherine Nee briefed the Board on the PrimeCo. contract and the related dispute. Significant and ongoing negotiations concerning the dispute, a preliminary resolution was proposed. PrimeCo is seeking to assign its duties and obligations under the contract to a new entity and obtain a release from the Authority. PrimeCo will be moving forward on securing a special assignee.

In anticipation of moving in this direction, the Legal Department is seeking to increase the upper limit of compensation of the Authority's outside counsel, Dennis Gallitano of Rudnick & Wolfe, who has been assisting the Authority in this matter, by \$20,000.00.

Executive Session
December 10, 1998
Page Two

There being no further business, Chairman D'Esposito called for a motion to adjourn. Director Claar moved to adjourn; seconded by Director Turner.

Chairman D'Esposito called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:30 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On December 17, 1998, at approximately 12:10 p.m., upon Motion of Director Turner, seconded by Director Wyatt, the Authority Board of Directors met in Executive Session to discuss land acquisition and personnel issues. Those present were as follows:

Chairman Julian D'Esposito, Jr.
Director Jim Banks
Director Roger Claar
Director William Dugan
Director Thomas Hardy
Director Art Philip
Director Robert Turner
Director Lance Wyatt

Mr. Ralph Wehner
Ms. Katherine
Mrs. Trudy Steinhauser

Executive Director Ralph Wehner briefed the Board of Directors relating to the Deerfield Road Ramp and indicated that the Directors could view the proposed alternative solutions in the MIS conference room. Mr. Wehner further advised that the Authority will meet with the TMA and hold a public hearing in January.

There being no further business, Chairman D'Esposito called for a motion to adjourn Executive Session. Director Claar moved to adjourn, seconded by Director Turner. There being "Ayes" and no "Nays", the motion was carried.

The Executive Session adjourned at approximately 12:15 p.m.

The Board of Directors then went to the MIS Conference Room to view the Deerfield Road alternative solutions.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On February 18, 1999, at approximately 11:10 a.m., upon Motion of Director Claar, seconded by Director Turner, the Authority Board of Directors met in Executive Session to discuss the sale of excess property. Those present were as follows:

| | |
|---------------------------------|------------------------|
| Chairman Julian D’Esposito, Jr. | Mr. Richard DeRobertis |
| Director Jim Banks | Mr. Kesti Susinskas |
| Director Roger Claar | Ms. Katie Nee |
| Director Paula Fasseas | Mr. Greg Busey |
| Director Art Philip | Mr. Robert Douglas |
| Director Robert Turner | Mrs. Trudy Steinhauser |
| Director Lance Wyatt | |

Mr. Greg Busey explained that the Village of Hinsdale has offered to purchase approximately 3.2 acres of excess land located on the north side of I-55 between I-294 and Harding Avenue.

The Village of Hinsdale currently uses the land as a park, which is a liability to the Authority. This land was deemed excess, was appraised at \$738,000.00, and offered to the Village of Hinsdale. They accepted the offer and will purchase this property for that amount. There is also a reverter clause in the deed stating that this property must be for public use or the land reverts back to the Authority.

Director Philip stated he thought this property was drainage. Mr. Susinskas will check this and relay the information to the Board next week.

There being no further business, Chairman D’Esposito called for a motion to come out of Executive Session. Director Turner moved; seconded by Director Banks. There being “Ayes” and no “Nays”, the motion was carried.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On March 25, 1999, at approximately 11:30 a.m., upon Motion of Director Claar, seconded by Director Turner, the Authority Board of Directors met in Executive Session to discuss litigation. Those present were as follows:

Chairman Julian D'Esposito, Jr.
Director Jim Banks
Director Roger Claar
Director Tom Hardy
Director Robert Turner
Director Lance Wyatt

Ms. Katherine Nee advised that on Tuesday, almost all of the claims in the Graham litigation had been dismissed with prejudice except for the Graham III case which is the one against the Directors, individually. Ms. Nee advised that Plaintiffs have offered to dismiss this case in exchange for a mutual release. The Board indicated their authorization for the release.

There being no further business, Chairman D'Esposito called for a motion to adjourn. Director Banks moved to adjourn; seconded by Director Turner.

Chairman D'Esposito called for a voice vote, and there being "Aye" and no "Nays", the motion was carried.

Meeting adjourned at approximately 11:55 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

August 26, 1999, at approximately 11:05 a.m., upon Motion of Director Turner, seconded by Director Claar, the Authority Board of Directors met in Executive Session to discuss land acquisition. Those present were as follows:

Chairman Arthur Philip
Director Jim Banks
Director Roger Claar
Director Bill Dugan
Director Tom Hardy
Director Robert Turner
Director Lance Wyatt

Mr. Rob Douglas stated that the Authority's policy states that any property settlement, which is in excess of \$50,000 over our appraised value of the property, must be brought to the Board for approval.

Mr. Brian Bottomly and the Authority's outside counsel from Deutsch Levy explained that Heritage Standard Bank is requesting \$825,000.00 to settle litigation. This amount reflects an amount of \$87,000.00 over the appraised value but is \$416,500.00 less than the owners' appraised value.

The property is approximately 80 acres of which the Authority is taking 30 acres in Fee Simple and a small temporary easement of about .3 acres. The remaining property will be damaged.

Chairman Philip called for a motion to settle this litigation in the amount of \$825,000.00. Director Claar moved to approve; seconded by Director Turner. There being "Ayes" and no "Nays", the motion was carried.

Chairman Philip called for a motion to adjourn Executive Session. Director Claar moved to adjourn; seconded by Director Turner. There being "Ayes" and no "Nays", the motion was carried.

Meeting adjourned at approximately 11:15 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On October 28, 1999, at approximately 11:02 a.m., upon Motion of Director Banks, seconded by Director Wyatt, the Authority Board of Directors met in Executive Session to discuss personnel issues. Those present were as follows:

| | |
|------------------------|-------------------------|
| Chairman Arthur Philip | Director Tom Hardy |
| Director Jim Banks | Director Carl Kramp |
| Director Roger Claar | Director Gordon Volkman |
| Director Paula Fasseas | Director Lance Wyatt |
| Director Norman Gold | Ms. Katherine Nee |

Chairman Philip stated that he has the authority to set the salary of the new Executive Director and he believes the whole Board should agree on what that should be.

The Chairman then gave background on Mr. Wehner's salary and the salary structure of Department Chiefs. After much discussion, the Board agreed on an annual salary for Mr. Tom Cuculich in the amount of \$97,000.00. The Board also agreed to expenses in the amount of \$2,000 per month for Mr. Cuculich until he makes permanent living arrangements.

There being no further business, Chairman Philip called for a motion to come out of Executive Session.

Director Claar moved to come out of Executive Session; seconded by Director Volkman.

Chairman Philip called for a voice vote, and there being "Ayes" and no "Nays," declared the motion carried.

Meeting adjourned at approximately 11:15 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On November 10, 1999, at approximately 11:02 a.m., upon Motion of Director Banks, seconded by Director Wyatt, the Authority Board of Directors met in Executive Session to discuss personnel and litigation issues. Those present were as follows:

Chairman Arthur Philip
Director Jim Banks
Director Roger Claar
Director Paula Fasseas
Director Norman Gold

Director Tom Hardy
Director Carl Kramp
Director Gordon Volkman
Director Lance Wyatt

Mr. Jannite briefed the Board on a settlement offer from St. Paul Insurance Company in the amount of \$429,960.00. This claim is from 1998 when a bridge was damaged. Our estimate from Engineering was approximately \$578,000.00. The recovery amount offered by the firm was for \$429,960.00. They think the amount should be reduced because of depreciation. Mr. Hauk is recommending settlement in the amount of \$429,000.00.

After much discussion, Chairman Philip stated that Legal and Engineering came up with a reasonable figure. Legal should tell us how much it would cost the Authority to proceed with litigation and come back to the Board.

Ms. Liz Looby then briefed the Board on Merhab vs. ISTHA. After discussion the Board authorized settling with Mr. Merhab in the amount of \$14,000.00.

Mr. Rob Douglas then discussed litigation regarding property at 143rd Street where it will be going over the South Extension. The Authority is taking approximately 11,000 square feet out of approximately 2 ½ acres. The Authority found the entire property was worth about \$20,000 which included \$13,000 in damages. The owners came up with \$171,000 in damages. The jury awarded the owner \$171,100. Staff feels it is important to appeal and also thinks there was contact between the jury and the homeowner. Staff was given authority by the Board to appeal this case.

Chairman Philip called for a motion to come out of Executive Session. Director Claar moved; seconded by Director Wyatt.

Chairman Philip called for a voice vote, and there being “Ayes” and no “Nays” declared the motion carried.

Meeting adjourned approximately 11:30 a.m.

Minutes taken by: _____

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On January 20, 2000, at approximately 10:30 a.m., upon Motion of Director Volkman, seconded by Director Claar, the Authority Board of Directors met in Executive Session to discuss pending litigation and personnel issues. Those present were as follows:

| | |
|-------------------------|------------------------|
| Chairman Arthur Philip | Mr. Richard DeRobertis |
| Director Jim Banks | Mr. Nick Jannite |
| Director Roger Claar | Ms. Katie Nee |
| Director Norman Gold | Mr. Kesti Susinskas |
| Director Carl Kramp | Mr. George Sotos |
| Director Gordon Volkman | Mr. Gene Kennelly |
| Director Lance Wyatt | Mrs. Trudy Steinhauser |

Chairman Philip briefed the Directors on the raises given to Senior Staff effective January 1, 2000.

Chairman Philip then stated that there is a problem in the money room which Mr. DeRobertis will explain.

Mr. DeRobertis stated that some money is missing from the money room. Internal Audit has not been able to find anything wrong with our accounting system. The State Police are investigating. It is approximately \$182,000.

Director Gold asked if we had bonding insurance. Mr. DeRobertis stated that we didn't have insurance on the employees, but we do for the armored car service.

Mr. Kesti Susinskas then briefed the Board with regard to the Nicor settlement. Authority staff noticed the inside shoulder disappearing on the East-West Tollway. We are in danger of losing the inside lane. We contacted a firm for \$42,000 who pumped under the concrete. In 1977 a NiGas pipe was installed. We added lanes to this section and NiGas has not done anything in 22 years. In negotiating with Nicor, it became apparent that they had not done anything there and therefore didn't owe us any money. They agreed to pay 75% of the emergency repairs. That's the settlement we are bringing to the Board. We recommend taking the settlement.

Mr. Tom Cuculich stated that his report to the Governor is almost finished. The Governor has indicated he will come to the Board meeting on the 27th. The purpose is for Mr. Cuculich to present the report to him, the Board, the Chairman and the media at the same time. The Governor's press will handle this.

There being no further business, Chairman Philip called for a motion to adjourn Executive Session.

Director Wyatt moved to adjourn; seconded by Director Banks.

Chairman Philip called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Meeting adjourned at approximately 11:00 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On March 23, 2000, at approximately 10:40 a.m., upon Motion of Director Volkman, seconded by Director Wyatt, the Authority Board of Directors met in Executive Session to discuss pending litigation. Those present were as follows:

| | |
|-------------------------|------------------------|
| Chairman Arthur Philip | Mr. Richard DeRobertis |
| Director Jim Banks | Mr. Gene Kennelly |
| Director Norman Gold | Mr. John Wagner |
| Director Tom Hardy | Mr. Rob Douglas |
| Director Carl Kramp | Mrs. Trudy Steinhauser |
| Director Gordon Volkman | Mr. Vince Pinnelli |
| Director Lance Wyatt | |

Mr. Rob Douglas and Mr. Vince Pinelli, the Authority's outside counsel on this issue, briefed the Committee as follows: The subject property is an office complex along the Edens Spur in Deerfield. The Authority acquired this property, approximately 126,000 square feet, by quicktake, to build a new plaza at this location. The acquisition of this property had some impacts, according to all appraisers, including noise and traffic stopping and starting closer to the subject property.

Two appraisers hired by the tollway find, in their opinion, the impact would be in the area of \$250,000 to \$260,000 dollars. The owner's appraiser declared the impact to be \$510,000. There was a quicktake on this property and that amount was at \$285,000.

Before construction of the plaza, the complex was about 95% occupied. Now the occupancy level is about 75-79%. There were 43 parking spaces before but now there are 6 less and some are for compact cars.

We have had several pre-trials on this. The owner reduced their demand from \$510,000 and proposed a settlement for \$342,000. That is \$57,000 over the quicktake amount. We feel our cost to go to trial would be over the \$57,000 settlement amount.

Chairman Philip called for a motion to approve said settlement. Director Wyatt moved to approve the settlement; seconded by Director Banks.

Chairman Philip called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Chairman Philip called for a motion to adjourn Executive Session. Director Gold moved to adjourn; seconded by Director Banks.

Chairman Philip called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Meeting adjourned at approximately 10:55 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On March 30, 2000, at approximately 11:05 a.m., upon Motion of Director Volkman, seconded by Director Wyatt, the Authority Board of Directors met in Executive Session to discuss pending litigation. Those present were as follows:

| | |
|-------------------------|-------------------------------|
| Chairman Arthur Philip | Mr. Mike Dreier |
| Director Jim Banks | Mr. Gene Kennelly |
| Director Roger Claar | Mr. Nick Jannite |
| Director Paula Fasseas | Mr. Kesti Susinskas |
| Director Norman Gold | Mr. Richard DeRobertis |
| Director Tom Hardy | Ms. Liz Looby |
| Director Carl Kramp | Mr. Victor Azar |
| Director Gordon Volkman | Mrs. Trudy Steinhauser |
| Director Lance Wyatt | Mr. Ken Funk, Special Counsel |
| Mr. Tom Cuculich | |

Mr. Gene Kennelly introduced Mr. Ken Funk, the Authority's Special Counsel handling the LUST fund case. Mr. Funk briefed the Board on the background of this case. Land at all the oasis facilities was found to be contaminated. There have been several meetings with the IEPA on determining how much the Authority should receive from the LUST fund.

On the reimbursement of costs, a settlement offer was received last year of \$40,000 per site for any and all costs that the Authority has incurred. For the 12 sites, the amount of the settlement would be \$480,000. When you apply for a claim, there is a deductible; in this case its \$170,000. We responded that we didn't think the \$40,000 per site was enough. The IEPA then said they would give us \$44,000 per site, which is subject to the deductible. The Authority still has the potential of getting something from the Amoco and Mobil lawsuit. There also may be additional LUST fund money available.

Director Gold stated we should further explore the possibility of dealing with the concept of proration in the future.

After much discussion, it was decided that this item should be deferred until next month.

There being no further business, Chairman Philip called for a motion to adjourn from Executive Session. Director Hold moved to adjourn; seconded by Director Volkman.

Meeting adjourned at approximately 11:45 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On April 20, 2000, at approximately 10:35 a.m., upon Motion of Director Volkman, seconded by Director Claar, the Authority Board of Directors met in Executive Session to discuss pending litigation. Those present were as follows:

| | |
|-------------------------|-------------------------------|
| Chairman Arthur Philip | Mr. Richard DeRobertis |
| Director Roger Claar | Mr. Nick Jannite |
| Director Carl Kramp | Mr. Victor Azar |
| Director Gordon Volkman | Mrs. Trudy Steinhauser |
| Director Lance Wyatt | Mr. Ken Funk, Special Counsel |
| Mr. Tom Cuculich | Mr. Kesti Susinskas |
| Mr. Gene Kennelly | Ms. Liz Looby |

Mr. Gene Kennelly stated that last month staff came to the Board with a proposed settlement on the litigation with the EPA. We received direction from the Board to further explore the possibility of dealing with the concept of pro-ration. We did come to a settlement wherein we negotiated to come up with a settlement on pro-ration in the future.

Mr. Ken Funk stated that the original offer from the IEPA was for \$40,000 per site, covering 12 of the sites. We went back and renegotiated and that was for an increase to \$44,000 per site. One of the components that the IEPA made was they would not pursue the pro-ration argument. The 50's tank systems and the 70's tank system were not eligible because we removed them before this was an issue.

The question was would they waive the pro-ration argument in the future. Their response was that they were not in a position to make any commitments as far as the pro-ration of work costs. It will be done on a site by site basis and see what the situation is at that time. They will not make a commitment and it's not the focus of the appeal anyway.

We also received a written proposal from the IEPA that confirms the written offer of \$44,000 per site. This would be \$528,000 gross, which is subject to the deductible of \$170,000 so we will receive approximately \$358,000 net. There are two new criteria for the settlement. One is not committing one way or another on the pro-ration issue and they will deem that we have rejected if we don't respond by May 31.

Mr. Funk went on to say that he thinks the Authority should accept the offer believing it is probably going to be the best offer we will receive from them.

April 20, 2000
Page Two

Ms. Liz Looby then briefed the Board on the Merhab litigation. The plaintiff has filed a Motion to Reconsider which is pending. If the Judge denies that, he has 30 days to appeal. Our offer to settle was \$14,000 and the plaintiff wanted \$300,000.

There being no further business, Chairman Philip called for a motion to adjourn Executive Session. Director Volkman moved to adjourn; seconded by Director Wyatt.

Chairman Philip called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 10:57 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On May 18, 2000, at approximately 10:25 a.m., upon Motion of Director Claar, seconded by Director Wyatt, the Authority Board of Directors met in Executive Session to discuss pending litigation. Those present were as follows:

| | |
|-------------------------|-----------------------------|
| Chairman Arthur Philip | Mr. Mike Dreier |
| Director Jim Banks | Mr. Richard DeRobertis |
| Director Roger Claar | Mr. Nick Jannite |
| Director Tom Hardy | Ms. Liz Looby |
| Director Carl Kramp | Mr. Victor Azar |
| Director Gordon Volkman | Mrs. Trudy Steinhauser |
| Director Lance Wyatt | Mr. John Hauk |
| Mr. Tom Cuculich | Ms. Mary Kruk – Wight & Co. |
| Mr. Gene Kennelly | Mr. Ken Funk – Wight & Co. |
| Mr. Kesti Susinskas | |

Mr. Kesti Susinskas briefed the Board on the clean up plans for the Oasis sites. Wight & Co. completed the first phase of reporting with the EPA. The next step is preparing corrective plans and proceeding with clean up at the various locations. Mr. Susinskas introduced Ms. Mary Kruk to update the Board on Wight & Co.'s findings. A copy of the presentation is attached.

Ms. Kruk stated that the goal would be to establish remediation policies at each site and Wight & Co. is recommending that the gross contamination be removed. She went on to say that most of the cost would be to clean up the soil around the tanks.

After much discussion, Mr. Susinskas stated that staff is looking for concurrence on the objectives Wight & Co. has for clean up.

The Board discussed negotiating with Amoco and Mobil to pick-up some of the cost and we might also consider purchasing some adjoining property where there has been migration.

Director Wyatt made a recommendation for remedial cleanup and requested that staff lay out a schedule and knows how much we can accomplish. See how the schedule meets with our Oasis Redevelopment Program.

Mr. Gene Kennelly then briefed the Board on the Rockford Bridge damage. As a result of the damage done to the bridge, the Authority submitted a claim to St. Paul for approximately \$517,900.46. St. Paul came back with a settlement of \$428,000. The Board directed further negotiation.

Executive Session Minutes
May 18, 2000
Page Two

Ms. Liz Looby explained that Packer Engineering did an analysis of the bill submitted by the contractor and will only increase the settlement to \$440,000. It is recommended that the Authority accept \$440,000 if further negotiations are unsuccessful. Legal will use the argument with St. Paul that Sjostrom's original estimate was higher than expected and was reduced. Ms. Looby will try to get to \$485,000 and doesn't recommend further litigation at this time.

Mr. Kesti Susinskas explained that we added the repair work to an existing contract and the insurance company's agent is saying it's unrealistic since some things were already in place. The contractor had to expedite this work to get it completed before winter.

The Board instructed Ms. Looby to further negotiate.

There being no further business, Chairman Philip called for a motion to adjourn from Executive Session.

Director Hardy moved to adjourn; seconded by Director Wyatt. Chairman Philip called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:35 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On May 25, 2000, at approximately 11:00 a.m., upon Motion of Director Volkman, seconded by Director Gold, the Authority Board of Directors met in Executive Session to discuss personnel matters. Those present were as follows:

Chairman Arthur Philip
Director Jim Banks
Director Roger Claar
Director Carl Kramp
Director Gordon Volkman
Director Lance Wyatt
Mrs. Trudy Steinhauser

Chairman Philip stated that Tom Cuculich has been Executive Director for six (6) months. The Board set his salary at \$97,000 with a review after 6 months. After discussion, the Board approved a salary increase of \$6,000, making Mr. Cuculich's salary \$103,000, with another review in 6 months.

There being no further business, Chairman Philip called for a motion to adjourn Executive Session. Director Gold moved to adjourn; seconded by Director Wyatt.

Chairman Philip called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:25 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On June 22, 2000, at approximately 10:50 a.m., upon Motion of Director Volkman, seconded by Director Banks, the Authority Board of Directors met in Executive Session to discuss the possible acquisition of property. Those present were as follows:

| | |
|-------------------------|------------------------|
| Chairman Arthur Philip | Mr. Tom Cuculich |
| Director Jim Banks | Mr. Richard DeRobertis |
| Director Roger Claar | Mr. Nick Jannite |
| Director Carl Kramp | Mr. Kesti Susinskas |
| Director Gordon Volkman | Mr. Gene Kennelly |
| Director Lance Wyatt | Mr. Greg Busey |
| Mrs. Trudy Steinhauser | Mr. Andy Warcaba |

Chairman Philip stated that if the by-pass around O'Hare is constructed, the Des Plaines Oasis might be eliminated. We have been looking at available land, should we decide to relocate this oasis. Plote has offered to sell his land on the north side of the Northwest Tollway, at Mile Post 15, to the Authority. We have also been talking to the landowner on the south side of the Tollway.

Mr. Busey stated that 43 acres would be needed. The land on the south of the tollway would cost \$8.6 million and the estimate for the land north of the tollway is \$10 million.

After much discussion, the Board agreed not to purchase this land.

There being no further business, Chairman Philip called for a motion to adjourn from Executive Session. Director Claar moved to adjourn; seconded by Director Banks.

Chairman Philip called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:25 a.m.

Minutes taken by: _____

Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On July 20, 2000, at approximately 10:25 a.m., upon Motion of Director Volkman, seconded by Director Wyatt, the Authority Board of Directors met in Executive Session to discuss property acquisition and pending litigation. Those present were as follows:

| | |
|-------------------------|------------------------|
| Chairman Arthur Philip | Ms. Liz Looby |
| Director Jim Banks | Mr. Richard DeRobertis |
| Director Roger Claar | Mr. Nick Jannite |
| Director Tom Hardy | Mr. Mike Dreier |
| Director Carl Kramp | Mr. Kesti Susinskas |
| Director Gordon Volkman | Mrs. Trudy Steinhauser |
| Director Lance Wyatt | Mr. Rob Douglas |
| Mr. Tom Cuculich | Mr. John Hauk |
| Mr. Gene Kennelly | Mr. Greg Busey |

Mr. Kesti Susinskas briefed the Board on a resolution to authorize the Authority to settle with Nicor on property located at Naperville Road and the East-West Tollway. Mr. Rob Douglas explained that our appraisal came in at \$37,000. Nicor requested \$85,000 and gave us some sales figures, which the Authority's appraiser could not get. We went back with \$55,000 but Nicor refused so our only alternative was to go to condemnation. Nicor then negotiated for \$60,000, which is the amount we are requesting, be approved for this property. After some discussion, the Board approved this action.

Mr. Nick Jannite then briefed the Board on a property damage settlement offer. In 1998 a truck hit the canopy on the unmanned ramp at Farnsworth and it cost approximately \$134,000 to repair. The insurance company is requesting a 20% deduction for depreciation. The total settlement would be \$124,476.00. After some discussion, the Board instructed Mr. Jannite to call the insurance company and negotiate the 20% for depreciation.

Ms. Liz Looby stated that in the case entitled Merhab vs. ISTHA, the Authority filed a Motion for Summary Judgement and the judge granted our Motion. Mr. Merhab filed an appeal. Tomorrow is a mandatory settlement conference. Last year the Board authorized a settlement of \$14,600, some to be paid to Mr. Merhab and some to SERS. Ms. Looby suggested letting Mr. Merhab resign as of the end of September. We would continue Cobra payments, back pay and SERS. This would cost the Authority approximately \$17,000. After discussion, the Board recommended settlement up to \$25,000.

There being no further business, Chairman Philip called for a motion to adjourn from Executive Session. Director Wyatt moved to adjourn; seconded by Director Banks.

Chairman Philip called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Meeting adjourned at approximately 10:40 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On July 27, 2000, at approximately 10:50 a.m., upon Motion of Director Wyatt, seconded by Director Banks, the Authority Board of Directors met in Executive Session to discuss personnel matters. Those present were as follows:

Chairman Arthur Philip
Director Jim Banks
Director Norman Gold
Director Tom Hardy
Director Carl Kramp
Director Gordon Volkman
Director Lance Wyatt
Mr. Tom Cuculich
Ms. Trudy Steinhauser

Mr. Cuculich briefed the Board on organizational changes he anticipates making. A copy of the new organizational chart is attached.

After much discussion, Chairman Philip called for a motion to adjourn. Director Wyatt moved to adjourn; seconded by Director Volkman.

Chairman Philip called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:45 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On August 31, 2000, at approximately 11:05 a.m., upon Motion of Director Wyatt, seconded by Director Volkman, the Authority Board of Directors met in Executive Session to discuss pending litigation. Those present were as follows:

| | |
|-------------------------|------------------------|
| Chairman Arthur Philip | Mr. Richard DeRobertis |
| Director Jim Banks | Mr. Nick Jannite |
| Director Roger Claar | Mr. Gene Kennelly |
| Director Tom Hardy | Mr. Kesti Susinskas |
| Director Carl Kramp | Mr. Scott Dworschak |
| Director Gordon Volkman | Ms. Liz Looby |
| Director Lance Wyatt | Mr. John Hauk |
| Mr. Tom Cuculich | Mrs. Trudy Steinhauser |

Mr. Nick Jannite briefed the Board on arbitration with Local 73, Service Employees, regarding a clause in their contract.

The Teamsters contract gets negotiated and renewed 10 months after the service employee's contract. In the past, Local 73 negotiated a "me too" clause wherein if the Teamsters get a better contract, Local 73 will receive the same benefits.

The Teamsters received their pay increase on the first day of the contract and Local 73 received their increase 6 months into the contract. Recently the arbitrator told us to try to settle this based on a methodology he prescribed. He requested us to look at each item as if it were given for the full term of the contract. We priced out many items under that method and are still under the settlement amount of 15.8%.

Mr. Jannite went on to say that staff met with the union representatives and will try to settle this before negotiations for the new contract start again in another month. There is unrest among the employees and there is talk that the employees might want to decertify this union.

Mr. DeRobertis requested the approval of the Board to talk with the union to try to settle this matter. After discussion, Chairman Philip directed staff to negotiate with the union representatives and report back to the Board on the outcome. Director Claar requested that staff call the Directors before next month's meeting to advise them of the settlement terms.

Mr. Gene Kennelly briefed the Board on a number of items. The Authority was successful at the trial level with regard to the Merhab litigation.

August 31, 2000
Page Two

On the Rockford Bridge case, the Authority's original claim was for \$517,000. St. Paul offered \$429,000 and, after negotiation, \$440,000. The Board directed staff to continue negotiating and that offer was increased to \$460,000.

A pre-trial conference will take place on October 4 regarding the Amoco and Mobil lawsuit. We are expecting some negotiation by Amoco and Mobil.

With regard to Ganna Construction, our contracts have a large amount for liquidated damages. We will approach liquidated damage amounts of over 1 million dollars, but there is enough retention to cover this. Mr. Kennelly stated that we don't have anyone on staff to handle this litigation so he requested approval to bring on outside counsel, which could act proactively on this litigation. The resolution approving outside counsel would have an upper limit of compensation of \$20,000.

There being no further business, Chairman Philip called for a motion to come out of Executive Session. Director Claar moved; seconded by Director Kramp.

Chairman Philip called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:50 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On September 28, 2000, at approximately 11:05 a.m., upon Motion of Director Banks, seconded by Director Wyatt, the Authority Board of Directors met in Executive Session to review Executive Session Minutes. Those present were as follows:

| | |
|-------------------------|---------------------------------|
| Chairman Arthur Philip | Executive Director Tom Cuculich |
| Director Jim Banks | Mr. Nick Jannite |
| Director Norman Gold | Mr. Richard DeRobertis |
| Director Tom Hardy | Mr. Kesti Susinskas |
| Director Carl Kramp | Mr. Gene Kennelly |
| Director Gordon Volkman | Mr. Scott Dworschak |
| Director Lance Wyatt | Mrs. Trudy Steinhauser |

Mr. Gene Kennelly stated that the Minutes presented were reviewed by the Legal Department and determined to be eligible to be released to the public.

The Minutes presented were from April 18, 1996; April 25, 1996; July 25, 1996; December 17, 1998; March 25, 1999; October 28, 1999 and May 25, 2000.

After some discussion, Chairman Philip called for a motion to adjourn from Executive Session. Director Wyatt moved to adjourn; seconded by Director Banks.

Chairman Philip called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:10 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On October 26, 2000, at approximately 10:55 a.m., upon Motion of Director Wyatt, seconded by Director Banks, the Authority Board of Directors met in Executive Session to discuss pending litigation, personnel issues and collective bargaining matters.

Those present were as follows:

| | |
|-------------------------|---------------------------------|
| Chairman Arthur Philip | Executive Director Tom Cuculich |
| Director Jim Banks | Mr. Nick Jannite |
| Director Ken Cabay | Mr. Gene Kennelly |
| Director Norman Gold | Mr. Richard DeRobertis |
| Director Tom Hardy | Mr. Kesti Susinskas |
| Director Carl Kramp | Mr. Scott Dworschak |
| Director Gordon Volkman | Mrs. Trudy Steinhauser |
| Director Lance Wyatt | Mr. John Benda |

Mr. Gene Kennelly briefed the Committee on the status of the lawsuit against Amoco. We are scheduled to be in Court on November 30 regarding the Defendants Motion to Dismiss. The Authority's outside counsel, Mr. Ken Funk, is advising us they are confident that the Authority should prevail and the Defendant's Motion will be dismissed.

Mr. Kennelly went on to say that a meeting is schedule for November 6 with the technical staff and engineering staff of Mobil, Amoco, Wight & Company and the Authority's engineering staff to discuss, on a site by site basis, our options. It is possible some other options might be arrived at during that meeting. We are also still getting discovery documents on the Amoco/Mobil litigation.

Mr. Kennelly then explained the George Schwach litigation to Director Cabay. This case is pending in DuPage County and is up again on November 1. This case has been continued a couple of times. Director Gold asked if we recovered our bond. It was explained that there is no bond coverage for this incident. Staff is looking into what bonding would be feasible or necessary.

Mr. Nick Jannite then briefed the Board on the MAP union, which represents the Authority's dispatch employees. One of the problems we are experiencing is getting qualified people. This situation is causing some problems for dispatch because communities are paying there dispatchers more than the Authority is. Our contract with MAP is up in May but we would like to open up discussions early. We wanted to get the okay from the Board to do that and also

bring to the Board in November a resolution approving Jim Spizzle, our outside counsel to help with our other negotiations. Jim is working with us on the service employees' contract. After some discussion, the Board agreed that staff can start the negotiations with the MAP union.

Chairman Philip then excused everyone except the Board and Ms. Steinhauser from the Meeting. The Chairman then discussed the salary of Mr. Tom Cuculich with the Board and they gave him a \$6,000.00 increase, making his salary \$109,000.00.

Chairman Philip called for a motion approving said increase. Director Wyatt moved for approval; seconded by Director Banks.

Chairman Philip called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

There being no further business, Chairman Philip called for a motion to adjourn. Director Kramp moved to adjourn; seconded by Director Cabay.

Chairman Philip called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:08 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On January 18, 2001, at approximately 10:47 a.m., upon Motion of Director Volkman, seconded by Director Wyatt, the Authority Board of Directors met in Executive Session to discuss litigation, personnel and collective bargaining issues. Those present were as follows:

| | |
|-------------------------|---------------------------------|
| Chairman Arthur Philip | Executive Director Tom Cuculich |
| Director Jim Banks | Mr. Nick Jannite |
| Director Ken Cabay | Mr. Richard DeRobertis |
| Director Norman Gold | Mr. Kesti Susinskas |
| Director Tom Hardy | Mr. Scott Dworschak |
| Director Carl Kramp | Mrs. Trudy Steinhauser |
| Director Gordon Volkman | |
| Director Lance Wyatt | |

Mr. Cuculich briefed the Board on the collective bargaining negotiations, including the “me too” clause.

After discussion, Chairman Philip asked staff to leave and discussed management salaries with the Board. He stated he discussed this with Tom and 4 ½% increases will be given to the Chief’s. Tom will get a 2.25% increase from \$109,000.00 to \$111,540.00.

Chairman Philip called for a motion approving said raises. Director Cabay moved for approval; seconded by Director Wyatt.

Chairman Philip called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Mr. Tom Cuculich then returned to the meeting to discuss the theft in the money room. Mr. George Schvach will return the stolen money, with interest. Director Gold requested a full briefing on this from our internal auditors.

There being no further business, Chairman Philip called for a motion to adjourn Executive Session. Director Cabay moved to adjourn; seconded by Director Banks.

Chairman Philip called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Meeting adjourned at approximately 11:40 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On January 25, 2001, at approximately 10:45 a.m., upon Motion of Director Volkman, seconded by Director Banks, the Authority Board of Directors met in Executive Session to discuss pending litigation. Those present were as follows:

| | |
|-------------------------|---------------------------------|
| Chairman Arthur Philip | Executive Director Tom Cuculich |
| Director Jim Banks | Mr. Nick Jannite |
| Director Ken Cabay | Mr. Richard DeRobertis |
| Director Norman Gold | Mr. Joe Brownlee |
| Director Tom Hardy | Captain Norman Martin |
| Director Carl Kramp | Mrs. Trudy Steinhauser |
| Director Gordon Volkman | |
| Director Lance Wyatt | |

Mr. Cuculich gave the Board an update on the pending litigation against Mr. George Schwach. The State's Attorney is asking for full restitution, with interest, probably 6 to 9 months in prison with work release and probation for a number of years. Our next court date is February 9.

After much discussion, Chairman Philip called for a motion to adjourn from Executive Session. Director Kramp moved to adjourn; seconded by Director Cabay.

Chairman Philip called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:40 a.m.

Minutes taken by: _____

Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On February 15, 2001, at approximately 11:50 a.m., upon Motion of Director Cabay, seconded by Director Wyatt, the Authority Board of Directors met in Executive Session to discuss pending litigation and collective bargaining issues. Those present were as follows:

| | |
|-------------------------|------------------------|
| Chairman Arthur Philip | Mr. Dave Wilson |
| Director Jim Banks | Mr. Nick Jannite |
| Director Ken Cabay | Mr. Richard DeRobertis |
| Director Norman Gold | Mr. Paul Olszewski |
| Director Carl Kramp | Mr. Kesti Susinskas |
| Director Gordon Volkman | Mr. John Wagner |
| Director Lance Wyatt | Mrs. Trudy Steinhauser |
| Mr. Gene Kennelly | |

Mr. Nick Jannite and Mr. Dave Wilson briefed the Board on contract negotiations. Mr. Jannite stated that with the contract extension we had a provision that negotiations need to be settled and approved by March 31 of this year in order for them to receive retro pay. We hope it will be done by then.

Mr. Gene Kennelly then stated that the Authority was served a lawsuit with respect to an accident on I-90 where the motorist went over the median wall.

Mr. Kennelly also stated that the Authority is ready to file a lawsuit for liquidated damages with respect to the two contracts with Ganna Construction. Mr. John Wagner said that this lawsuit is regarding the express lanes at Plaza 41 on the East-West Tollway and 163rd Street on the Tri-State Tollway. The amount of liquidated damages we are seeking is \$360,000. for the Plaza 41 project and \$945,000 for the 163rd Street project.

Mr. Kennelly then stated that the Schvach litigation case was set for status on February 9. The Judge issued a continuance until March 12.

Chairman Philip called for a motion to adjourn. Director Volkman moved to adjourn; seconded by Director Wyatt.

Chairman Philip called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 12:40 p.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On March 22, 2001, at approximately 10:30 a.m., upon Motion of Director Wyatt, seconded by Director Cabay, the Authority Board of Directors met in Executive Session to discuss land acquisition and collective bargaining issues. Those present were as follows:

| | |
|-------------------------|---------------------------------|
| Director Jim Banks | Mr. Mark Swidergal |
| Director Ken Cabay | Mr. Greg Busey |
| Director Tom Hardy | Mr. Rob Douglas |
| Director Carl Kramp | Mr. Victor Azar |
| Director Gordon Volkman | Mr. Dave Wilson |
| Director Lance Wyatt | Mr. Scott Dworschak |
| Mr. Richard DeRobertis | Mrs. Trudy Steinhauser |
| Mr. Gene Kennelly | Wight & Company – Ms. Mary Kruk |
| Mr. Kesti Susinskas | |

Ms. Mary Kruk from Wight & Company briefed the Board on contamination at the oasis sites. The sites to be addressed during the remediation process are Lincoln, North and South; Des Plaines, North and South; O’Hare, East and West; Belvidere, North and South and Hinsdale, East and West. The environmental issues are soil and ground water contamination from the service station operation.

Ms. Kruk explained the proposed corrective action to be taken and the approximate costs involved. The minimal regulatory requirements would cost about \$2 million; total remediation about \$20-30 million and the estimated cost for recommended remediation is approximately \$6-7 million. The current reimbursement cap per year is \$1 million. Reimbursement cap per occurrence site is \$1 million. This project will be stretched out over a 3-year period.

Mr. Rob Douglas then explained that the contamination at the Belvidere oasis extends beyond our property line. As a result of this, we want to purchase approximately 120 feet of property past the current lot which we should be able to obtain for about \$15,000. We will have appraisals done on the site and negotiate the purchase to not exceed \$30,000.

Mr. Gene Kennelly briefed the Board on the litigation against Amoco/Mobil. A Motion to Dismiss by Amoco/Mobil is currently pending.

Wight & Company and some staff members then left the Executive Session. Mr. Richard DeRobertis briefed the Board on the collective bargaining negotiations. We ended up with a four-year contract. The general increase is 55¢ cents per hour each year. A number of other items were negotiated that had to do with longevity, holidays, and some additions to shift premiums. We are trying an attendance incentive with the toll collector group only.

March 22, 2001
Page Two

Mr. Tom Cuculich thanked the team for doing an excellent job.

Mr. Gene Kennelly gave a brief update on pending litigation against George Schvach and stated that we will be filing suit on Friday against Ganna Construction for damages of \$1.3 million.

There being no further business, Acting Chairman Banks called for a motion to adjourn out of Executive Session. Director Volkman moved to adjourn; seconded by Director Cabay.

Meeting adjourned at approximately 11:50 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On March 29, 2001, at approximately 10:55 a.m., upon Motion of Director Volkman, seconded by Director Wyatt, the Authority Board of Directors met in Executive Session to pending litigation. Those present were as follows:

| | |
|-------------------------|------------------------|
| Chairman Art Philip | Mr. Richard DeRobertis |
| Director Jim Banks | Mr. Nick Jannite |
| Director Ken Cabay | Mr. Kesti Susinskas |
| Director Tom Hardy | Mr. Gene Kennelly |
| Director Carl Kramp | Mr. Rob Douglas |
| Director Gordon Volkman | Mr. Brian Bottomley |
| Director Lance Wyatt | Mrs. Trudy Steinhauser |
| Mr. Tom Cuculich | |

Mr. Rob Douglas briefed the Board on the upcoming trial of the largest single case on the South Extension which is the Catellus case. The trial is scheduled for June 18, with a pre-trial on April 20.

Mr. Douglas then presented background on the case which consists of the taking of approximately 69 acres from Joliet Road on the West to Lemont Road on the East. Mr. Doug Felder and Mr. Rich Redmond, the Authority's outside counsel, have been helping with this case.

Mr. Douglas requested approval from the Board to allow the attorneys to negotiate this litigation between \$5 million and \$8.5 million.

Chairman Philip called for a motion to approve. Director Kramp moved for approval to negotiate; seconded by Director Volkman.

Chairman Philip called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

There being no further business, Chairman Philip called for a motion to adjourn. Director Volkman moved to adjourn; seconded by Director Cabay.

Chairman Philip called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:25 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On April 26, 2001, at approximately 10:50 a.m., upon Motion of Director Volkman, seconded by Director Banks, the Authority Board of Directors met in Executive Session to discuss current litigation. Those present were as follows:

Acting Chairman Lance Wyatt
Director Jim Banks
Director Norman Gold
Director Tom Hardy
Director Carl Kramp
Director Gordon Volkman
Mr. Tom Cuculich

Mr. Richard DeRobertis
Mr. Nick Jannite
Mr. Gene Kennelly
Mr. Kesti Susinskas
Mr. Scott Dworschak
Mrs. Trudy Steinhauser

Mr. Gene Kennelly briefed the Board on the Amoco/Mobil litigation. Last November the Court heard their Motion to Dismiss. The Court ruled in our favor with respect to all the Counts. With respect to our contribution and violation of the IEPA, they did agree with Amoco/Mobil's Motion. The Authority should proceed on one or another of these counts.

The Court heard the Motion to Dismiss and they granted without prejudice, which means we can re-file the complaint. With respect to the declaratory judgement counts, the Judge did an about face since November. With respect to the contribution counts, the Judge believes the Authority is voluntarily contributing by law. The Court's ruling is without prejudice so we have a number of ways we can go. We are still going forward with discussions with Amoco/Mobil for settlement.

Mr. Kennelly then discussed the Bobby Moss condemnation case on the Northwest Tollway and Sleepy Hollow Road, which entails about 6,400 square feet. The taking was to take care of encroachments. It was tried in Kane County and the Authority's attorney was Vince Pinelli. The issue was damage to the remainder wherein the owner said the drainage project damaged her property. The Just Compensation should be limited to the value of the taking. Our pre-trial amount was \$20,000 and our appraiser valued the land at \$4,400. The Moss appraiser came in at more than \$472,000. The Jury came back and agreed with us entirely. There were no damages to the remainder so the end result was \$6,656.00.

There being no further business, Acting Chairman Wyatt called for a motion to adjourn from Executive Session. Director Volkman moved to adjourn; seconded by Director Banks.

Acting Chairman Wyatt called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Meeting adjourned at approximately 11:00 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On May 24, 2001, at approximately 10:50 a.m., upon Motion of Director Banks, seconded by Director Kramp, the Authority Board of Directors met in Executive Session to discuss current litigation, property acquisition and collective bargaining issues. Those present were as follows:

| | |
|----------------------|------------------------|
| Chairman Art Philip | Mr. Richard DeRobertis |
| Director Jim Banks | Mr. Nick Jannite |
| Director Ken Cabay | Mr. John Benda |
| Director Norman Gold | Mr. Gene Kennelly |
| Director Tom Hardy | Mr. Kesti Susinskas |
| Director Carl Kramp | Mr. Scott Dworschak |
| Director Lance Wyatt | Mr. Rob Douglas |
| Mr. Tom Cuculich | Mrs. Trudy Steinhauser |
| Mr. Victor Azar | |

Mr. Kesti Susinskas stated that DuPage County is working on a project to improve traffic flow in the Warrenville/Naperville Road area. The Sign Shop, M8 and the Warehouse are at that location. The project would cause them to take the warehouse facility, therefore we are looking for a new location. We found a property and existing warehouse in Downers Grove that appears to meet a lot of our needs. The Sign Shop could be moved and District 15 could use some of the additional space.

Mr. Tom Cuculich briefed the Board on this particular property. Information is still being gathered with regard to building codes, warranties, soil samples and modifications we would need done.

Mr. Nick Jannite then discussed the negotiations taking place with the Metropolitan Alliance of Dispatchers. We currently have 6 steps in the contract and are recommending that we go to 9. We are also recommending bringing up, significantly, the lower level steps to be more in line with other companies. It would mean about a \$30,000 additional cost to the Authority in the first year. This would compare to a 4% increase to the employees. We hope to hear from the union on Monday and if they ratify we will bring it to the Board next week.

Mr. Jannite then stated that we are currently dealing with Wilton on the oasis project. Negotiations are going well but one of the big issues is that Wilton and Mobil would prefer to have two separate contracts. We would prefer to have a single contract. We are looking to compromise with Mobil on the lawsuit with regard to this issue.

Mr. Gene Kennelly gave a brief update on the Schvach litigation. Mr. George Schvach entered a plea of guilty. His case has been continued until July 12 for sentencing. We will seek a period of incarceration and full restitution.

There being no further business, Chairman Philip called for a motion to come out of Executive Session. Director Cabay moved; seconded by Director Wyatt. Chairman Philip called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:18 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On June 21, 2001, at approximately 10:25 a.m., upon Motion of Director Banks, seconded by Director Hardy, the Authority Board of Directors met in Executive Session to discuss pending litigation and property acquisition. Those present were as follows:

| | |
|------------------------|------------------------|
| Chairman Art Philip | Mr. Greg Busey |
| Director Jim Banks | Mr. Nick Jannite |
| Director Ken Cabay | Mr. Gene Kennelly |
| Director Tom Hardy | Mr. Kesti Susinskas |
| Director Carl Kramp | Mr. Scott Dworschak |
| Director Lance Wyatt | Mr. Rob Douglas |
| Mr. Tom Cuculich | Mr. Brian Bottomley |
| Mr. Richard DeRobertis | Mrs. Trudy Steinhauser |

Mr. Rob Douglas briefed the Board on the acquisition of property on Curtis Avenue in Downers Grove to be used to house the Central Warehouse. After discussion, the Board authorized the Executive Director to sign a Letter of Intent in an amount not to exceed \$3.6 million.

Mr. Douglas then discussed the settlement of the Cattelus lawsuit. The Board had previously given approval for settlement in an amount not to exceed \$8.5 million. The Authority's outside counsel, Mr. Doug Felder and Mr. Rick Redmond negotiated an extremely good settlement for the Authority in the amount of \$7.8 million.

There being no further business, Chairman Philip called for a motion to come out of Executive Session. Director Wyatt moved to come out of Executive Session; seconded by Director Cabay.

Chairman Philip called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 10:45 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On June 28, 2001, at approximately 10:55 a.m., upon Motion of Director Banks, seconded by Director Hardy, the Authority Board of Directors met in Executive Session to discuss collective bargaining issues and the review of Executive Session Minutes. Those present were as follows:

| | |
|----------------------|------------------------|
| Chairman Art Philip | Mr. Richard DeRobertis |
| Director Jim Banks | Mr. Nick Jannite |
| Director Ken Cabay | Mr. Gene Kennelly |
| Director Tom Hardy | Mr. Kesti Susinskas |
| Director Carl Kramp | Mr. David Wilson |
| Director Lance Wyatt | Mrs. Trudy Steinhauser |
| Mr. Tom Cuculich | Mr. John Benda |

Mr. Nick Jannite stated that the contract with M.A.P. was ratified. There were wage increases, more steps added and the elimination of bumping. We also changed some of the vacation and personal time language for some flexibility. There is also an initiative for training.

Mr. Benda stated that with these changes we could attract people from other agencies and put them in the first five steps. It is important to make these changes because we have trouble staffing.

Mr. Gene Kennelly then gave the Directors the Minutes from the Executive Session of January 18, 2001 for their review. The Legal Department is recommending the release of these Minutes.

There being no further business, Chairman Philip called for a motion to come out of Executive Session. Director Hardy moved to come out of Executive Session; seconded by Director Cabay.

Chairman Philip called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:00 a.m.

Minutes taken by: _____
Trudy Steinhauser

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On July 26, 2001, at approximately 11:25 a.m., upon Motion of Director Banks, seconded by Director Wyatt, the Authority Board of Directors met in Executive Session to discuss personnel, property and litigation issues. Those present were as follows:

Chairman Art Philip
Director Jim Banks
Director Ken Cabay
Director Norman Gold
Director Tom Hardy
Director Carl Kramp
Director Lance Wyatt
Mr. Tom Cuculich

Mr. Richard DeRobertis
Mr. Nick Jannite
Mr. Gene Kennelly
Mr. Kesti Susinskas
Mrs. Trudy Steinhauser

Mr. Cuculich began by stating that since the award of the Oasis Redevelopment contract to Wilton Partners, we have hit a snag concerning the escrow agreement.

Mr. Jannite went on to explain that we were working with the RFP, getting the lease established and getting the escrow deposit in place. The Authority doesn't want to continue negotiating the lease until the deposit is in place. Wilton feels a number of items have to be discussed before the escrow is deposited.

Many of these items appear contrary to what we based our decision on in the selection process. There are a number of issues regarding control and economics that differ from our original RFP.

Director Gold asked that if the escrow is deposited and we don't reach terms with them, do we keep the escrow? Mr. Jannite stated that in certain situations we do keep the escrow. The RFP provided for a deposit of funds and it was clear that if we didn't come to an understanding, we would keep the money.

Executive Session

July 26, 2001

Page Two

Mr. Gene Kennelly said that there appears to be a change in the economic portion of what was originally put to the Board and now. It was suggested that a letter be sent clarifying our position, and if an agreement could not be reached, we would have to consider discontinuing negotiations.

After much discussion, the Board recommended that negotiations with Wilton Partners with regard to the Oasis Redevelopment Program cease immediately.

Mr. Jannite then briefed the Board on a new position being created within the Finance and Administration Department. This would be a number two position because there is a need to have someone in charge that can give direction. Susan Sinz has taken on a number of these responsibilities and Nick was looking to promote her. This new position will possibly be given the title of Deputy Chief of Finance and Administration.

Mr. Gene Kennelly then briefed the Board on a complaint that has been filed with the Department of Human Rights by a money room employee. This individual alleges sexual harassment. We investigated the matter and we found that the complaint is unfounded. The individual and her attorney made a settlement on the Authority of \$10,000 and we would like to vigorously contest this. We would settle for a nominal amount of \$500 for nuisance.

Chairman Philip then asked the Board if they would be willing to cancel their life insurance that is given to them by the Authority. This is getting very expensive and if we all agree, can be discontinued. All the Directors agreed to cancel the Authority's life insurance for the Board.

There being no further business, Chairman Philip called for a motion to come out of Executive Session. Director Cabay moved; seconded by Director Gold.

Executive Session
July 26, 2001
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Chairman Philip called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Meeting adjourned at approximately 12:00 p.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On August 23, 2001, at approximately 10:40 a.m., upon Motion of Director Cabay, seconded by Director Gold, the Authority Board of Directors met in Executive Session to discuss potential litigation and property acquisition. Those present were as follows:

Chairman Art Philip
Director Jim Banks
Director Ken Cabay
Director Norman Gold
Director Tom Hardy
Director Carl Kramp
Director Lance Wyatt
Mr. Tom Cuculich

Mr. Richard DeRobertis
Mr. Nick Jannite
Mr. Gene Kennelly
Mr. Kesti Susinskas
Mr. David Wilson
Mr. Ed Stapleton
Mrs. Trudy Steinhauser

Mr. Kennelly and Mr. Ed Stapleton briefed the Board on the Contract with Scientel to upgrade the Authority's communication system that was delayed for a number of years. Scientel is requesting payment from us in the amount of \$2 million to compensate them for their claimed losses in trying to make the system work.

The Legal Department has been involved in this for a period of time. A lawsuit has not been filed. We may have the ability to make a claim against them and we will be addressing that as well.

After much discussion, Chairman Philip requested that staff keep the Board apprised of the situation.

Mr. Tom Cuculich then briefed the Board on two issues related to the Curtis Street property. One is buying the building and the other one is selling the existing warehouse property. We had a meeting with Mr. Zalinga of DuPage County about the possible price of our existing warehouse, which has been appraised by DuPage County and us.

The cost of the building and property has been appraised at about \$5 million. However, we have moving expenses and upgrades need to be made to the Curtis Street property. We had meetings with Mr. Zalinga and requested \$8.2 million to include all our costs. We are asking for 100% coverage and they are willing to discuss this with their Board.

After discussion, Chairman Philip stated that the staff should keep pursuing this and also check on whether or not we can build a tower at Curtis Street.

Mr. Nick Jannite then gave an update on the negotiations with Wilton regarding the oasis redevelopment. We had a meeting with Wilton to discuss certain items such as control, ownership and rent. There will be certain areas where we will have absolute control on what goes into the oasis. Signage was discussed but we have not seen their signage package yet.

After much discussion on this issue, Chairman Philip called for a motion to adjourn. Director Gold moved to adjourn; seconded by Director Kramp.

Chairman Philip called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Meeting adjourned at approximately 11:30 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On August 30, 2001, at approximately 11:05 a.m., upon Motion of Director Wyatt, seconded by Director Banks, the Authority Board of Directors met in Executive Session to discuss potential litigation. Those present were as follows:

Chairman Art Philip
Director Jim Banks
Director Ken Cabay
Director Norman Gold
Director Tom Hardy
Director Carl Kramp
Director Lance Wyatt
Mr. Tom Cuculich

Mr. Nick Jannite
Mr. Gene Kennelly
Mr. Kesti Susinskas
Mr. Scott Dworschak
Mr. Victor Azar
Mr. David Wilson
Mrs. Trudy Steinhauser

Mr. Tom Cuculich and Mr. Nick Jannite briefed the Board on negotiations with Wilton Partners. Mr. Jannite stated that staff prepared a document outlining the agreement, as we understood it to be, and submitted it to Mr. Tim Gallagher from Wilton.

Mr. Gallagher also presented a concept signage package, which is acceptable to the Authority. Director Gold stated that there should be language in the final agreement with regard to the location, size and content of the signs.

Director Gold went on to say that the language that was in the letter they submitted with the check was in variance of the original agreement. We should only accept the check only under the original terms of the agreement.

There being no further business, Chairman Philip called for a motion to adjourn from Executive Session. Director Kramp moved to adjourn; seconded by Director Hardy.

Chairman Philip called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Meeting adjourned at approximately 11:30 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On September 27, 2001, at approximately 10:42 a.m., upon Motion of Director Wyatt, seconded by Director Cabay, the Authority Board of Directors met in Executive Session to discuss current litigation and collective bargaining issues. Those present were as follows:

Chairman Art Philip
Director Jim Banks
Director Ken Cabay
Director Tom Hardy
Director Carl Kramp
Director Lance Wyatt
Mr. Tom Cuculich
Mr. Gene Kennelly

Mr. Nick Jannite
Mr. Richard DeRobertis
Mr. Kesti Susinskas
Mr. Victor Azar
Mr. Scott Dworschak
Mr. David Wilson
Mrs. Trudy Steinhauser
Ms. Susan Sinz

Mr. Nick Jannite gave an update on the negotiations with Local 726, which consists of approximately 440 employees. We have had seven meetings with the union and are now considering having a mediator.

There are many differences that need to be worked out. Some of them are to have a step program for H4 and H6 designations, a 4-year contract vs. 2-year contract, pay rate increases, incentive programs, holiday pay, pension enhancements, increased food allowances, increased vacation time during winter months and less senior people on the night shift.

After much discussion, Mr. Jannite stated he would report back to the Board as negotiations continue.

Mr. Gene Kennelly then briefed the Board on the Amoco/Mobil litigation. We originally planned on seeking direction on reaching a settlement with Amoco and Mobil. Yesterday the case was up for a previous hearing on a Motion to Dismiss. The Court granted that Motion to Dismiss.

Ken Funk of Deutsch, Levy briefed the Board on the background of this case. Judge Wheaton issued a Motion to Dismiss with prejudice. Mr. Funk said this must be appealed. We are also evaluating the re-filing and an appeal, maybe with the Pollution Control Board.

Chairman Philip stated that staff should look at the options and find out how much it will cost the Authority to appeal and also to continue negotiating with Mobil and Amoco.

Mr. Kennelly said that something will be put together and given to the Executive Director and Directors before a decision is made.

There being no further business, Chairman Philip called for a motion to adjourn Executive Session. Director Banks moved to adjourn; seconded by Director Cabay.

Chairman Philip called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:15 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On November 8, 2001, at approximately 10:45 a.m., upon Motion of Director Banks, seconded by Director Hardy, the Authority Board of Directors met in Executive Session to discuss current litigation. Those present were as follows:

| | |
|---------------------------------|------------------------|
| Chairman Art Philip | Mr. Nick Jannite |
| Director Jim Banks | Mr. Richard DeRobertis |
| Director Ken Cabay | Mr. Gene Kennelly |
| Director Norman Gold | Mr. Dave Wilson |
| Director Tom Hardy | Mrs. Trudy Steinhauser |
| Director Carl Kramp | |
| Director Julie McKevitt | |
| Director George Pradel | |
| Director Katherine Selcke | |
| Executive Director Tom Cuculich | |

Mr. Cuculich explained the background on the Authority's fiber optic system. He stated that Scientel has presented a claim that the Authority owes them \$3 million. After review, staff feels they can justify \$559,000 of that claim.

The contract with Scientel was for \$18.3 million. The dispute is because the project has drug on. They have additional claims for \$3 million but after we reviewed the claims, we are only able to justify about \$559,000. We put that in a letter to Scientel, along with other provisions.

Chairman Philip explained that what we're talking about is a piece of hardware that links the fiber to the microwave and it's not switching properly. Scientel is the general contractor on putting in this equipment.

Mr. Kennelly stated that we agree they are entitled to \$559,000 in extra costs. We will suggest to them that we will pay what we believe is justified and in addition to the payment of the money we would release a partial final payment in the amount of \$500,000. This is money due them. We might

further suggest that the Authority would release a part of their performance bond in the amount of about \$18 million. We would allow a partial release of \$8,400,000. A performance bond of about \$9 million would be remaining on this project. We will ask for a release of all of their claims.

Mr. Cuculich then said that we will be forced to make a decision on replacing this equipment. The cost of installing it was about \$8.5 million. We are trying to make the equipment work but are getting an RFP ready.

Mr. Kennelly then stated that Aldridge Electric Company has sued the Authority. In addition to the fiber optic system, Adesta was issued a permit by the Authority to run a fiber optic system parallel to the first one. We received compensation from Adesta for that permit. Adesta hired Aldridge Electric to perform work in the installation of their fiber optic system. Adesta has not fully compensated Aldridge, therefore Aldridge has sued us and Adesta. We have received lawsuits in excess of \$3 million. Aldridge Electric has stated that this is a public works project but we find no merit in that.

Director Gold asked if we have any rights to take over what has been installed and to sell it to someone else? Do we have a right to revoke the permit? Would we have a right to revoke it if they violated the permit? He instructed legal to look into these questions.

Director Gold then asked about Ganna. Mr. Kennelly stated that we are moving forward with Discovery. Many liens have been put on Ganna projects.

Director Gold asked that if we have multiple contracts with the same contractor if we could go after money from another project. He asked legal to also look at this issue.

Director Gold stated that we should look at the whole process of how we let contracts. Maybe we want to change how we do it so we have a better defense on some of these issues.

Executive Session Minutes
November 8, 2001
Page Three

There being no further business, Chairman Philip called for a motion to adjourn. Director Cabay moved to go out of Executive Session; seconded by Director Kramp.

Chairman Philip called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:15 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On November 15, 2001, at approximately 10:50 a.m., upon Motion of Director Cabay, seconded by Director Pradel, the Authority Board of Directors met in Executive Session to discuss potential litigation. Those present were as follows:

| | |
|---------------------------------|------------------------|
| Chairman Art Philip | Mr. Nick Jannite |
| Director Ken Cabay | Mr. Gene Kennelly |
| Director Thomas Hardy | Mr. Kesti Susinskas |
| Director Carl Kramp | Mr. Richard DeRobertis |
| Director Julie McKevitt | Mr. Scott Dworschak |
| Director George Pradel | Mr. Mike Dreier |
| Director Katherine Selcke | Mr. Dave Wilson |
| Executive Director Tom Cuculich | Mrs. Trudy Steinhauser |

Mr. Kennelly explained that Scientech has made a claim and threatened litigation for about \$3 million regarding work they did on the fiber project. We will attempt to reach closure on this by reducing the retainage and releasing \$800,000, which is money they have already earned. The project is 99% complete. We would have mutual releases between parties. We would agree to an extra work order not to exceed \$1.1 million. This would not be paid until we were satisfied with a complete audit of the project. This is not a settlement. Once our auditors were satisfied, payment would be made.

Mr. Cuculich explained that Scientech originally made a demand of \$3 million, of which only \$559,000 we could find documentation to be justified. We will pore over the records to make sure all the work has been done. If it comes in under \$1.1 million, we will pay the lesser amount.

Mr. Mike Dreier stated that we will need to replace the Intellect component of this project and we are currently looking at 3 different manufacturers.

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November 15, 2001
Page Two

Chairman Philip called for a motion to go out of Executive Session.
Director Kramp moved; seconded by Director Cabay.

Chairman Philip called for a voice vote, and there being “Ayes” and no
“Nays”, declared the motion carried.

Meeting adjourned at approximately 11:05 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On December 13, 2001, at approximately 11:00 a.m., upon Motion of Director Cabay, seconded by Director Selcke, the Authority Board of Directors met in Executive Session to discuss current litigation, collective bargaining issues and the purchase of property. Those present were as follows:

| | |
|---------------------------------|------------------------|
| Chairman Art Philip | Mr. Nick Jannite |
| Director Ken Cabay | Mr. Gene Kennelly |
| Director Norman Gold | Ms. Susan Sinz |
| Director Carl Kramp | Mr. Victor Azar |
| Director Julie McKevitt | Mr. John Benda |
| Director George Pradel | Mr. Dave Wilson |
| Director Katherine Selcke | Ms. Liz Looby |
| Executive Director Tom Cuculich | Mr. Scott Dworschak |
| Mr. Kesti Susinskas | Mrs. Trudy Steinhauser |
| Mr. Richard DeRobertis | |

Mr. Cuculich stated that the Teamsters voted against the negotiated contract and we will now have to start renegotiating. Mr. Jannite explained that numerous sessions were held and we provided them with what we thought was a very good package.

Mr. Benda stated that one of the concerns is that a lot of the changes proposed in the contract were not very easy to understand. We think the union may not have done a very good job explaining the contract to the employees. We will find out whether the union members didn't like the proposal or didn't understand it.

Mr. Cuculich said that we might explain the contract to the employees through a direct mailing of a letter to their home. The contract expired on September 30, 2001, but there was no indication of a strike.

Mr. Kennelly then discussed the following litigation. In March of 1998 plaintiff is alleging a driver of a snowplow at Roosevelt Road under I-88, plowed snow onto his vehicle. He suffered personal injury and is asking for \$175,000. We are asking for authority to commit our deductible of \$50,000 to settle this suit but feel we should settle for about \$36,000.

The second item occurred in May of 1997 at the Deerfield Toll Plaza. Peter Mazier was driving while intoxicated and rear-ended a car at the tollbooth. One of the individuals was killed and another severely injured. We are seeking to settle for the \$50,000 deductible. We were brought into this because the plaintiff's are alleging the rumble strips were not in the correct location.

The next item is an accident where Mr. Malano was driving on wet pavement, lost control of the car and struck the median wall. A semi then lost control and hit the bridge causing \$100,000 worth of damage. We are seeking authorization to receive from the insurance company the remaining \$89,000 on the policy limit and also to recover \$14,000 from the trucking company.

The last item is a release from the Board's authorization to purchase real property in DuPage County. The Board authorized us to enter into negotiations for the purchase of property on Curtis Street in Downers Grove. Since this was last presented, information came to light of environmental problems. Wight & Co., our environmental engineering firm, looked into the quality of the soil. That investigation found the site is contaminated. Based on that we had discussions and came to the conclusion that proceeding with the purchase would not be in the best interest of the Authority. We will ask to rescind Resolution No. 15856, which allowed us to move ahead with the purchase of that property.

There being no further business, Chairman Philip called for a motion to adjourn. Director Kramp moved to adjourn; seconded by Director McKeivitt.

Executive Session Minutes
December 13, 2001
Page Three

Chairman Philip called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Meeting adjourned at approximately 11:25 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On December 20, 2001, at approximately 11:25 a.m., upon Motion of Director Cabay, seconded by Director Banks, the Authority Board of Directors met in Executive Session to discuss personnel issues. Those present were as follows:

Chairman Art Philip
Director Jim Banks
Director Ken Cabay
Director Carl Kramp
Director Julie McKevitt
Director George Pradel
Director Katherine Selcke
Executive Director Tom Cuculich
Mrs. Trudy Steinhauser

Chairman Philip briefed the Board on salary increases for the Department Chiefs. An adjustment needs to be made to salary for the Chief Engineer, putting it above the salary for the Chief of Information Technology.

Mr. Cuculich stated that last year the Chief's were given a 4½% increase. They are doing an excellent job and we are blessed with a great senior staff.

Chairman Philip recommended a 5.2% increase for Kesti Susinskas and 5% for the Department Chiefs. Mr. Joe Brownlee, Chief of Internal Audit, will also receive a 5% increase.

There being no further business, Chairman Philip called for a motion to adjourn from Executive Session. Director Banks moved to adjourn; seconded by Director Cabay.

Executive Session Minutes
December 20, 2001
Page Two

Chairman Philip called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Meeting adjourned at approximately 11:30 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On February 28, 2002, at approximately 11:15 a.m., upon Motion of Director Cabay, seconded by Director Banks, the Authority Board of Directors met in Executive Session to discuss Executive Session Minutes and lease negotiations. Those present were as follows:

Chairman Art Philip
Director Jim Banks
Director Ken Cabay
Director Tom Hardy
Director Carl Kramp
Director Julie McKevitt
Director George Pradel
Director Katherine Selcke

Executive Director Tom Cuculich
Mr. Gene Kennelly
Mr. Nick Jannite
Mr. Kesti Susinskas
Mr. Richard DeRobertis
Mrs. Trudy Steinhauser

Mr. Gene Kennelly asked the Board to review the Executive Session Minutes given to them. The Legal Department has reviewed these Minutes and is requesting that they be released at this time.

The Open Meetings Act requires that we review the Minutes of Executive Session and when they are no longer confidential, they should be released.

Mr. Nick Jannite then briefed the Board on negotiations with Wilton Partners on the Oases Redevelopment. A copy of the presentation is attached. There will be a separate lease for the restaurants and fuel and only one lease covering all 7 oases.

After much discussion, Mr. Jannite stated that a copy of the lease would be voted on next month. Director Gold suggested that staff should notify Wilton and let them know that we expect a lease within 60 days or negotiations will cease.

Executive Session Minutes
February 28, 2002
Page Two

There being no further business, Chairman Philip called for a motion to adjourn. Director Kramp moved to adjourn; seconded by Director McKeVitt.

Chairman Philip called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Meeting adjourned at approximately 12:20 p.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On May 30, 2002, at approximately 11:30 a.m., upon Motion of Director Banks, seconded by Director Cabay, the Authority Board of Directors met in Executive Session to discuss the acquisition of property and personnel issues. Those present were as follows:

Chairman Art Philip
Director Jim Banks
Director Ken Cabay
Director Norm Gold
Director Tom Hardy
Director Carl Kramp
Director Julie McKevitt
Director George Pradel
Director Katherine Selcke

Executive Director Tom Cuculich
Mr. Paul Lewis
Mr. Scott Dworschak
Mr. Kesti Susinskas
Mrs. Trudy Steinhauser

Mr. Cuculich introduced Mr. Paul Lewis, Property Manager, to give a briefing on this item which relates to the relocation of M8, the Sign Shop and the Warehouse. As you may remember we decided not to go with the Curtis Street building because of the environmental problems. We have searched for other properties but it has not been easy.

Mr. Lewis explained that DuPage County wants to widen Naperville Road and their agreement with us is that they will reimburse us for the warehouse and the maintenance building. Our present facility consists of about 3 ½ acres and it is located about 5 miles from CA. We're looking for something comparable to what we have now. We looked at buildings on one site, Davey Road, just off the south end of I-355 which consists of 3.9 acres, and 2 buildings; one at 41,000 sq. feet and the other at 30,446 sq. feet. There are also about 90 parking spaces.

The buildings are complete in that they have all the site planning done and the utilities brought to the site. The building has the walls and roofs but inside is a gravel floor. These buildings are shells. Our total useable space would be 71,000 square feet where we have about 75,000 now. Because it is a new development we have some advantages on zoning. It is a mixed-use zoning.

This property is on the market today at \$3.85 million but we have not had it appraised. What I am asking the Board to approve, is for us to negotiate a contract with the seller not to exceed \$3.8 million. Before coming back to the Board we will evaluate the environment and zoning. The design engineers have looked at our needs but have not been inside the buildings. Those are things we would do before bringing this back to the Board. We would look to get a letter of intent out and then bring it back to the Board asking for approval to buy.

Chairman Philip asked how much it would cost to finish the building.

Mr. Lewis stated "\$50-\$60 per square foot on 70,000 square feet. About \$3-\$4 million plus moving costs. Floors, wiring and moving would be another ½ million so about 8 ½ - 9 ½ million total."

Mr. Lewis plans on putting in the Letter of Intent that the purchase is subject to our appraisal and 5% discount.

Director Cabay asked if the cost recovery with the build-out would be 100%?

Mr. Cuculich stated "Yes it should be. Another option would involve buying one building for the warehouse and building the sign shop at Cermak Plaza. That is really more expensive because it would be building from scratch."

After discussion, the Board moved to table this item at this time, do further evaluation, and bring it back to the Board next month.

Executive Session
May 30, 2002
Page Three

Chairman Philip then asked everyone except the Board and Mr. Cuculich to leave before discussing a personnel issue.

Discussion was had on the salary of Mr. Cuculich.

Director Cabay stated he believes Mr. Cuculich deserves a 5% increase. Director Gold moved to raise Mr. Cuculich's salary to \$122,500; seconded by Director Cabay.

Chairman Philip called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Chairman Philip then stated that Mr. DeRobertis and Mr. MacDonald would be leaving the Authority. He and Tom are looking at how to realign the organization. When that is finalized he will brief the Board on the decisions.

Director Gold stated he thinks we need someone who will work in respect to our public relations.

There being no further business, Chairman Philip called for a motion to go out of Executive Session and back into regular session. Director Gold moved to go out of Executive Session; seconded by Director Banks.

Chairman Philip called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:45 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On June 20, 2002, at approximately 10:45 a.m., upon Motion of Director Cabay, seconded by Director Pradel, the Authority Board of Directors met in Executive Session to discuss the sale of property. Those present were as follows:

| | |
|---------------------------------|------------------------|
| Chairman Art Philip | Mr. Gene Kennelly |
| Director Jim Banks | Mr. Kesti Susinskas |
| Director Ken Cabay | Mr. Richard DeRobertis |
| Director Norm Gold | Mr. Nick Jannite |
| Director Carl Kramp | Mr. Paul Lewis |
| Director George Pradel | Mr. Scott Dworschak |
| Director Katherine Selcke | Mr. Dave Wilson |
| Executive Director Tom Cuculich | |

Mr. Kesti Susinskas briefed the Board on the purchase of the Doscher School in the 1990's.

Mr. Paul Lewis then explained an offer the Authority has received for that excess parcel. In the spring of 2000 this parcel of about 3.7 acres was declared excess. We had an appraisal of \$550,000 for this parcel, which was zoned as single family. In June of 2000 we advertised for sealed bids and in July we received a bid which was contingent on zoning. In October we again published for the sale and we received one bid for significantly less than the \$550,000 appraised value and it was also contingent on zoning; that bid was returned.

In the spring of 2001 the Authority received a deposit in the amount of \$55,000 which was also contingent on rezoning from a group that would like to build a town home development. In January 2002, they made a deposit of \$5,000.00 to extend the time to fulfill their contingencies. They now want to waive the contingency and buy the property for \$550,000. This deposit was submitted over a year ago and our appraisal is two years old. The Village has now changed its zoning map and established a TIF District adjacent to the property. What staff is requesting is, should another appraisal be made before selling this property?

Executive Session Minutes

June 20, 2002

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After discussion, the Board felt the property should be re-appraised and a fair value received by the Authority. Mr. Kennelly stated his agenda next week will recommend that the Board reject all bids, the property will be re-appraised and put out to bid again.

There being no further business, Chairman Philip called for a motion to adjourn from Executive Session. Director Gold moved to adjourn; seconded by Director Banks.

Chairman Philip called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:07 a.m.

Minutes taken by: _____

Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On July 18, 2002, at approximately 10:35 a.m., upon Motion of Director Kramp, seconded by Director McKevitt, the Authority Board of Directors met in Executive Session to discuss litigation and personnel issues. Those present were as follows:

| | |
|---------------------------------|------------------------|
| Chairman Art Philip | Ms. Liz Looby |
| Director Jim Banks | Mr. John Wagner |
| Director Ken Cabay | Mr. Richard DeRobertis |
| Director Carl Kramp | Mr. Nick Jannite |
| Director Julie McKevitt | Captain Norm Martin |
| Director George Pradel | Mr. Scott Dworschak |
| Executive Director Tom Cuculich | Mr. John Hauk |
| Mr. Gene Kennelly | |

Mr. Kennelly stated that the first item is for informational purpose only and briefed the Board on litigation we had against an employee for substance abuse. This employee then charged the Authority with discrimination and lost the case. He has until the end of the month to appeal.

In the past couple of years the Authority has had 25 discrimination claims, a number of which are still pending. We have paid out zero dollars and have been very successful.

Mr. Kennelly then discussed two property claims matters. One is concerning the July 31, 2000 accident where a truck collided with a wall. The repair to the wall cost \$117,800 but the trucking company has made an offer to settle in the amount of \$25,000. We will be making one more demand on them and if they do not make a reasonable offer, we may file a lawsuit.

The next claim is for an accident that occurred on March 8, 2000 where a truck mounted backhoe struck the Hitchcock Bridge causing damage in the amount of \$263,000. The insurance company is disputing some of the engineering costs and offered to settle this claim for \$230,128.00. Staff believes they can reach an agreement with CNH Insurance and requested approval from the Board to enter into settlement negotiations within the area of \$240,000. The claim was based upon CSE costs of about 32% of the construction costs but generally our CSE costs have been about 20% of the original construction costs. This item will be brought back to the Board if settlement is reached within that range.

After discussion, the Board authorized Mr. Kennelly to enter into negotiations with CNH Insurance to settle this claim.

Mr. Cuculich then briefed the Board on some reorganization issues and stated “with the early retirement packets just getting in the mail, we don’t have a handle on how many employees will be leaving. We do know that Richard DeRobertis and Neal MacDonald will be retiring. One person we considered for DeRo’s position will take early retirement. Part of Mac’s job, electronic toll collection, must be filled immediately. What we have decided is that this will be a new unit that would incorporate I-PASS Customer Service, Video Surveillance and Accounts Receivable.”

“This position, the ETC Manager, will be given to Mr. Joe Brownlee, the current Chief Internal Auditor, on an interim basis pending formal interviews. We are also recommending Patricia Pearn for the interim Chief Internal Auditor position.”

Executive Session
July 18, 2002
Page Three

There being no further business, Chairman Philip called for a motion to adjourn from Executive Session. Director Banks moved to adjourn; seconded by Director Cabay.

Chairman Philip called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Meeting adjourned at approximately 11:10 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On July 25, 2002, at approximately 11:25 a.m., upon Motion of Director Banks, seconded by Director Gold, the Authority Board of Directors met in Executive Session to discuss litigation and personnel issues. Those present were as follows:

| | |
|---------------------------------|------------------------|
| Chairman Art Philip | Mr. Richard DeRobertis |
| Director Jim Banks | Mr. Gene Kennelly |
| Director Ken Cabay | Mr. Nick Jannite |
| Director Norman Gold | Mr. Kesti Susinskas |
| Director Thomas Hardy | Mr. Paul Lewis |
| Director Carl Kramp | Mr. Jim Canham |
| Director Julie McKevitt | Victor Azar |
| Director George Pradel | |
| Director Katherine Selcke | |
| Executive Director Tom Cuculich | |

Mr. Kennelly stated that his item was for informational purposes only and he briefed the Board on the Amoco/Mobil litigation. The Authority has received settlement offers from both Amoco and Mobil in the amount of \$700,000 each. Mr. Kennelly recommended not accepting these offers. So far the prior net expenditures the Authority has paid is \$1.1 million and we anticipate the net future expenses to be approximately \$3.4 million. That figure does not include approximately \$2 million in work that Mobil will do with regard to the Oases Redevelopment.

Outside counsel represents the Authority on this case and they feel the chances for success are good. We also have the potential to bring in cost recovery. We expect to receive approximately \$1.8 million. Our net, out of pocket would be \$2.6 million. This number could increase or decrease depending on the Illinois EPA's approval. That leaves a balance of \$1.2 million the Authority would have to pay.

The terms of the settlement offer would also absolve Amoco and Mobil of any future risk. It is the Legal Department's recommendation that the offers are too low and negotiation should continue.

After much discussion, Chairman Philip stated that this is the first offer from Amoco and Mobil and he felt negotiation should continue and staff should report back to the Board next month.

Mr. Cuculich then briefed the Board on the purchase of a building for the warehouse and sign shop. He stated, "The original building the Authority looked at, on Curtis, cost \$8.2 million. DuPage County verbally agreed to that figure. We are now looking at a shell warehouse at International Center, which consists of two buildings. The current warehouse and sign shop consists of 51,000 square feet of indoor storage and 6,000 feet of outdoor storage. The warehouse we are currently looking at has 71,000 square feet of indoor storage and no outside storage."

"DuPage County is concerned that they will be paying for a better building than we originally had. The original resolution is for \$8.2 million but we believe the maximum price for the International Center will be about \$10 million after the build-out. DuPage is looking at capping at \$8.2 million."

"The issues are if we walk away from this building DuPage can spend the money and redesign the roadway by our old building. This interchange improvement project is a \$60 million dollar project, of which \$30 million is financed by DuPage County and \$30 million by the State of Illinois. The Authority will make some improvements to this project also which will consist of improving the ramps, in the amount of about \$4 million."

"The original contract on these two buildings at International Center ended July 8 but we have an extension until July 28. We could purchase the building and then negotiate the improvements."

After discussion, the Board instructed Mr. Paul Lewis to get another extension on the contract and to call DuPage County and negotiate with them.

Mr. Cuculich then gave a briefing on the organization chart that he passed out to the Board. He stated, "As you know, DeRo is leaving between September 1 and September 30 and we need to fill his spot. The person we identified to replace DeRo was Garrett Koukol who has decided to take the early retirement. We feel the best person for the job is leaving as well. The solution is to name Garrett as DeRo's replacement as of September 1. He will stay on until April 30 and that will allow us to get someone who knows the job. I would like to get the Board's permission to negotiate salary and some other things with Garrett."

"With regard to Nick retiring, we need to hire a CPA for this position. I would like to break Nick's position of Chief of Finance and Administration into two positions and make Susan Sinz the Chief of Human Services. This would consist of the Employee Services and Administrative Services Departments. We would not fill the Deputy Chief of Finance position."

"Another thing is to link Strategic Planning to Budget. The budget area needs to come under the Executive Director."

There being no further business, Chairman Philip called for a motion to adjourn. Director Hardy moved to adjourn; seconded by Director Banks.

Chairman Philip called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 12:05 p.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On September 19, 2002, at approximately 10:15 a.m., upon Motion of Director Cabay, seconded by Director Selcke, the Authority Board of Directors met in Executive Session to discuss litigation. Those present were as follows:

| | |
|---------------------------------|-----------------------|
| Acting Chairman Jim Banks | Mr. Gene Kennelly |
| Director Ken Cabay | Mr. Nick Jannite |
| Director Norman Gold | Mr. Kesti Susinskas |
| Director Carl Kramp | Mr. Paul Lewis |
| Director Julie McKevitt | Mr. Brian Bottomley |
| Director George Pradel | Mr. Scott Dworschak |
| Director Katherine Selcke | Ms. Trudy Steinhauser |
| Executive Director Tom Cuculich | |

For informational purposes, Mr. Kennelly stated that a lawsuit has been filed against the Authority in regard to the Doscher School property, which the Board decided not to sell to a potential purchaser. We will file a Motion to Dismiss this lawsuit.

Mr. Kennelly then stated that Mr. Paul Lewis would explain three settlement proposals from condemnation actions.

Mr. Lewis stated “The first case involves a 12.5 foot strip of land along Joliet Road, Parcel NS-700-028 and 028.1TE. It is recommended that we settle for \$200,000. Our original appraisal was for \$32,500 and the Quick-Take was \$50,000.00. The owner’s appraisal came in at \$378,000. This is a warehouse packaging plant with a 20-year lease. We took what would significantly impact their ability to build a large addition to their plant which was written into their contract. They are taking this into consideration in their appraisal. The Judge strongly recommends this settlement.”

Mr. Lewis then went on to explain the next parcels which are owned by the Walker family. Our appraisal on Parcel NS-706-033 came in at \$1,960,500, the Quick-Take was \$2,075,000 and their appraisal was \$2,075,000. This is the recommended settlement amount. Our appraisal on the other piece of land, Parcels NS-706-030, -030.1, -030.2, -030.3 and -030.TE was \$1,340,500.00, Quick-Take was \$1,237,100.00 and their appraisal came in at \$1,471,000.00. There is an additional \$7,500.00 for a billboard. The proposed settlement is \$1,478,500.00. We will settle one at our figure and one at the property owner's figure. One is contingent on the other. These two are set for trial in October.

There being no further business, Acting Chairman Banks called for a motion to adjourn. Director Selcke moved to adjourn; seconded by Director Cabay.

Acting Chairman Banks called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 10:28 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On September 26, 2002, at approximately 11:10 a.m., upon Motion of Director Pradel, seconded by Director Selcke, the Authority Board of Directors met in Executive Session to discuss personnel and collective bargaining issues. Those present were as follows:

| | |
|---------------------------------|-----------------------|
| Chairman Art Philip | Mr. Scott Dworschak |
| Director Jim Banks | Mr. Nick Jannite |
| Director Ken Cabay | Ms. Susan Sinz |
| Director Norman Gold | Ms. Trudy Steinhauser |
| Director Carl Kramp | |
| Director Julie McKeVitt | |
| Director George Pradel | |
| Director Katherine Selcke | |
| Executive Director Tom Cuculich | |

Mr. Cuculich stated that Susan Sinz would brief the Board on union negotiations.

Ms. Sinz stated, "Recently the call takers voted to become unionized. Call takers work the desk and take a lot of the phone calls that come in from the radio and assist in the dispatch area.

Director Gold asked what the process was whereby the group becomes organized.

Ms. Sinz stated "It is based on exercising their rights under the Labor Act. The dispatchers have been unionized for about 5 years. The call takers saw the rich economics and feel they are equal with the dispatchers and therefore, this group decided to invite the union in."

Ms. Sinz went on to say “this is the same union as the dispatchers but a different local. Therefore, we can make a different settlement. We are finished negotiating the non-economic issues. They gave us an initial proposal and we countered with an 8.79 or 8.8% increase. We want to recognize them, but we sent a message to them saying that we will not treat you the same as dispatchers with regard to wages. They are taking time to respond.”

Mr. Cuculich then briefed the Board on some organizational changes. When Joe Brownlee was promoted, Patty Pearn was named interim Internal Audit Supervisor. Patty has been doing a very good job and would like to be considered for this position. Chairman Philip stated that he and Tom would interview her and Director Gold said that if she is going to be in this position, the Board should also see her.

Mr. Cuculich and Susan Sinz then briefed the Board on three other items related to the organizational structure. Ms. Sinz said there would be a Division under Mike Dreier entitled IT Planning and Administration and EEO will become a Division under the Department of Administration. Mr. Cuculich felt this would be better since these departments overlap. Mr. Len Wysocki will be promoted to Toll Services Manager.

There being no further business, Chairman Philip called for a motion to adjourn. Director Gold moved to adjourn; seconded by Director Cabay.

Chairman Philip called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Meeting adjourned at approximately 11:30 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On November 14, 2002, at approximately 10:23 a.m., upon Motion of Director Gold, seconded by Director Pradel, the Authority Board of Directors met in Executive Session to discuss personnel and union issues. Those present were as follows:

| | |
|---------------------------------|------------------------|
| Chairman Art Philip | Mr. Nick Jannite |
| Director Ken Cabay | Mr. Kesti Susinskas |
| Director Norman Gold | Mr. Scott Dworschak |
| Director Carl Kramp | Ms. Susan Sinz |
| Director Julie McKevitt | Mr. Dave Wilson |
| Director George Pradel | Mrs. Trudy Steinhauser |
| Director Katherine Selcke | |
| Executive Director Tom Cuculich | |

Chairman Philip stated that we have been notified that Local 73 is trying to unionize all employees including secretaries and clerks and the Board will be kept apprised of this issue.

Chairman Philip then said that Patricia Pearn would be made the Chief Internal Auditor effective November 16.

Mr. Cuculich stated that Nick has set-up interviews from the search committee with regard to his replacement. He will interview 5 candidates then we will look for guidance on how to proceed from there. Mr. Mark Swidergal, Controller, is leaving December 1.

Director Cabay stated he would like to see copies of the resumes received from the search firm.

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November 14, 2002
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There being no further business, Chairman Philip called for a motion to adjourn. Director Cabay moved to adjourn; seconded by Director Kramp.

Chairman Philip called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Meeting adjourned at approximately 10:30 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On November 21, 2002, at approximately 10:55 a.m., upon Motion of Director Banks, seconded by Director Gold, the Authority Board of Directors met in Executive Session to discuss personnel and union issues. Those present were as follows:

| | |
|---------------------------------|------------------------|
| Chairman Art Philip | Mr. Mike Dreier |
| Director Ken Cabay | Mr. Kesti Susinskas |
| Director Norman Gold | Mr. Scott Dworschak |
| Director Carl Kramp | Ms. Susan Sinz |
| Director Julie McKevitt | Mr. Gene Kennelly |
| Director George Pradel | Mr. Garrett Koukol |
| Director Katherine Selcke | Mrs. Trudy Steinhauser |
| Director Carl Towns | |
| Executive Director Tom Cuculich | |

Mr. Kennelly briefed the Board on being contacted last week by the Service Employees Union to unionize our non-union employees here, specifically clerical and secretarial level. They want us to identify these people and provide them with a mailing list so they can solicit them. There is no internal movement by our people and we are under no obligation to give them this information. It is a matter of policy on whether we want to or not.

After much discussion, the Directors agreed not to give this information to the union.

Mr. Kesti Susinskas then addressed the Board by saying “as you all know, we’ve been talking about it over the last few months, the State has an early retirement incentive program. After a lot of sole searching I have decided I’m going to take advantage of the ERI and December 31 I will be leaving my position. I want to assure you that it was one of the most difficult decisions I have had to make. I can’t imagine any other position for an engineer, or anyone, to enjoy as much as I have enjoyed mine. I want to thank you for the trust and cooperation you have shown me. Since 1998 I felt we were part of a team. I do want to say, when I joined in 1985 I joined

Executive Session Minutes

November 21, 2002

Page Two

the Authority to be a part of the North-South Tollway project. I had no intention of making a career of this place but I was very happy with the Authority and all the people working here. They are among the best. I have worked in private companies and the people here we should be very proud of. We have accomplished many things and we need to accomplish more. It is time to move on and see what someone else can do in this position. I would hope that you would see fit to promote someone in the Engineering Department to replace me. I feel we have a lot of qualified people who have a lot of years here and have earned your trust and would keep continuity in the department.”

Directors Cabay and Gold thanked Kesti for a great job and wished him luck.

Mr. Cuculich stated “Kesti has been a great professional and friend. This please is a lot better having him around and he will be sorely missed.”

Chairman Philip stated that Kesti has recommended the Engineers of Design, Construction and Planning and Programming to replace him. They are Jim Canham, John Wagner and Clarita Lao.

The Chairman went on to say that Nick Jannite is retiring and he had agreed to work 75 days. He has since sold his house and though he would give us as much time as we want, he wants to move along. Tom and I talked about it briefly this morning and when Tom goes, who will be the interim Executive Director? We feel Scott Dworschak is the best choice.

After discussion, the Directors agreed with this recommendation.

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November 21, 2002
Page Three

There being no further business, Chairman Philip called for a motion to adjourn. Director Kramp moved to adjourn; seconded by Director Gold.

Chairman Philip called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Meeting adjourned at approximately 11:20 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On December 12, 2002, at approximately 10:30 a.m., upon Motion of Director Banks, seconded by Director Gold, the Authority Board of Directors met in Executive Session to discuss personnel issues. Those present were as follows:

Chairman Art Philip
Director Jim Banks
Director Ken Cabay
Director Norman Gold
Cuculich
Director Carl Kramp
Director Julie McKevitt

Director George Pradel
Director Katherine Selcke
Director Carl Towns
Executive Director Tom

Mrs. Trudy Steinhauser

Chairman Philip stated that Executive Director Tom Cuculich would resign effective December 13, 2002.

Discussion was then had on Mr. Cuculich becoming an independent contractor whereby he would be paid \$67.91 per hour with an upper limit of compensation not to exceed \$9,500.00. Some of Mr. Cuculich's duties would include testimony for the Management Audit and discussions with the transition team.

This being agreed to by all Directors and there being no further business, Chairman Philip called for a motion to adjourn. Director Pradel moved to adjourn from Executive Session; seconded by Director Towns.

Chairman Philip called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 10:35 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On January 23, 2003, at approximately 10:15 a.m., upon Motion of Director Banks, seconded by Director Kramp, the Authority Board of Directors met in Executive Session to discuss personnel and legal issues. Those present were as follows:

Chairman Art Philip

Director Jim Banks

Director Ken Cabay

Cuculich

Director Carl Kramp

Director Julie McKevitt

Director George Pradel

Director Katherine Selcke

Director Carl Towns

Executive Director Tom

Mr. Gene Kennelly

Mrs. Trudy Steinhauser

Mr. Cuculich explained to the Board that the Executive Session Minutes from December 12 that were approved this morning have changed. He said "If you remember, this was an informational item on how I was going to get paid to stay on a little longer. It was going to be a contract for under \$10,000. After the meeting, and after consulting with Gene and Nick, and the fact that the December 31 resignation date was pushed back, I decided, and I informed the Chairman, that I would go on the payroll as a key employee under the early retirement. Therefore, I am currently still on the payroll and the contract discussed in the December 12 Minutes was voided."

Mr. Cuculich went on to say, "let the Minutes reflect that a contract was not done and Tom Cuculich is a key employee. My resignation will be effective as of January 30, 2003, the next Board Meeting."

Mr. Cuculich then stated that he had a conversation with Jack Hartman a couple of days ago. Mr. Hartman will come in today at 1:30 p.m. and will be in next week. Mr. Cuculich has set up some staff meetings to get him familiar with senior staff and some of the things that the Authority is facing. He will start next Thursday.

Director Kramp asked for a copy of Mr. Hartman's resume.

Mr. Gene Kennelly then gave a brief update on the Amoco/Mobil litigation that has been going on for about 10 years. The case was on appeal after Judge Wheaton dismissed our case with prejudice. Negotiation of a settlement continued and the last time this was discussed, the numbers for settlement were \$700,000 from each party. Since then, the Appellate Court has issued their ruling. Judge O'Malley has overturned Judge Wheaton's decision so we are back again with a complaint. We had further settlement discussions and they are now offering just shy of a combined total of \$2 million. According to Wight & Co., they projected a total out of pocket of slightly under \$3 million. With that proposed settlement, and we would have some liability, the most likely result of a successful trial would be 1/3 for all three, us included. That amount would give us best result of a successful trial. The Attorney General's office would like us to try to get some more money out of Amoco/Mobil. We will try to work on that.

The way the costs have been coming in, we are finding that the projected out of pocket is turning out to be very conservative. On the Oases Redevelopment Program, Mobil is contributing a lot more work than we anticipated. The DesPlaines Oasis came in under budget. If the bulk of the projects keep to this, it is conceivable we could break even and have no out of pocket expenses.

Mr. Kennelly then discussed the Doscher School property. The purchasers said they had a contract to purchase a parcel of land owned by the Authority. Before selling this property staff felt the land should be re-appraised. The potential purchasers sued for breach of contract. In-house counsel represented us and this case was dismissed.

Mr. Kennelly then gave a brief update on the settlement with CNA Insurance regarding the damage done to the Hitchcock Bridge. After many hours of work, Liz Looby recovered 100% of the damages, which amounted to \$250,890.00.

Executive Session Minutes
January 23, 2003
Page Three

There being no further business, Chairman Philip called for a motion to adjourn. Director Towns moved to adjourn; seconded by Director Kramp.

Chairman Philip called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Meeting adjourned at approximately 10:45 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On February 20, 2003, at approximately 10:30 a.m., upon Motion of Director Selcke, seconded by Director Pradel, the Authority Board of Directors met in Executive Session to discuss personnel issues. Those present were as follows:

Chairman Art Philip

Director Jim Banks

Director Ken Cabay

Hartman

Director Norm Gold

Director Carl Kramp

Director Julie McKevitt

Director George Pradel

Director Katherine Selcke

Director Carl Towns

Executive Director Jack

Mrs. Trudy Steinhauser

Chairman Philip began by addressing the Tollway Integrity Rule received from Lieutenant Governor Pat Quinn wherein the Lieutenant Governor is requesting the Authority hold public hearings on this 10-point Rule.

Chairman Philip has asked the Attorney General to give an opinion on this to see if the Board is obligated to hold these meetings. Their initial comment was no, but they will give us something in writing. Mr. Hartman stated that most of the things listed are already being done.

Mr. Hartman then briefed the Board on a new team he is assembling. Ms. Susan Sinz will be replaced with a new Chief of Administration.

After discussion, Mr. Hartman introduced the team as follows: Chief of Finance, Mike Colsch, has been with the Bureau of the Budget for about 20 years; Chief of Operations, Paul Volpe, is the Deputy Commissioner of Finance for the Department of Aviation; Chief of Administration, Brian McPartlin has great labor skills and has worked for federal agencies; Chief of Communications, Kathleen Cantillon, is the Director of Communications for Amtrak; and Chief of Staff, Marilyn Johnson, General Counsel for the Chicago Public Schools.

Executive Session
February 20, 2003
Page Two

Director Cabay welcomed them aboard and stated that the Board was overwhelmed with their resumes.

There being no further business, Chairman Philip called for a motion to adjourn. Director Cabay moved to adjourn; seconded by Director Gold.

Chairman Philip called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:25 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On March 27, 2003, at approximately 10:50 a.m., upon Motion of Director Pradel, seconded by Director Cabay, the Authority Board of Directors met in Executive Session to discuss personnel issues. Those present were as follows:

Acting Chairman Jim Banks
Director Ken Cabay
Director Carl Kramp
Director Julie McKevitt
Director George Pradel
Director Kathy Selcke
Director Carl Towns

Executive Director Jack Hartman
Ms. Marilyn Johnson
Mr. Brian McPartlin
Ms. Kathleen Cantillon
Ms. Liz Looby
Mrs. Trudy Steinhauser

Mr. Jack Hartman and Mr. Brian McPartlin briefed the Board on the outcome of the fingerprinting process. If we receive criminal information on an employee, they must be given the information that we've received. It was found that a toll collector was convicted of theft and didn't report it. He has been fired.

There have been 76 hits and we are now in the process of pulling applications to see what they disclosed and we'll also look at the statutes. Each of the individuals will be notified of the conviction and they will have 7 days to respond and correct or explain the situation.

A Board of Review will be set up to review any convictions in the future.

There being no further business, Acting Chairman Banks called for a motion to adjourn. Director Kramp moved to adjourn; seconded by Director McKevitt.

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March 27, 2003
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Acting Chairman Banks called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:10 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On May 29, 2003, at approximately 11:35 a.m., upon Motion of Director Kramp, seconded by Director Towns, the Authority Board of Directors met in Executive Session to discuss litigation and personnel issues. Those present were as follows:

| | |
|---------------------------------|------------------------|
| Chairman John Mitola | Ms. Marilyn Johnson |
| Director David Andalcio | Ms. Kathleen Cantillon |
| Director Jim Banks | Mr. Brian McPartlin |
| Director Carl Kramp | Mr. Victor Azar |
| Director George Pradel | Ms. Elizabeth Looby |
| Director Kathy Selcke | Mrs. Trudy Steinhauser |
| Director Carl Towns | Mr. Bob Lane |
| Executive Director Jack Hartman | |

Ms. Elizabeth Looby introduced Mr. Bob Lane to brief the Board on the Berryhill litigation. This is a civil rights case, which is pending in the US District Court. Mr. Berryhill was a 4-year employee of the Authority. His customer relations skills declined and he was re-trained. A decision was made to terminate him and he was sent a form letter notifying him of his due process.

The letter we were using was sent to the employee on April 4, 2000, and said there were complaints of conduct but it didn't state termination was coming. It gave him 48 hours to respond. On April 7 a termination letter was sent to him. We sent it certified mail but there isn't evidence that it was received.

He went through the grievance process and lost. After 2 years he filed a complaint. If Mr. Berryhill were to prevail, he would receive \$166,000 in back wages, his pension and seniority increase in pay. His attorney's fees would also have to be paid by the Tollway. The Attorney's fees are currently \$55,000 and are estimated to be as much as \$250,000.

Executive Session Minutes

May 29, 2003

Page Two

We have been talking with Plaintiff's Counsel and they agreed to settle this matter for \$25,000 to Mr. Berryhill with no attorney's fees. He will be reinstated in a non-customer related position, like a custodian. If his conduct is poor, he will be terminated pursuant to his union contract. Legal recommended that this be settled for \$25,000 and re-employment as a custodian.

Mr. McPartlin explained that this was done approximately 3 years ago and the letter was defective. After reviewing these policies and procedures we have designed a new letter which will stand up in Court. The letter suspends the employee pending an investigation. We lay out what the allegations are and they have 7 days to call the Employee Services Department to respond to those allegations. Once a determination is made a separate letter is sent out as a termination letter or whatever the action might be. We outline on this date you received the letter, you responded on this date and we sent the letter certified and regular mail.

Mr. Lane stated that the attorney's fees of \$55,000 will be waived but they did indicate that if we go any further, that part of the deal would be off the table.

Mr. Victor Azar then briefed the Board on the Amoco/Mobil litigation. A copy of that briefing is attached.

After discussion, Mr. Azar stated that Legal recommended settlement of this case.

Mr. McPartlin then stated, "In response to the criminal backgrounds, the Executive Director determined it was in the best interest of the Authority to run the background checks on all employees. This record search is complete. There are about 15 individuals that need further checking. To date, there have been 97 employees with hits. Each received a letter notifying them of their hit and giving

them a copy of their rap sheet. They were given 7 days to respond. Of those 97, 55 have attended their review meeting. An administrative decision will be made by July 1 and employees will be notified. They can then respond before any discipline, whether it be suspension or termination, occurs.

There being no further business, Chairman Mitola called for a motion to adjourn Executive Session and enter back into Regular Session. Director Banks moved to adjourn Executive Session; seconded by Director Towns.

Chairman Mitola called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 12:15 p.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On July 31, 2003, at approximately 11:12 a.m., upon Motion of Director Banks, seconded by Director Kramp, the Authority Board of Directors met in Executive Session to discuss litigation and personnel issues. Those present were as follows:

Chairman John Mitola
Director David Andalcio
Director Jim Banks
Director Carl Kramp
Director Ronald Materick
Director George Pradel
Director Kathy Selcke
Director Carl Towns

Executive Director Jack Hartman
Ms. Marilyn Johnson
Mr. Brian McPartlin
Mr. John Wagner
Ms. Kathleen Cantillon
Ms. Elizabeth Looby
Mrs. Trudy Steinhauser
Ms. Tracey Smith

Ms. Elizabeth Looby began by briefing the Board on the settlement of the litigation with Standard Bank and Trust Company. This was a Quick Take with a recommended settlement of \$265,000.00. This is a very good settlement and Legal is recommending that the resolution be adopted.

Mr. John Wagner explained that these parcels were needed for the South Extension. As these cases that have gone into condemnation are getting settled the conditions have changed in that we haven't built the roadway.

Ms. Looby then explained the settlement with the Pagels Company. They are asking for \$62,000.00 plus 6% which brings the settlement amount to \$72,000.00. Preliminary Just Compensation was set at \$42,000.00. These people purchased the property at \$62,000.00 so we are settling this case for what they paid for the property plus interest.

With regard to the Gunther litigation, Ms. Looby stated that this involves the discharge of a former employee. The employee was a maintenance worker and he had two work-related injuries. This was a Workers' Comp case of a maintenance worker with two work-related injuries and upon his return, there were conflicting stories. He was terminated for excess absenteeism. He filed a complaint saying he was fired because of his Workers' Comp. The termination process began on September 1. Settlement in the Workers' Compensation case was in mid-September. The Workers' Compensation didn't get signed until one day after his termination. On the Friday before trial they agreed to accept \$100,000 and the man would be rehired if he could get a doctor's release. We will bridge his seniority, which is 13 years and he will have to pass the background check.

Mr. John Wagner left the meeting. Mr. Brian McPartlin briefed the Board on the background checks and stated, "In response to an investigation of criminal backgrounds in January, we did a fingerprint search on all employees. To date, 1800 have had their fingerprints done. On May 9, 95 of those individuals received a letter notifying them of a hit and giving them a copy of their rap sheet. 88 of them did attend a meeting. The Administrative Review Committee met and determined that no further action would be taken with regard to 78 of the employees. Regarding the remaining 17 employees, one letter was returned with no forwarding address, there was one termination for theft in the tollbooth, and we have 15 people that will be transferred out of cash handling positions. We will meet with the unions to discuss the new policy.

Chairman Mitola stated, "Keep doing research on other agencies and corporations to see what their policy is on disciplining employees for convictions."

Executive Session Minutes
July 31, 2003
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There being no further business, Chairman Mitola called for a motion to adjourn from Executive Session and to go back into regular session. Director Towns moved; seconded by Director Selcke.

Chairman Mitola called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:43 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On August 28, 2003, at approximately 11:15 a.m., upon Motion of Director Kramp, seconded by Director Pradel, the Authority Board of Directors met in Executive Session to discuss personnel issues. Those present were as follows:

| | |
|--------------------------|---------------------------------|
| Chairman John Mitola | Executive Director Jack Hartman |
| Director David Andalcio | Ms. Marilyn Johnson |
| Director Carl Kramp | Mr. Brian McPartlin |
| Director Ronald Materick | Ms. Elizabeth Looby |
| Director George Pradel | Ms. Kathleen Cantillon |
| Director Kathy Selcke | Mrs. Trudy Steinhauser |
| Director Carl Towns | |

Mr. Brian McPartlin briefed the Board on the outcome of the employee background checks. There are 14 individuals where action will be taken to put them into custodial positions. Staff has met with the union, Local 73, and the union recognizes that people should be held to the highest level of integrity. The union has agreed to waive it's right to pursue any grievance of these transfers. Within the next month, these individuals will be transferred to the new positions.

There was then much discussion on the changes being made to the Policy and Procedures Manual. This will be presented to the Board at a later date.

There being no further business, Chairman Mitola called for a motion to adjourn. Director Selcke moved to adjourn Executive Session; seconded by Director Kramp.

Chairman Mitola called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:40 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On October 30, 2003, at approximately 11:20 a.m., upon Motion of Director Kramp, seconded by Director Materick, the Authority Board of Directors met in Executive Session to discuss legal matters. Those present were as follows:

| | |
|--------------------------|---------------------------------|
| Chairman John Mitola | Executive Director Jack Hartman |
| Director David Andalcio | Ms. Marilyn Johnson |
| Director Jim Banks | Mr. James Wright |
| Director Carl Kramp | Mr. Brian McPartlin |
| Director Ronald Materick | Ms. Elizabeth Looby |
| Director George Pradel | Ms. Kathleen Cantillon |
| Director Kathy Selcke | Mrs. Trudy Steinhauser |
| Director Carl Towns | Mr. John Hauk |

Mr. Elizabeth Looby stated that Mr. Bart T. Murphy, an attorney, has been appointed Special Assistant Attorney General to represent the Tollway in a case, which was filed by Diana Dworschak who was terminated for cause. Ms. Dworschak's attorney, Mr. Brian Farley, filed a 3-count complaint, which Ms. Looby outlined for the Board.

Ms. Looby then briefed the Board on another case that occurred on December 24, 2001 where three members of one family were killed on the way to the airport. There was one person that survived. It is said that one of the help truck drivers was merging into traffic and caused the accident.

After discussion, Chairman Mitola called for a motion to adjourn Executive Session. Director Kramp moved to adjourn; seconded by Director Towns.

Chairman Mitola called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:40 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On January 22, 2004, at approximately 10:03 a.m., upon Motion of Director Kramp, seconded by Director Towns, the Authority Board of Directors met in Executive Session to discuss union negotiations. Those present were as follows:

| | |
|--------------------------|---------------------------------|
| Director David Andalcio | Executive Director Jack Hartman |
| Director Jim Banks | Ms. Marilyn Johnson |
| Director Carl Kramp | Mr. Brian McPartlin |
| Director Ronald Materick | Ms. Elizabeth Looby |
| Director George Pradel | Mr. Mike Colsch |
| Director Kathy Selcke | Mr. Ted Young |
| Director Carl Towns | Ms. Trudy Steinhauser |

Mr. Brian McPartlin briefed the Committee on the highlights of the negotiations with Local 726. The term of the contract is from October 1, 2003 through September 30, 2006. There will be wage increases of 60¢ for each of the three years, which amounts to about 3% per year and a longevity increase of 20¢ per hour after 25 years of service. Hourly increases are provided as an incentive for successful completion of either internal proficiency/skills testing or national certification testing as applicable. Incentives are 25¢ per hour for internal test certification and 30¢ for the national test. Virtually all bargaining unit employees can be deployed for ice and snow removal if necessary and there are restrictions on discretionary time off for employees that are seasonally assigned.

Mr. McPartlin explained that he looked at other contracts, such as the waste haulers contract for comparison. Local 726 ratified their contract on a 3-1 margin.

Mr. Hartman asked how this contract compared with IDOT or the CTA.

Mr. McPartlin explained that we are lower in wage than IDOT but we have a better benefit package and the employees know that.

Committee Chairman Banks asked what this means in gross dollars per year for the Authority.

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Mr. Colsch stated that a 3.2% increase in the first year, on a base of about \$18.3 million would be just under \$600,000. The second year, at 2.9% on a base of \$18.9 million is under \$600,000 and the third year at 2.8% is about the same. This contract increase was figured into the 2004 budget.

There being no further business, Committee Chairman Banks called for a motion to adjourn out of Executive Session. Director Towns moved to adjourn; seconded by Director Selcke.

Committee Chairman Banks called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 10:20 a.m.

Minutes taken by: _____
Trudy Steinhauser

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS

On January 29, 2004, at approximately 10:40 a.m., upon Motion of Director Banks, seconded by Director Selcke, the Authority Board of Directors met in Executive Session to discuss litigation and the release of Executive Session Minutes. Those present were as follows:

| | |
|---------------------------------|-----------------------|
| Chairman John Mitola | Ms. Marilyn Johnson |
| Director David Andalcio | Mr. Jeff Dailey |
| Director Jim Banks | Ms. Elizabeth Looby |
| Director Carl Kramp | Mr. Brian McPartlin |
| Director Ronald Materick | Mr. Paul Olszewski |
| Director George Pradel | Mr. Mike Colsch |
| Director Kathy Selcke | Mr. John Hauk |
| Director Carl Towns | Ms. Trudy Steinhauser |
| Executive Director Jack Hartman | Mr. James Wright |

Ms. Elizabeth Looby briefed the Committee on pending litigation with J.B. Hunt. One of their trucks hit a parapet wall at the I-55 and I-294 interchange. The construction cost to repair this damage was \$117,000 but J.B. Hunt offered to pay only 25% of the cost. Litigation was filed in an effort to recover this money. There are some problems that were identified resulting in our seeking settlement of this for less than the total amount. There have been some issues on the amount of hours charged by the Design Engineer. J.B. Hunt doesn't believe there was a great amount of design work needed and they also feel the construction work was excessive.

In a Pre-Trial conference with Judge Flannery, he indicated the Authority should settle for 60% of the cost. J.B. Hunt is offering about 45% of the claim, which is \$55,000.

Ms. Looby went on to say that in addition to this case, we are trying to negotiate another imminent litigation, which has not yet been filed. This involves another J.B. Hunt truck, which hit a sign truss on I-355. The actual cost of repairs was \$219,075. When the invoice was submitted there were costs that were not included. We made an offer on this case at 70%. Hunt is looking at no more than 60%.

Ms. Looby explained that she would like to get approval for additional settlement discussions with Judge Flannery. Pre-Trial has been continued to February 6 and she would like authorization to settle both cases for 60%.

After discussion, the Board instructed Ms. Looby to settle these cases as quickly as she could.

Mr. Paul Olszewski then briefed the Board on the settlement of litigation with Ganna. Ganna was delayed in completing the work on two large construction projects. We granted them additional time to complete the work but they still didn't complete it in a timely fashion. Pursuant to the terms of the contract, we assessed liquidated damages at \$1,305,000. After assessing the damages, we filed a lawsuit in DuPage County and asked the court to declare that the assessment was proper. On December 2, 2003, we had a pre-trial conference with Judge Duncan, who wanted this case settled. Ganna's position on this was that we should give them all but \$150,000. As discussions continued, we came back and offered to split the liquidated damages in half. They wanted us to come down a little more.

Ganna also filed a counterclaim, claiming they had additional costs of \$5 million. They said our plans were incomplete and inaccurate; other contractors interfered with their work; utilities were not properly put in; the work was not supervised; and there were problems with the drawings.

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When you add that to the liquidated damages you have almost a \$6 million dispute. Looking at the evidence on our side, we felt it was in our best interest to settle. The Judge insisted that we agree to give Ganna \$750,000 of the \$1,305,000 of liquidated damages. He also indicated that the Authority was not harmed by the delay. After some discussion, the Board authorized payment of \$750,000.00.

Ms. Marilyn Johnson then explained the process where Executive Session Minutes are reviewed for release.

There being no further business, Chairman Mitola called for a motion to adjourn Executive Session. Director Pradel moved to adjourn; seconded by Director Kramp.

Chairman Mitola called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Meeting adjourned at approximately 11:00 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On March 25, 2004, at approximately 11:05 a.m., upon Motion of Director Pradel, seconded by Director Kramp, the Authority Board of Directors met in Executive Session to review Executive Session Minutes. Those present were as follows:

Chairman John Mitola
Director David Andalcio
Director Carl Kramp
Director Ronald Materick
Director George Pradel
Director Carl Towns
Executive Director Jack Hartman
Ms. Marilyn Johnson
Ms. Trudy Steinhauser
Mr. James Wright
Mr. Tom Bamonte

Mr. Tom Bamonte stated that the Law Department reviewed the Executive Session Minutes that were passed out to the Directors and saw nothing that would require keeping them confidential.

After a brief discussion, the Directors stated that they needed more time to review the Minutes and would postpone releasing them until next month.

There being no further business, Chairman Mitola called for a motion to adjourn. Director Towns moved to adjourn; seconded by Director Pradel.

Chairman Mitola called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:05 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On April 22, 2004, at approximately 10:50 a.m., upon Motion of Director Materick, seconded by Director Andalcio, the Authority Board of Directors met in Executive Session pursuant to Section 2(c) (11) of the Open Meetings Act to discuss possible litigation. Those present were as follows:

Director David Andalcio
Director Jim Banks
Director Carl Kramp
Director Ronald Materick
Director Carl Towns
Ms. Marilyn Johnson
Ms. Trudy Steinhauser
Mr. James Wright
Mr. Tom Bamonte
Mr. Jeff Daily
Mr. Sharif Abou-sabh

Mr. Bamonte stated that there is an issue arising from the widening of the Cal-Sag Bridge project, which is part of the Tri-State widening project. This is a \$20 million project wherein sections of the south Tri-State will be widened in both directions. Paschen is the contractor, Benesch is the design section engineer and Burns & McDonald is the construction section engineer.

On October 22, 2003, work was halted because the new bridge decks sag in the middle and are twisted on the side. Benesch made a serious design error and has admitted it. Between October and February, the Tollway engineers and Benesch worked together on identifying what the problem was, what the implications were and tried to come up with a solution.

Benesch is backed by CNA Insurance. Once a design solution was identified, we brought in the insurance company and have had weekly meetings with CNA, Paschen, Benesch, CTE and Tollway engineering staff. A week ago CNA put in \$557,000 to finance the demolition. The total cost for the correction over and

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April 22, 2004

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above the half million spent on demolition will be \$4.5 to \$5 million. In addition we identified a half a million in time for consultants, engineers and legal staff. We are also pursuing a lost revenue issue with Benesch, which they object to.

Mr. Bamonte went on to say that he sees the options as this: Early next week we release the outlines of the global settlement. CNA & Benesch steps up or we come to the Board with a change order where the Tollway would take on the initial financial responsibility to proceed with the project. That would involve us negotiating with Paschen the best price and then we would sue Benesch, etc. to recover our costs.

Director Materick asked if Paschen had given an estimate of what this will cost to repair and to meet the accelerated schedule. Mr. Bamonte responded that we have an estimate of \$4.2 million to which we add the \$550,000 already spent on the demolition. There may be some difference in those numbers.

The Directors wanted to know how much insurance Benesch was carrying. Mr. Bamonte responded that in discussions with Benesch lack of coverage has never been an issue.

Benesch and CNA are looking at the timing and they are attempting to point fingers. Burns & McDonald said that Benesch was called when the error was noticed and that Benesch told Burns to keep pouring. When the sag was reported to Benesch they also reportedly said to keep pouring more concrete. Our records show that Benesch was made aware of the problem almost two weeks before the work stopped.

Mr. Sharif Abou-Sabh stated that the insurance company would reciprocate the cost of himself and anyone else. Estimates of the completion costs are \$4.5 to \$5 million. We have identified \$500,000 in time spent by engineering consultants and legal. We are pushing CNA Insurance to get the completion costs. We want this project to be complete by June 1, 2005, which is adding 5 months to the original completion date.

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April 22, 2004
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Committee Chairman Kramp called for a motion out of Executive Session.
Director Towns moved, seconded by Director Materick.

Committee Chairman Kramp called for a voice vote, and there being "Ayes"
and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:05 a.m.

Minutes taken by _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

On April 29, 2004, at approximately 11:25 a.m., upon Motion of Director Banks, seconded by Director Kramp, the Authority Board of Directors met in Executive Session pursuant to Section 2 (c) (11) of the Illinois Open Meetings Act to discuss a litigation matter and Section 2 (c) (21) of the Act to review Minutes of past Executive Sessions. Those present were as follows:

| | |
|--------------------------|---------------------------------|
| Chairman John Mitola | Executive Director Jack Hartman |
| Director David Andalcio | Ms. Marilyn Johnson |
| Director Jim Banks | Ms. Trudy Steinhauser |
| Director Carl Kramp | Mr. James Wright |
| Director Ronald Materick | Mr. Tom Bamonte |
| Director George Pradel | Mr. Jeff Daily |
| Director Carl Towns | Mr. Sharif Abou-sabh |

Mr. Bamonte briefed the Board on the possible litigation with Alfred Benesch & Co. The demolition work on the Cal Sag Bridge project, which amounted to \$550,000, is complete and Benesch and CNA Insurance Co. have agreed to pay these costs. Benesch made a settlement offer of \$2 million. This is well below what we have estimated what the costs will be. Benesch agreed to pay 85 percent of the hard costs of the entire job but we are confident we can get Benesch to pay substantially all, if not all, of the hard repair costs. Benesch is willing to continue negotiating these expense items.

With regard to liability, Benesch points a finger at the Tollway construction section engineer, Burns & McDonnell. Benesch said that the Tollway spent too much time reviewing repair plans during the October through February time period. We were not going to take their plans on faith so of course we took time to review them.

Benesch is also willing to accept 60 percent of the accelerated costs. We think that percentage should be higher. Benesch is taking responsibility for the design error and will put up 85 percent of the hard costs of the repair.

CNA would like an early global settlement. Mr. Bamonte thinks it would be dangerous to settle on a lump sum price until we are sure everything is right. Therefore, we have rejected their offer.

Mr. Bamonte proposes the following: Continue with the construction and negotiate with the contractor to get the best price possible for the construction. Continue our negotiations over the cost, bringing Burns & McDonnell back into the mix. We work together to get future costs documented and then allocate those costs. If CNA rejects this two-step process, the Tollway should consider filing a lawsuit. The Engineering recommendation is that we proceed with the repair work starting Friday morning and go ahead with the deck pour starting next week.

After much discussion, the Board gave direction to continue negotiating and move ahead with the bridge construction.

Chairman Mitola then stated that the Board reviewed the Executive Session Minutes of June 20, 1990, June 28, 1990, August 22, 1990, August 29, 1990, September 17, 1990, November 19, 1990, December 13, 1990, May 30, 1991, July 25, 1991, August 21, 1991, August 29, 1991, September 26, 1991, October 16, 1991, October 24, 1991, January 23, 1992, March 18, 1992, April 30, 1992, July 22, 1992, March 10, 1993, March 18, 1993, April 29, 1993, May 27, 1993, August 19, 1993, September 22, 1993, September 30, 1993, December 16, 1993, and January 20, 1994 and approved them for release.

There being no further business, Chairman Mitola called for a motion to adjourn. Director Materick moved to adjourn; seconded by Director Kramp.

Chairman Mitola called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 12:00 p.m.

Minutes taken by: _____
Trudy Steinhauser

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS
MAY 20, 2004

On May 20, 2004, at approximately 11:15 a.m., upon Motion of Director Andalcio, seconded by Director Materick, the Authority Board of Directors met in Executive Session pursuant to Section 2 (c) (11) of the Illinois Open Meetings Act to discuss possible litigation. Those present were as follows:

| | |
|----------------------------|-----------------------|
| Director Andalcio | Ms. Marilyn Johnson |
| Director Kramp | Mr. Jeff Dailey |
| Director Materick | Mr. James Wright |
| Director Perplies | Mr. Tom Bamonte |
| Director Pradel | Mr. Sharif Abou-sabh |
| Director Roolf | Ms. Trudy Steinhauser |
| Director Towns | |
| Executive Director Hartman | |

Mr. Bamonte updated the Committee on the status of the Cal Sag Bridge Project. There was a design error made by Benesch, the design section engineer on this project. Burns & McDonnell is the Tollway's construction section engineer.

Mr. Bamonte outlined the terms of a settlement proposal that the parties have been discussing. The proposal provides for upfront payments to the Tollway of approximately \$2 million to cover the hard costs of the demolition and the bridge repair. The parties would work together between now and completion of the bridge to document additional costs associated with the design error, such as acceleration and escalation expense, currently estimated by the contractor at approximately \$1.9 million. After the bridge construction is complete, the parties would engage in an alternative dispute resolution process to conclusively determine the costs

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May 20, 2004
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associated with the design error and allocate liability among the parties. Benesch's liability would be capped by what is then available under its \$5 million insurance policy, while there would be no cap on Burns & McDonnell's exposure. The ADR process would consist of mediation followed by binding arbitration.

Mr. Bamonte then answered questions about the Tollway's claim and the settlement discussions. He received approval to proceed with further settlement negotiations and for the issuance of an extra work order necessary to get the repair work underway.

There being no further business, Committee Chairman Kramp called for a motion to adjourn Executive Session. Director Materick moved to adjourn; seconded by Director Andalcio.

Committee Chairman Kramp called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:40 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS
MAY 27, 2004**

On May 27, 2004, at approximately 11:10 a.m., upon Motion of Director Banks, seconded by Director Towns, the Authority Board of Directors met in Executive Session pursuant to Section 2 (c) (11) of the Illinois Open Meetings Act to discuss possible litigation and Section 2 (c) (21) to review Executive Session Minutes for release. Those present were as follows:

Chairman John Mitola
Hartman
Director Andalcio
Director Kramp
Director Materick
Director Perplies
Director Roolf
Director Towns

Executive Director
Ms. Marilyn Johnson
Mr. Jeff Dailey
Mr. Shariff Abou-sabh
Mr. Tom Bamonte
Ms. Trudy Steinhauser

Mr. Bamonte updated the Board on the status of the Cal Sag Bridge Project. The Tollway is very close to having a settlement agreement that provides a two-step process. \$2 million up front for the hard costs and once all project costs are known, after completion, there will be an alternative dispute process to allocate financial responsibility. We are working with the contractor on an extra work order to get started on the repair and get the project done by October 2005.

Per Chairman Mitola's request, Mr. Bamonte explained mediation and binding arbitration to the Board.

The Board directed Mr. Bamonte to proceed with the extra work order.

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May 27, 2004
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The Board then reviewed Executive Session Minutes for release.

There being no further business, Chairman Mitola called for a motion to adjourn. Director Banks moved to adjourn; seconded by Director Materick.

Chairman Mitola called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:25 a.m.

Minutes taken by: _____
Trudy Steinhauser

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS
JUNE 17, 2004

On June 17, 2004, at approximately 10:10 a.m., upon Motion of Director Towns, seconded by Director Banks, the Authority Board of Directors met in Executive Session pursuant to Section 2 (c) (11) of the Illinois Open Meetings Act to discuss possible litigation. Those present were as follows:

Chairman John Mitola
Hartman
Director Andalcio
Director Banks
Director Kramp
Director Materick
Director Perplies
Director Roolf
Director Towns

Executive Director

Ms. Marilyn Johnson
Mr. Tom Bamonte
Mr. Jeff Dailey
Mr. James Wright
Mr. Victor Azar
Ms. Trudy Steinhauser

Mr. Bamonte updated the Committee on the status of the Cal Sag Bridge Project settlement. The hard costs of the repair, approximately \$2 million, will be paid up front. Once the project is complete, all of the costs associated will then be known and we will go through an alternative dispute resolution process, namely remediation and binding arbitration, if necessary, to finalize the costs and allocate the responsibility.

The Committee recommended that the settlement agreement be brought before the full Board for approval.

Mr. Victor Azar then briefed the Committee on the settlement of claims against the LUST Fund. The ILEPA gave it's best and final offer on the four sites as follows: DeKalb -- ILEPA offered \$400,000, the Tollway spent \$467,000; DesPlaines North -- ILEPA offered \$155,622 and the Tollway spent \$163,604; Belvidere South -- ILEPA offered \$150,988 and the Tollway spent \$142,568; and for Belvidere North the ILEPA offered \$171,000 and the Tollway spent \$64,659. The Tollway spent approximately \$880,000 in total and can recover \$762,850 from the LUST Fund for these four sites.

After much discussion, the Committee recommended that this item be approved at next week's Board Meeting.

Mr. Azar then outlined the settlement with Wilton Partners. Wilton has agreed to pay the Tollway \$50,000 for maintenance and emergency patching expenses incurred at the oases.

The Committee recommended that this also be approved at next week's Board meeting.

There being no further business, Director Banks moved to adjourn; seconded by Director Towns.

Director Banks called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:10 a.m.

Minutes taken by: _____
Trudy Steinhauser

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS
December 16, 2004

On December 16, 2004, at approximately 10:55 a.m., upon Motion of Director Roolf, seconded by Director Materick, the Authority Board of Directors met in Executive Session pursuant to Section 2(c)(11) of the Illinois Open Meetings Act to discuss pending or probable litigation. Those present were as follows:

Chairman John Mitola
Hartman
Director Andalcio
Director Kramp
Director Materick
Director Pradel
Director Roolf

Executive Director
Ms. Marilyn Johnson
Mr. Jeff Dailey
Mr. James Wright
Mr. Tom Bamonte
Ms. Trudy Steinhauser

Mr. Bamonte briefed the Board on the Cal-Sag Bridge Project. Last spring we negotiated a partial settlement with the designer, Benesch and the construction section engineer, Burns & McDonnell. Under the partial settlement the hard costs of the fix were funded and the bridge has been fixed.

We now have a situation where the contractors came to us with a global proposal on what it would take to finish the project. We have reached an agreement with the contractor on the general conditions, the costs the contractor incurred as a result of the delay; that is presented today in the form of the Extra Work Order. We then have our costs, which we have put at \$375,000. That is lost revenue and CTE expenses.

Benesch and Burns are willing to pick up all of the costs except for \$275,000. They will pay for the remaining design related costs, which are roughly \$300,000 for general conditions and \$1.2 million of accelerated escalation costs. At this point our total claim is \$2.2 million of which they will cover \$1.9 million.

After much discussion, Mr. Bamonte explained that the total claim was \$4.1 million and the proposed settlement is \$3.8 million. The Tollway will pay \$275,000.

Chairman Mitola told Mr. Bamonte that he had the Board's authority to settle this for the amounts discussed.

Mr. Bamonte then stated that Director Roolf asked to defer the settlement of pending litigation entitled ISTHA v. First Midwest Trust #5411.

Mr. Bamonte then briefed the Board on litigation involving 20 acres of property along the I-355 corridor. In 1996 this land was appraised at \$51,400, which was based on commercial development. He recommended settlement in the amount of \$110,000, which is \$58,600 above the appraised value.

Mr. Bamonte then stated that the Tollway has succeeded in 3 recent litigation cases regarding employment discrimination. He briefly outlined these cases to the Board.

The Board then discussed engineering contracts RR-01-8939, I-05-5446, I-05-5310 and Extra Work Order on RR-01-8944, which were potentially impacted by the Cal-Sag bridge matter.

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December 16, 2004
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In view of the proposed settlement, the Board authorized management to move forward on all of the engineering items.

There being no further business, Chairman Mitola called for a motion to adjourn. Director Pradel moved; seconded by Director Kramp.

Chairman Mitola called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Meeting adjourned at approximately 11:45 a.m.

Minutes taken by: _____
Trudy Steinhauser

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS
January 6, 2005

On January 6, 2005, at approximately 10:40 a.m., by motion of Director Towns, seconded by Director Kramp, the Board of Directors met in Executive Session pursuant to Section 2(c)(11) of the Illinois Open Meetings Act to discuss pending or probable litigation. Those present were as follows:

| | |
|------------------------------|----------------------------|
| Chairman John Mitola (phone) | Executive Director Hartman |
| Director Andalcio | Ms. Marilyn Johnson |
| Director Banks | Mr. Tom Bamonte |
| Director Kramp | Mr. Jeff Dailey |
| Director Roolf | Ms. Trudy Steinhauser |
| Director Towns | Mr. James Wright |

Mr. Bamonte briefed the Board on the Cal-Sag Bridge Project. Settlement agreements are being reviewed and he recommended that the Board approve the settlement.

There being no further business, Acting Chairman Banks called for a motion to adjourn Executive Session. Director Kramp moved to adjourn; seconded by Director Towns.

Acting Chairman Banks called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Meeting adjourned at approximately 10:45 a.m.

Minutes taken by: _____
Trudy Steinhauser

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS**

January 27, 2005

On January 27, 2005, at approximately 11:00 a.m., by motion of Director Kramp, seconded by Director Towns, the Board of Directors met in Executive Session pursuant to Section 2(c)(11) of the Illinois Open Meetings Act to discuss pending or probable litigation. Those present were as follows:

Chairman John Mitola
Hartman

Director Andalcio

Director Kramp

Director Materick (phone)

Director Pradel

Director Roolf

Director Towns

Executive Director

Ms. Marilyn Johnson

Mr. Tom Bamonte

Mr. Jeff Dailey

Mr. James Wright

Ms. Trudy Steinhauser

Mr. Bamonte briefed the Board on pending litigation entitled ISTHA v. First Midwest Trust #5411 (“Doede Nursery”).

First Midwest Trust will pay the Authority \$400,000 which is an adjustment to the amount they received in 1996. Mr. Bamonte recommended settling this case.

Mr. Bamonte then briefed the Board on possible litigation in connection with the Aurora Outlet Mall. The Tollway had an agreement with the City of Aurora whereby the developer would pay \$2.2 million toward the cost of adding a lane to the ramp at Farnsworth. The developer has refused to reimburse the Tollway.

The Village of Aurora has been very helpful and said they would absorb a third of the cost.

The Board directed Mr. Bamontē to try to negotiate a solution to this

matter.

There being no further business, Chairman Mitola called for a motion to adjourn. Director Towns moved to adjourn; seconded by Director Kramp.

Chairman Mitola called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Meeting adjourned at approximately 11:20 a.m.

Minutes taken by: _____
Trudy Steinhauser

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS
February 24, 2005

On February 24, 2005 at approximately 11:15 a.m. upon Motion of Director Materick, seconded by Director Roolf, the Authority Board of Directors met in Executive Session pursuant to Section 2(c)(11) of the Illinois Open Meetings Act to discuss pending or probable litigation. The Secretary called the role and those present were as follows:

Chairman John Mitola
Hartman
Director Andalcio
Director Kramp
Director Materick
Director Pradel
Director Roolf
Director Towns

Executive Director

Ms. Marilyn Johnson
Mr. Jeff Dailey
Mr. James Wright
Mr. Tom Bamonte
Ms. Trudy Steinhauser

Mr. Bamonte briefed the Board on Chelsea Properties, the developer of the Premium Outlet Mall.

Chelsea has rejected any financial responsibility for the costs of the ramp improvements at Farnsworth. Aurora has also been hostile and they feel we are trying to extract more dollars from them than what they are responsible for. We assured them that that was not our intention. We received a letter from Aurora stating that they did not want any part of the process. In discussions with Aurora, officials have acknowledged that their understanding of their agreement with Chelsea was that Chelsea would step up and pay the costs of the improvements.

We have the redevelopment agreement between Aurora and the developer that says that the developer (Chelsea) is required to put in the toll

ramp improvements, that they would pay the costs, and they would be reimbursed up to \$1 million by Aurora. The Tollway is not a party to that agreement.

The cost of the improvements thus far is \$2.1 million. In order to make the temporary ramp permanent, it will take another \$1.5 to \$2.5 million dollars. We are currently running the ramp partially on the shoulder and this will deteriorate by next year.

After much discussion, Mr. Bamonte was directed by the Board to file a law suit against Chelsea Properties and to try and rebuild a relationship with Aurora.

There being no further business, Chairman Mitola called for a motion to adjourn. Director Roolf moved to adjourn; seconded by Director Andalcio.

Chairman Mitola called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Meeting adjourned at approximately 11:35 a.m.

Minutes taken by: _____
Trudy Steinhauser

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS
March 24, 2005

On March 24, 2005 at approximately 11:45 a.m. upon Motion of Director Towns, seconded by Director Pradel, the Authority Board of Directors met in Executive Session pursuant to Section 2 (c) (11) of the Illinois Open Meetings Act to discuss union negotiations. The Secretary called the role and those present were as follows:

| | |
|----------------------------|-----------------------|
| Director Andalcio | Ms. Karen Burke |
| Director Banks | Mr. Mike Colsch |
| Director Kramp | Mr. Jeff Dailey |
| Director Pradel | Mr. James Wright |
| Director Roolf | Mr. Tom Bamonte |
| Director Towns | Ms. Trudy Steinhauser |
| Executive Director Hartman | Mr. Dave Wilson |
| Ms. Marilyn Johnson | |

Ms. Karen Burke updated the Committee on contract negotiations with Local 73.

The critical issues are as follows: Job security and retention of the electronics clause; alternative safety sensitive formula pension; wages and health insurance changes; and discipline of toll collectors when they're over or under on their toll collections.

We however have only one critical item. We believe the 85 lane walker positions are obsolete. We had a management report done that suggested that this position was not needed and most of the other tollways in the country don't use them.

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March 24, 2005
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We would also like these union employees to contribute 4% to their pension. We need to restructure our roadway from a staffing perspective and that is our most critical piece.

The union proposed that we lay off 40 people. They would say it's necessary because of ORT but we say it's necessary because of job obsolescence. They want as many of the 40 as possible to come from volunteers. They propose that we give people 2 weeks pay for every year of service. They also asked for a year's medical coverage for those who voluntarily layoff.

We countered that we need our 85 positions and lane walkers need to be taken out of the system. We offered, for volunteers, eight weeks of pay at 40 hours per week and full medical during that period. Also, those people that would volunteer to leave would have rights of recall. If we don't have the 85 people that volunteer, we would go to strict layoffs.

During discussions, Director Andalcio said he would like to see some kind of job outreach program in helping these people find other positions, even in other state agencies.

There being no further business, Committee Chairman Banks called for a motion to adjourn. Director Towns moved to adjourn; seconded by Director Kramp.

Committee Chairman Banks called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 12:00 p.m.

Minutes taken by: _____
Trudy Steinhauser

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS
March 31, 2005

On March 31, 2005 at approximately 10:45 a.m. upon Motion of Director Kramp, seconded by Director Roolf, the Authority Board of Directors met in Executive Session pursuant to Section 2 (c) (11) of the Illinois Open Meetings Act to discuss union negotiations. The Secretary called the role and those present were as follows:

| | |
|------------------------------|-----------------------|
| Chairman Mitola | Ms. Marilyn Johnson |
| Director Andalcio | Ms. Karen Burke |
| Director Kramp | Mr. Tom Bamonte |
| Director Materick - by phone | Mr. Mike Colsch |
| Director Pradel | Mr. Brian McPartlin |
| Director Roolf | Mr. James Wright |
| Director Towns | Ms. Trudy Steinhauser |

Chairman Mitola stated that last night, the Tollway workers took a strike vote.

Ms. Karen Burke explained that, yes, there is a strike vote out there but they have to give five days notice before a strike, and we haven't heard anything yet.

Ms. Burke then briefed the Board on negotiations. One issue we're still negotiating is the severance package and the other is the 85 lane walker positions that we don't need. The union has made some concessions and offered 45 positions. We told them we would take 45 positions in year one and in the following September take the remaining 40 positions, as ORT comes in.

It is a strong severance package with the minimum being eight weeks pay and it could go as high as 10 weeks. Medical coverage runs the same period as the severance package.

At issue is call-back. The union started out with a three-year call-back right and we want an 18-month call-back. We have included in this that they can go into any position in the Authority if they meet the requirements.

Regarding our economic program, we are looking for a cost of living raise of about three percent a year. We are also asking all employees to pick-up part of the pension contribution.

The union is also looking for the alternative pension formula given to safety sensitive positions. This is something that has to get passed by the General Assembly.

After much discussion, Chairman Mitola stated that the Board should be notified if Local 73 does go on strike.

There being no further business, Chairman Mitola called for a motion to adjourn Executive Session. Director Towns moved to adjourn; seconded by Director Kramp.

Chairman Mitola called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:10 a.m.

Minutes taken by: _____
Trudy Steinhauser

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS
April 21, 2005

On April 21, 2005 at approximately 10:30 a.m. upon a roll call vote, the Authority Board of Directors met in Executive Session pursuant to Section 2 (c) (2) of the Illinois Open Meetings Act to discuss union negotiations. The Secretary called the roll and those present were as follows:

| | |
|----------------------------|-----------------------|
| Director Banks | Mr. Mike Colsch |
| Director Kramp | Ms. Karen Burke |
| Director Pradel | Mr. James Wright |
| Director Roolf | Mr. Tom Bamonte |
| Director Towns | Ms. Trudy Steinhauser |
| Executive Director Hartman | |
| Ms. Marilyn Johnson | |

Ms. Karen Burke briefed the Committee on the tentative agreement reached on April 13 with Local 73. This agreement affects 848 members of SEIU; toll collectors, lane walkers, money room personnel, custodians and parts clerks. SEIU is recommending this agreement to their members and voting will take place today and tomorrow.

This is a 4-year contract. In the first year we would pay 85¢ per hour to the members. That includes a one-time 30¢ increase which Ms. Burke explained is a one-time payment in the first year. If a safety sensitive pension is passed by the State, members of SEIU covered under that pension, would stop receiving the 30 cents and it would be taken away.

Executive Session
April 21, 2005
Page Two

The salary increases are as follows: 55¢ cents per hour in the first year, which is about a 3% increase. Year two is 55¢ which is a little below 3%. In year three it will be about a 3.2% cost of living increase, plus 2% to pay for their pension, and in year four, a 3.2% and 2% for the pension. At the end of the four year contract, each employee will be paying for their own pension.

We are eliminating the lane walker position. There would be 49 layoffs in the first year and 36 in the second year. We are able to pay for the contract by the elimination of these positions.

We also have agreed to a good severance package. Two weeks pay for each year of service with a cap at 12 weeks and no lower than 8 weeks. The employee's medical will run for the same amount of time. They'll also have a 24-month recall. They can fill any vacancies they are qualified for but they will go through the probation period on that position.

We would like to develop a better scheduling program for part-time employees. We will work with the people and give them a better schedule. We are also talking with the union to get a better attendance policy.

On the toll collection side, in 2003 we had 768 positions. By 2007 that will be 600 or lower.

Mr. Mike Colsch then briefed the Committee on how these salary increases were factored into this year's budget.

There being no further business, Committee Chairman Banks called for a motion to adjourn. Director Pradel moved to adjourn; seconded by Director Towns.

Executive Session
April 21, 2005
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Committee Chairman Banks called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Meeting adjourned at approximately 10:50 a.m.

Minutes taken by: _____
Trudy Steinhauser

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS
September 29, 2005

On September 29, 2005 at approximately 11: 15 a.m. upon a roll call vote, the Illinois Tollway's Board of Directors met in Executive Session pursuant Section 2(c)(11) of the Open Meetings Act to discuss pending or probable litigation. The Secretary called the roll and those present were as follows:

Acting Chairman Jim Banks
Director Andalcio
Director Harris
Director Materick
Director Moore
Director Pradel
Director Towns

Executive Director Jack Hartman
Chief of Staff Marilyn Johnson
Mr. Tom Bamonte
Ms. Trudy Steinhauser

Mr. Bamonte updated the Board on the Chelsea property litigation. The developer built a mall at Farnsworth and I-88 and appeared to promise to reimburse the Tollway if we had to add a ramp lane for traffic. We fixed the ramp but Chelsea refused to pay its share. The court denied Chelsea's motion to dismiss our case. Chelsea has asked us if we would do court sponsored mediation of the case.

After discussion, the Board advised Mr. Bamonte to do the court-sponsored mediation.

The next case Mr. Bamonte outlined is a re-filed class action law suit entitled Johnson v. The Illinois Tollway. It challenges the constitutionality of the VES system, the two-tier toll structure and the Tollway's very existence. We recently filed a motion to dismiss this case but because of the potentially high financial stakes, Mr. Bamonte wanted to alert the Board that this class action was re-filed.

Mr. Bamonte then reported on a favorable decision from the Illinois Appellate Court on a personal injury action that involved a trooper. One of

the issues the decision resolved is whether troopers are really Tollway employees or if they should be treated as state troopers. The Appellate Court was very clear that troopers performing their day to day duties are not Tollway employees. What that means is that a personal injury against a trooper goes into the Court of Claims, not into Circuit Court.

There being no further business, Acting Chairman Banks called for a motion to enter into regular session. Director Towns moved; seconded by Director Andalcio.

Acting Chairman Banks called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Meeting adjourned at approximately 11:28 a.m.

Minutes taken by: _____
Trudy Steinhauser

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS
November 17, 2005

On November 17, 2005 at approximately 11: 25 a.m. upon a roll call vote, the Illinois Tollway's Board of Directors met in Executive Session pursuant Section 2(c)(11) of the Open Meetings Act to discuss pending or probable litigation and Section 2(c)(1) of the Act to discuss collective bargaining matters. The Secretary called the role and those present were as follows:

Chairman John Mitola
Director Andalcio
Director Harris
Director Moore
Director Pradel
Director Roolf
Director Towns

Executive Director Jack Hartman
Chief of Staff Marilyn Johnson
Mr. Tom Bamonte
Mr. Brian McPartlin
Ms. Tracy M. Smith
Ms. Trudy Steinhauser

Mr. Brian McPartlin discussed the ASCME petition that was served on the Tollway. The Tollway currently has four union contracts in place; the Service Employee's International Union, Local 73, which covers all of the toll collectors, custodians, money room workers, truck drivers and coin counters. Then we have the Teamsters, Local 726 which covers all of our maintenance, section clerks, drivers on the road; we have MAP Metropolitan Alliance of Police Local 135 which is our dispatch and Metropolitan Alliance of Police 336, which is our call takers.

Now we received a petition for union representation from ASCME which is state, county and municipal employees and they have petitioned to represent our clerical staff and professionals at the central administration and warehouse buildings.

ASCME wanted to create one single bargaining unit which would encompass 280 employees. They then filed an amended representation petition seeking to create a single unit with both professional and non

professional employees encompassing 286 employees. The Tollway filed a petition statement and met with ASCME to discuss the appropriateness of having only one unit to discuss whether certain positions were confidential and/or supervisory and therefore should be excluded from the units.

Our discussions broke down and the labor relations board set a hearing date and suggested that the parties enter into a board sponsored mediation. ASCME and the Tollway met with the mediator and we resumed negotiations on further clarification of positions.

We came to a resolution with ASCME whereby they agreed to exclude the positions that the Tollway maintained. We agreed that there would be two units which would be more appropriate than one, where we would have non-professionals, approximately 224 employees, and professionals, approximately 45 employees.

Mr. Bamonte then briefed the Board on the Chelsea litigation. We are scheduled for mediation on December 8 and 9. Chelsea and the mediator have been told that any settlement offer is subject to the approval of the Board of Directors.

Mr. Bamonte then discussed the accident where the truck crashed into the 82nd Street toll plaza and tipped over onto a car, killing a woman and her son. A law suit was filed and we were added as the defendant because of the design of the plaza. We think the law suit against us has no merit because it appears that the truck driver blacked out. Hopefully the evidence will show that it was the responsibility of the truck driver.

There being no further business, Chairman Mitola called for a motion to adjourn. Director Moore moved to adjourn; seconded by Director Towns.

Chairman Mitola called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Meeting adjourned at approximately 11:45 a.m.

Minutes taken by: _____

Trudy Steinhauser

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS
December 22, 2005

On December 22, 2005 at approximately 11: 20 a.m. upon a roll call vote, the Illinois Tollway's Board of Directors met in Executive Session pursuant to Section 2(c)(11) of the Open Meetings Act to discuss pending or probable litigation and Section 2(c)(2) of the Act to discuss collective bargaining and litigation matters. The Secretary called the roll and those present were as follows:

| | |
|---------------------------|---------------------------------|
| Acting Chairman Jim Banks | Executive Director Jack Hartman |
| Director Andalcio | Chief of Staff Marilyn Johnson |
| Director Harris | Mr. Tom Bamonte |
| Director Materick | Mr. Brian McPartlin |
| Director Pradel | Ms. Tracy M. Smith |
| Director Roolf | Ms. Trudy Steinhauser |
| Director Towns | Mr. Jeff Dailey |

Mr. Tom Bamonte briefed the Board on the Chelsea litigation. We had the mediation with Chelsea and the proposed settlement is for \$550,000 cash as well as the transmittal to the Tollway of a strip of land, about 25 feet wide next to our ramp which is valued at about \$1.5 million to us because it means the Tollway will not have to put up a retaining wall. The total value of the settlement is a little over \$2 million which represents one third of our maximum recovery.

Mr. Bamonte is recommending approval of this settlement.

Mr. Bamonte then discussed HNTB and CapitalSoft. HNTB is our program manager and Capital Soft was hired over a year ago to provide the Tollway with a web-based project management system. As of now, we still have no working system and HNTB has recommended that we move to another system.

We now know that we should have never selected CapitalSoft. We have since learned that CapitalSoft's software did not have all of the

functionality that it told us it did and we know that in the rush to get the system implemented, the Tollway excused CapitalSoft from delivering some key documents and design requirements and user acceptance specifications.

HNTB was charged with this program and they did some things like scaling down the system requirements and accepted the system on the Tollway's before it was fully functional, which triggered financial obligations to CapitalSoft. We had a situation where HNTB accepted the system and told the senior manager that this system could work and then coming back to us in late November with the message that it's not going to work.

We've negotiated with HNTB on where to go from here. One solution is to switch companies and obtain another software platform by going with Meridian Systems, which was the number two bidder and the top bidder on the technical side. The pricing is somewhat higher so we're looking at a change order in the range of \$1.8 million.

HNTB will share in some of the blame and will give us, over the next two years, \$300,000 of services at no charge to the Tollway. They have also agreed that they will make no claim toward a 2005 bonus. We've also agreed to joint defense because one of our issues with HNTB is that CapitalSoft was allowed to work beyond what was in the contract in anticipation that there would be a change order coming down the road. There is now an overhang of approximately \$500,000 in work that CapitalSoft may say is owed because they did the work. What we've agreed with HNTB is that we will jointly defend those claims and we will, at the same time, reserve our rights versus HNTB.

After much discussion, Director Andalcio stated that he wants another consulting company to look after this to make sure this doesn't happen again.

Mr. Hartman said that Hill Engineering can go through this. They are the program monitor here at the Tollway.

Mr. Bamonte then briefed the Board on the lawsuit entitled Transcore vs. ETC. Transcore has sued ETC, alleging infringement of four patents. The Tollway has not been named in that lawsuit but Mr. Bamonte would like

experienced IP litigation counsel to guide the Tollway through this.

Mr. Bamonte also recommended retaining outside labor counsel to represent the Tollway in collective bargaining negotiations with AFSCME.

Mr. Bamonte then stated that with regard to the lawsuit stemming from a bus accident near the Marengo toll plaza, the Tollway filed a motion to transfer venue from Cook County to Kane County and the plaintiffs dropped us as a defendant.

There being no further business, Acting Chairman Banks called for a motion to adjourn from Executive Session. Director Materick moved to adjourn; seconded by Director Roof.

Acting Chairman Banks called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Meeting adjourned at approximately 12:05 p.m.

Minutes taken by: _____
Trudy Steinhauser

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS
March 30, 2006

On March 30, 2006 at approximately 10:50 a.m. upon a roll call vote, the Illinois Tollway's Board of Directors met in Executive Session pursuant to Section 2(c)(1) of the Open Meetings Act to discuss personnel issues. The Secretary called the roll and those present were as follows:

Chairman John Mitola
Director Andalcio
Director Banks
Director Materick
Director Moore
Director Pradel
Director Roolf
Director Towns

Mr. Tom Bamonte
Mr. Brian McPartlin
Ms. Tracey Smith
Mr. Billy Glunz
Ms. Trudy Steinhauser
Ms. Tracy M. Smith

Mr. Brian McPartlin briefed the Board on the resignation of Mr. Scott Okun. Mr. Okun submitted his resignation on March 22, 2006 because he felt that was in his best interest because of the outside investigations that are continuing.

We are putting in control mechanisms that will help us improve our business efficiencies in the I-PASS area and to have greater accountability and greater communication.

Mr. Mitola stated, "Ms. Tracy Smith, our Inspector General, is looking into multiple issues such as a potential violation of the Ethics Act that Scott may have had some political activity on state time and there are other potential procurement code violations. We don't think Scott was personally enriched but the Procurement Code is the Procurement Code."

"The original investigation was a joint investigation between the Cook County and DuPage County State's Attorneys Office. These agencies have submitted FOIA's and requested Scott's e-mail and they've taken his computer, so they have expanded from the initial anonymous letter received

with regard to the Procurement Code.”

After some discussion, and there being no further business, Chairman Mitola called for a motion to adjourn. Director Roolf moved to adjourn; seconded by Director Moore.

Chairman Mitola called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Meeting adjourned at approximately 11:25 p.m.

Minutes taken by: _____
Trudy Steinhauser

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS
June 29, 2006

On June 29, 2006 at approximately 10:40 a.m. upon a roll call vote, the Illinois Tollway's Board of Directors met in Executive Session pursuant to Section 2(c) (11) of the Open Meetings Act to discuss real estate matters, probable litigation and settlement of a case. The Secretary called the roll and those present were as follows:

| | |
|----------------------------|-----------------------|
| Chairman John Mitola | Mr. Brian McPartlin |
| Director Andalcio | Mr. Tom Bamonte |
| Director Banks | Ms. Tracy Smith |
| Director Steven Harris | Mr. Jeff Dailey |
| Director Moore (via phone) | Ms. Karen Burke |
| Director Pradel | Mr. Billy Glunz |
| Director Roolf | Mr. Matt Beudet |
| Director Towns | Ms. Trudy Steinhauser |
| Ms. Tiffany Bohn | |

Mr. Tom Bamonte briefed the Board on Meta-Lite. A contract was entered into in May of 2005 to get new toll booths. The contractor failed to perform. Reasonable efforts were made to work things out but an early March deadline was missed. We terminated the contract later that month. We then had 74 toll booths refurbished at a saving of approximately \$1 million.

The situation now is we have claims for liquidated damages of approximately \$400,000 and they have a claim for work performed. They did deliver to us some foundation pieces and have as a claim for some engineering work that they've done in the total amount of \$142,000.

Meta-Lite is not pressing forward on this and neither has the Tollway.

Mr. Bamonte then briefed the Board on the Transcore-ETC lawsuit. In November, Transcore sued ETC claiming patent infringement. Settlement discussions are going on between Transcore, ETC and Mark IV. The Tollway is indemnified by Mark IV because we bought the Mark IV equipment that is at issue here. We have put Mark IV on notice and Mark IV has agreed to step up and indemnify the Tollway and we've entered into a joint defense agreement pursuant to that indemnification.

In addition our contract with ETC has an indemnification provision. We've put ETC on notice and ETC said this case is basically about Mark IV equipment but if ETC is found to be an infringer they will stand behind the indemnification.

Transcore has submitted demands on the Tollway by saying that one way to get this lawsuit to go away is to have the Tollway give Transcore more business and award the Consolidated Call Center contract to them.

Mr. Bamonte then addressed the ETC contract for the Consolidated Call Center that was pulled from last month's agenda and stated that this contract will be re-bid at a later date.

Mr. Bamonte then briefed the Board on other matters relating to Transcore, including Transcore's level of cooperation with the winding down of their relationship with the Tollway and a possible extension of Transcore's contract.

After discussion on matters relating to ETC and Transcore, Mr. Beaudet and Ms. Burke left the meeting.

Mr. Bamonte then briefed the Board on a letter received from Wilton Partners wherein Wilton states that their financial results at the Oases are significantly lower than the projected results and they're asking for financial help. Wilton also said that construction has impacted traffic and they want a waiver of the minimum guaranteed rent, which would be roughly \$1.5 million. They also state that the Tollway asked them to do additional work at the Lincoln Oasis, which they did, and they want a credit of \$1.2 million dollars against the R & R account contributions for doing that additional

work. They are also proposing that the Oases be closed, for retail purposes, from 10:00 p.m. to 6:00 a.m. Wilton feels the change in hours would save them an additional \$1 million a year.

After much discussion, Chairman Mitola directed Mr. Bamonte to look into the nature of Wilton's claims and, if the claims are tangible, it will make it easier to come to a resolution. He also wants the Tollway to become proactive in helping the tenants. We might also have an outside firm to an assessment of the situation.

Mr. Bamonte then introduced Tiffany Bohn, a new attorney in the Legal Department.

Chairman Mitola then called for a motion to adjourn Executive Session. Director Andalcio moved to adjourn; seconded by Director Roof.

Chairman Mitola called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:30 a.m.

Minutes taken by: _____
Trudy Steinhauser

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS
July 27, 2006

On July 27, 2006 at approximately 10:30 a.m. upon a roll call vote, the Illinois Tollway's Board of Directors met in Executive Session pursuant to Section 2(c) (11) of the Open Meetings Act to discuss a real estate matter and the settlement of litigation. The Secretary called the roll and those present were as follows:

| | |
|----------------------------|-----------------------|
| Chairman John Mitola | Mr. Brian McPartlin |
| Director Andalcio | Mr. Tom Bamonte |
| Director Banks | Ms. Tracy Smith |
| Director Ron Materick | Mr. Mike Colsch |
| Director Moore (via phone) | Mr. Matt Beudet |
| Director Pradel | Mr. Billy Glunz |
| Director Roolf | Ms. Trudy Steinhauser |
| Director Towns | |

Mr. Tom Bamonte briefed the Board on Wilton Partners and stated, "Wilton is making more money, and expenses are down, but it still has an overhang of interest payments. They've got an \$82 million loan, there are three tenants who appear not to be paying rent and the loan is coming up August 1. The projected interest rate on the loan is about 8.4 percent. We have not had discussions about anything the Tollway might do short-term or long-term to help this become a more viable operation. Wilton is asking for rent relief, a credit against the replacement in the renewal account and they're asking to scale back, somewhat, overnight operations at the oases so they can realize some operational savings. We're in the information gathering stage. We haven't seen a balance sheet or detailed capital statement. We have P & L and have had access to the basic loan documents."

Director Banks asked if Wilton was asking the Tollway to bail them

out of a bad deal.

Mr. Bamonte responded, “Wilton is finishing the first six-month extension on the construction loan and they’re probably assessing whether it’s worth going forward or not. I think what they’re looking for from the Tollway is a signal that we’ll work with them both financially and operationally to try to make this a viable operation. If they get that signal they may be more willing to work with the bank and may be able to do something going forward.”

Director Materick stated, “With regard to the replacement panels under the Lincoln Oasis, wasn’t it Wilton’s responsibility to rebuild the Lincoln Oasis?”

Mr. Bamonte responded, “Under the lease, we’re responsible for the underside portion. It’s reimbursable by Wilton. We’re doing the work and we’ll send them the bill.”

Director Materick then said, “Perhaps some of the businesses that are in the oases aren’t suited for an oasis and that has nothing to do with the toll road.”

Mr. Bamonte stated, “One of the ideas that staff is discussing is perhaps working with Wilton aggressively with some operation that has some feel of what might work here and work with Wilton on getting better tenants.”

Chairman Mitola stated “There is some legitimate nature of one of Wilton’s claims, that being that we have created some pretty big disruption of traffic and that was never contemplated when they did the deal. If we can provide them, within reason, some short-term relief, which then buys us time to keep it out of the hands of the banks for say six or eight months, bring an expert in to really evaluate this and allow an expert to tell us if the underlying business

model is flawed, and then we can make some decisions on how to change it. We could require Wilton to go through a sale process and see what proposals come back. If Mr. Bamonte comes back with a reasonable solution to buy

us some time and we can get our hands around this thing, to maybe take Wilton out 6 months from now and bring a new operator in who has fresh ideas without it becoming a white elephant.”

Mr. McPartlin stated that Wilton’s request of a reduction in services to our customers and to scale back overnight operations is not acceptable.

Director Roolf asked, “What happens if say within 6 months the bank’s not willing to budge, and Wilton walks?”

Chairman Mitola stated, “If we come up with some medium settlement, part of that agreement would be we would have to be allowed to talk to the bank. If we’re reasonable, they’ve got to do something for us and that’s got to be that they allow us to get ahead of this process.”

Director Roolf then asked, “If they did walk, would everything just shutdown?”

Chairman Mitola responded, “I think the banks would go through a sale process.”

Director Roolf went on to ask, “What do the banks have as the collateral? The building?”

Mr. Bamonte stated that they had a lease hold interest in the building. The underlying fees stay with the Tollway.”

Director Materick then stated, “These have been controversial for several reasons and anything that we do clearly needs to be thought through very carefully so that we would not look as though we’re being overly generous or overly unfair.”

After much discussion, Chairman Mitola stated that no long-term conclusion would be made today.

Mr. Bamonte then discussed Transcore. He stated that the Tollway did get a \$600,000 concession from Transcore and another meeting is scheduled. Staff is looking through some data billing point issues, one of which is a \$6.2 million dollar item. Whether the Tollway owes these payments or not is one of the items that will be discussed at the next meeting

on August 2. Transcore has some additional claims and some of them do have merit.

After some discussion, Mr. Bamonte stated he thought he would have a partial settlement package in August.

Director Andalcio stated, "I want us to make sure we're very sensitive on how we handle this matter."

There being no further business, Chairman Mitola called for a motion to adjourn Executive Session. Director Roolf moved to adjourn; seconded by Director Andalcio.

Chairman Mitola called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 10:49 a.m.

Minutes taken by: _____
Trudy Steinhauser

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS
August 31, 2006

On August 31, 2006 at approximately 10:30 a.m. upon a roll call vote, the Illinois Tollway's Board of Directors met in Executive Session pursuant to Sections 2 (c) (11) and 2 (c) (21) of the Open Meetings Act to discuss probable litigation and the review of Executive Session Minutes. The Secretary called the roll and those present were as follows:

Acting Chairman Jim Banks
Director David Andalcio
Director Steve Harris
Director Ron Materick
Director Pradel
Director Roolf
Director Towns
Mr. Brian McPartlin

Ms. Tracy Smith
Mr. Tom Bamonte
Ms. Karen Burke
Mr. Mike Colsch
Mr. Billy Glunz
Ms. Trudy Steinhauser
Mr. Matt Beaudet

Mr. Bamonte briefed the Board on Transcore by stating, "The Transcore violations processing contract will expire in mid-October, that's the call center in Lisle. Operations is also trying to put together a consolidated call center that handle I-PASS and VES in one call center. We've identified a way where we may move along both paths through the same process. We've had several discussions with Transcore and we have come up with a possible way of exiting the contract properly and having the Tollway be able to assume a functioning call center close to ETC and CA. We've established that Transcore has about \$1.7 million of solid claims under that contract. We think we have approximately \$2.8 million of reasonably solid claims against Transcore. That leaves a gap of \$1.1 million."

“We’ve discussed with Transcore and they’re willing to proceed, assuming that due diligence goes well and we can negotiate a final agreement wherein if both sides walk away from the claims, they will transfer to us hardware, software and office equipment and furnishings at the call center. They value this at close to \$4 million. Our evaluation is a little less but the contract provided for a buy-out of just hardware and software at a negotiated price of \$2.5 million.”

Mr. Bamonte explained that the proposal on the table is, “To give a hundred percent credence to our claims and Transcore’s claims, there’s a \$1.1 million dollar gap, so the question is, is the ability to walk into a 11,000 square foot call center that’s wired into our network, that provides server space and is a functioning call center, walking into that, is it worth \$1.1 million.”

Ms. Karen Burke and Mr. Matt Beudet then explained what is currently in the call center and how it would be a great benefit to the Tollway to move into, and own, a functioning facility. We would go out with an RFP to contract with a vendor to manage and staff the call center while the Tollway would provide the infrastructure.

After much discussion, Mr. Bamonte asked the Board to approve concluding negotiations to enter into a settlement agreement by which the parties both waive their claims under the contract and Transcore will transfer to the Tollway the hardware, software, equipment and furnishings at the call center.

Director Harris stated that Mr. Bamonte should look into leasing Transcore’s employees that are currently at the call center until a new vendor is in place.

Ms. Burke and Mr. Beudet left the meeting at this point.

Mr. Bamonte then briefed the Board on Wilton Partners by stating, “There are three claims that Wilton has against the Tollway. The first is that we’re doing major road construction and impeded access to the oases that has caused lost revenues. At the Lincoln Oasis alone, there has been approximately \$135,000 per month in lost sales. So, Wilton’s claim for adverse impact under the lease is two years of rent forgiveness, which is \$1.5 million. The second claim is that as part of the Lincoln reconstruction process, the Tollway directed Wilton to redesign it to add a central pier which then allowed us to widen the roadway. Wilton claims that the changes imposed about \$525,000 in additional expense and also delayed the opening and hence the sales at the oases. Wilton wants a \$1.2 million credit for that claim. The third claim is they want to scale back overnight operations at the oases. They would have a drive-in McDonalds, no indoor restaurant and only a single restroom open and the common areas would be walled off. That would save Wilton about \$1 million a year.”

Mr. Bamonte outlined a proposal that would include a one-year abatement of rent which would cover all the construction impact claims, both to date and for the next year, except for where the Tollway physically restricts access to oases. On the second claim where Wilton is asking \$1.2 million, Wilton would receive no more than \$250,000 to settle the Lincoln Oasis redesign and there would be no changes to operations as Wilton has asked for in the third claim.

Wilton is asking for about \$3.7 million for the first year and a million dollars per year going forward. The proposal would be about a million dollars from the Tollway. We’ve had discussions with Wilton on how the rent piece of that, which is \$750,000, would be distributed. Wilton is willing to distribute 80% of that to the tenants at the oases.

Executive Session Minutes
August 31, 2006
Page Four

Director Harris stated that whatever concessions we make, he would like to see them ultimately directed to the tenants and that the developer work with consultants as to how those funds are spent or allocated.

After much discussion, Mr. Bamonte stated that he would like authority to complete a settlement agreement with Wilton in the amount of \$1 million and no change in operations.

Mr. Bamonte then discussed the release of past Executive Session Minutes.

There being no further business, Acting Chairman Banks called for a motion to adjourn. Director Materick moved to adjourn; seconded by Director Towns.

Acting Chairman Banks called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:20 a.m.

Minutes taken by: _____
Trudy Steinhauser

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS
November 30, 2006

On November 30, 2006 at approximately 10:40 a.m. upon a roll call vote, the Illinois Tollway's Board of Directors met in Executive Session pursuant to Sections 2 (c) (11) of the Open Meetings Act to discuss pending litigation. The Secretary called the roll and those present were as follows:

| | |
|--------------------------------|-----------------------|
| Chairman John Mitola | Mr. Brian McPartlin |
| Director David Andalco (phone) | Mr. Tom Bamonte |
| Director Jim Banks | Ms. Rusty Castillo |
| Director Steve Harris | Ms. Karen Burke |
| Director Betty-Ann Moore | Mr. Mike Colsch |
| Director Pradel | Mr. Matt Beaudet |
| Director Roolf | Ms. Trudy Steinhauser |
| Director Towns | Mr. Billy Glunz |

Chairman Mitola and Mr. Brian McPartlin discussed the process for the re-bid of the Consolidated Customer Service and Fulfillment Center.

Ms. Karen Burke stated that when we decided to re-bid we structured the RFP and were explicit on what the Tollway will provide and what is expected of the vendor.

Chairman Mitola stated that the evaluation team is multi-disciplinary and totally independent of senior management. They are purely judging pursuant to the standards established in the RFP. They are also bound by confidentiality agreements. If a committee member found that the process was inhibited in any way, they were to notify senior management. None of the evaluation team was exposed or involved with any potential settlement with TransCore.

Mr. Bamonte then briefed the Board on the settlement with TransCore and various litigation-related matters pertaining to the Tollway's relationship with TransCore.

Mr. McPartlin stated that he will make sure that TransCore follows this contract in great detail.

Director Andalcio voiced his concern on the perception that one could say that part of this award is contingent on the settlement. He went on to say that we have revised the agreement with millions of dollars of saving to the Tollway, but on a perception issue, this contract was challenged.

He's concerned that we are setting a precedent for future award of contracts. Meaning, we could send a message or an image to the public that at the Tollway, if you are a successful bidder of a contract and it's challenged, it will be thrown out and that opponent could be the successful bidder.

Mr. Bamonte stated that "We've asked TransCore to become a good corporate citizen and they have. What would be the perception if we ignored that and awarded to the next highest bidder at a cost of six million dollars?"

Director Andalcio stated that he was not comfortable moving forward on this issue and would like more time to make a decision.

The Board then discussed what the operational impact would be if this was delayed.

Director Banks stated, "I don't see a problem deferring this but based on the assurances that staff has given this Board, as well as our legal counsel, I'm comfortable going forward."

After much discussion, Chairman Mitola stated that he wants a weekly report, in writing, on the follow-up items.

There being no further business, Chairman Mitola called for a motion to adjourn. Director Towns moved to adjourn; seconded by Director Moore.

Chairman Mitola called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:20 a.m.

Minutes taken by: _____
Trudy Steinhauser

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS
January 31, 2008

On January 31, 2008 at approximately 10:40 a.m. upon a roll call vote, the Illinois Tollway's Board of Directors met in Executive Session pursuant to Section 2 (c) (11) of the Open Meetings Act to discuss pending litigation. The Secretary called the roll and those present were as follows:

Chairman John Mitola
Director David Andalcio
Director Jim Banks
Director Tom Canham
Director Steve Harris
Director Betty-Ann Moore
Director Pradel
Director Roolf
Director Towns

Mr. Brian McPartlin
Ms. Dawn Catuara
Mr. Mike Colsch
Mr. Tom Bamonte
Ms. Trudy Steinhauser
Mr. Joel Stein
Mr. Billy Glunz

Mr. Bamonte stated that the last detailed briefing given to the Board on Wilton was in August, 2006. He then gave a brief history of the lease.

Mr. Bamonte explained that we're dealing with a lease that was signed in 2002 with Wilton. Wilton pays rent of \$743,000 and puts 1% of gross sales into the renewal and replacement account. In the last couple years, both Wilton and the Tollway have had some claims. The Board authorized a settlement in 2006 where the Tollway would put a years worth of rent into "tenant relief"; we would give them a renewal and replacement credit for eight months; they would release their two claims against us and we would go into mediation for some other claims. We went through eight drafts of a settlement agreement and at the last minute Wilton pulled out.

Executive Session Minutes
January 31, 2008
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Since then we've had a lot of discussions but currently have some challenges. Occupancy levels have dropped to about 50%; Wilton has not been paying its bank, I-STAR, since June; we have received no rent for a year and they are a year behind in their R & R replacement.

Wilton has been in discussions with its lender over the last six months and is working with I-STAR on a work-out plan. Wilton was going to close tomorrow on the I-STAR work-out but they said in light of the uncertainty they were holding off closing.

We have been in discussions with Wilton and are working with their work-out consultant.

We've put together a work-out proposal subject to the Board's approval and the Attorney General's approval as well. The proposal involves some deferral of rent; it has a standing on the same basis as the bank with an interest rate on any deferrals; if the transfer of fees to the LA office wasn't for Tollway purpose, those payments would have to be re-paid into the project; we would be willing to match Wilton on the terms of dedicating a portion of rent for billboards and other signs that we would be entitled to receive and some of that money could be used to attract new tenants. We also asked for additional controls where we would get the same information that they supply the bank. We met with them yesterday and they rejected our proposal and countered with a new proposal.

After much discussion, Chairman Mitola stated, "we should consider the scale of the change here. While these non-payments have been going on we have been in communication with Wilton but Wilton has clearly made business mistakes. I think it's in the Tollway's best interest to attempt to find a solution vs. allowing the project to go under."

Director Harris stated that he personally needs more updates on this and the Tollway needs a waiver from Wilton in order to talk to I-STAR.

Director Harris also recommends that we do amendments to the lease in order to have direct approval requirements over being cut-off from Wilton and I-STAR negotiations.

Chairman Mitola explained that Wilton's rent of \$700,000 a year to the Tollway is 1/10 of 1 percent of our annual budget. If the oases project worked perfectly we would get a contribution to the annual budget of 2/10 of a percent and that's if it worked perfectly.

Director Harris stated, "These are our oases and we need to keep the service level seamless. My biggest concern is a break in service or a dissipation of quality of service. Unless we're needed at the table, my opinion is that we'll be handed a result as opposed to being able to help shape it."

Chairman Mitola asked Mr. Bamonte to provide more detail to the directors in accordance with the Open Meetings Act so they would have more time to review.

Director Harris also recommended lining up substitute vendors in the event they do shut down.

Director Roof said we should get permission to discuss this with the bank and Wilton. We should also identify what vendors we would like on our system to I-STAR.

Chairman Mitola stated "If there are no other issues to discuss at this time, I call for a motion to adjourn."

Executive Session Minutes
January 31, 2008
Page Four

Director Banks moved to adjourn Executive Session; seconded by Director Harris.

Committee Chairman Mitola called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Meeting adjourned at approximately 11:30 a.m.

Minutes taken by: _____
Trudy Steinhauser

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS
July 31, 2008

On July 31, 2008 at approximately 10:35 a.m. upon a roll call vote, the Illinois Tollway's Board of Directors met in Executive Session pursuant to Sections 2 (c) (5) and 2 (c) (11) of the Open Meetings Act to discuss the lease of real property and probable litigation. The Secretary called the roll and those present were as follows:

Chairman John Mitola
Director David Andalcio - phone
Director Jim Banks
Director Steve Harris
Director Betty-Ann Moore
Director Pradel
Director Roolf
Director Towns

Mr. Brian McPartlin
Ms. Dawn Catuara
Mr. Tom Bamonte
Ms. Trudy Steinhauser
Mr. Albert Murillo
Ms. Tracey E. Smith

Mr. McPartlin briefed the Board on securing the lease of office space for the Call Center. The property discussed is on Warrenville Road about three buildings down from CA. Staff has put together a business case proposal for CMS and anticipates approval for the lease.

There was much discussion on this issue, including the cost to install fiber into the new space; building or buying property; or if the Call Center staff could be housed at the Central Administration Building.

A study will be done to see if the Tollway needs the same amount of individuals doing this function and/or whether they should be outsourced.

It was noted that as the nation is heading toward a cashless toll system across the country, the Call Center personnel are being viewed as the new toll collectors. They are dealing with customers electronically on a toll collection issue.

Chairman Mitola requested a separate report on the telecommunicating aspect of what was addressed today.

At this point, Ms. Smith and Mr. Murillo left the meeting.

Chairman Mitola then briefed the Board on a letter he received from the Attorney General's Office. It stated that the Attorney General would not approve the proposed settlement agreement with Wilton and it's now believed that Wilton will file suit.

Mr. Bamonte stated that a notice of default was sent in February and that forbearance agreement expires today. We will ask for a sixty day extension and notify Wilton that the Attorney General will not approve the settlement.

Chairman Mitola called for a motion to enter back into regular session and adjourn Executive Session. Director Roolf moved; seconded by Director Moore.

Chairman Mitola called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:05 a.m.

Minutes taken by: _____
Trudy Steinhauser

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS
September 25, 2008

On September 25, 2008 at approximately 10:55 a.m. upon a roll call vote, the Illinois Tollway's Board of Directors met in Executive Session pursuant to Section 2 (c) (11) of the Open Meetings Act to discuss the potential litigation. The Secretary called the roll and those present were as follows:

Chairman John Mitola
Director David Andalcio
Director Tom Canham
Director Betty-Ann Moore
Director George Pradel
Director Jim Roolf
Director Carl Towns

Mr. Brian McPartlin
Ms. Dawn Catuara
Mr. Tom Bamonte
Ms. Trudy Steinhauser

Mr. Bamonte summarized the Wilton situation to the Board.

Wilton owes the Tollway \$2.5 million. In February they were sent a default notice and we negotiated a settlement agreement. This agreement was reviewed by the Attorney General and rejected.

To date, Wilton has offered no credible plan to repay the Tollway. Wilton has applied with IDOT for billboards and that approval process is going as well as can be expected. If Wilton gets the billboards, there will be an additional revenue stream but Wilton is currently \$90 million in debt.

The third extension of the forbearance agreement expires at the end of this month. I want to summarize three legal options under the lease.

First is to continue the default process which would make Wilton make good on what it owes the Tollway or the Tollway may take over the property. That could trigger aggressive litigation.

Second is a collection action where the Tollway would file a suit for back rent.

The final option would be seeking an extension of the forbearance agreement. We have heard that Wilton is in discussions with their bank, iStar, to rework the current work-out agreement and an extension of the forbearance agreement would give them more time for that process.

After much discussion on the options available, the Board instructed Mr. Bamonte to start the default process.

There being no further business, Chairman Mitola called for a motion to adjourn. Director Andalcio moved to adjourn; seconded by Director Moore.

Chairman Mitola called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Meeting adjourned at approximately 11:10 a.m.

Minutes taken by: _____
Trudy Steinhauser

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS
December 18, 2008

On December 18, 2008 at approximately 12:15 p.m. upon a roll call vote, the Illinois Tollway's Board of Directors met in Executive Session pursuant to Sections 2 (c) (1) of the Open Meetings Act to discuss the appointment of employees. The Secretary called the roll and those present were as follows:

Chairman John Mitola
Director David Andalcio
Director Tom Canham
Director Steve Harris
Director Betty-Ann Moore
Director Pradel
Director Roolf
Director Towns

Ms. Dawn Catuara
Mr. Tom Bamonte
Ms. Trudy Steinhauser

Mr. Bamonte stated that this Executive Session was being done to discuss the appointment of an Executive Director and that the Open Meetings Act precluded discussion of other topics.

Chairman Mitola and the Board discussed appointing someone from in-house, or conducting a nationwide search for an individual.

After much discussion and input from the Directors, it was determined that a search should be conducted, nationally, using an executive search firm and a contract should be offered to the individual within the constraints of applicable law.

Chairman Mitola also said that he would like the Board to approve a package by next month, to present to a new Executive Director.

Mr. Bamonte confirmed that the sense of the Board is to explore the procurement side to see if there is a state master contract already in place and to see if a sole source justification would be acceptable to CMS but if

not, the Tollway would have to go through the procurement process for an executive search firm, and also to start roughing out a contractual package.

There being no further business, Chairman Mitola called for a motion to adjourn. Director Andalcio moved to adjourn; seconded by Director Pradel.

Chairman Mitola called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Meeting adjourned at approximately 12:40 p.m.

Minutes taken by: _____
Trudy Steinhauser

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS
January 29, 2009

On January 29, 2009 at approximately 12:20 p.m. upon a roll call vote, the Illinois Tollway's Board of Directors met in Executive Session pursuant to Sections 2 (c) (1) of the Open Meetings Act to discuss the appointment of employees. The Secretary called the roll and those present were as follows:

Chairman John Mitola
Director David Andalcio
Director Jim Banks
Director Steve Harris
Director Betty-Ann Moore
Director Pradel
Director Roolf
Director Towns

Ms. Dawn Catuara
Mr. Tom Bamonte
Ms. Trudy Steinhauser
Ms. Tracy M. Smith

Chairman Mitola stated that the Tollway has received a whistleblower complaint of which he is the target and he has asked the Inspector General and Mr. Bamonte to review the complaint.

Mr. Bamonte then briefed the Board on the letter sent to Chairman Mitola from the Chief Deputy Attorney General which stated that a large volume of documents were being shredded by Tollway executive staff employees and that two executive staff positions had been filled with people who were not qualified for those positions and that the Tollway was looking to hire a third executive staff person who was also unqualified.

Mr. Bamonte went on to say that since the Inspector General reports directly to the Chairman, it would be appropriate to have one or more members of the Board be the IG's liaison for purposes of this investigation.

Chairman Mitola asked the Board to select a member to review this process. Director Harris volunteered to review this process with the Inspector General and will keep the Board members apprised of the situation.

Chairman Mitola stated that until a final report is completed, he will not be a part of any further discussion of this review.

Inspector General Tracy Smith clarified that the Attorney General's letter went directly to the Chairman. She stated that as a result, her work would be a review process and not an investigation.

Director Harris asked if Ms. Smith was in a position to identify the senior staff members within the actual complaint. Mr. Bamonte explained that there are no names mentioned but the executive staff is very small.

Chairman Mitola stated that he will be answering the letter from the Attorney General's office later today.

At this time, Ms. Smith left the meeting.

Mr. Bamonte then updated the Board on the executive search process for filling the Executive Director position. The Procurement Department has put together an RFP timeline that contemplates advertising for the services in February, making a contract award at the March Board Meeting and having a firm on-board in early April.

It would be helpful to have three board volunteers to work with staff on this process, to help draft the scope of the RFP and to make decisions to make sure that when the Tollway goes to advertising for a search firm the Board's wishes are reflected.

Chairman Mitola interjected that Acting Executive Director Ms. Dawn Catuara will be leaving the Tollway shortly and someone will have to be named Acting Executive Director. There was then much discussion on different individuals for this position.

Mr. Bamonte suggested that a sub-committee of three board members should be formed to work with staff on the RFP for a search firm.

After much discussion on filling the positions of Executive Director, Acting Executive Director and Chief of Staff, it was decided that the subcommittee would evaluate and access internal candidates and if none are identified, the subcommittee would explore the need to go to a recruitment firm to fill the position. Board members were also encouraged to submit names of potential candidates.

Directors Moore, Pradel and Banks will comprise this sub-committee.

There being no further business, Chairman Mitola called for a motion to adjourn. Director Roolf moved to adjourn; seconded by Director Banks.

Chairman Mitola called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Meeting adjourned at approximately 1:10 p.m.

Minutes taken by: _____
Trudy Steinhauser

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS
February 6, 2009

On February 6, 2009 at approximately 1:05 p.m. upon a roll call vote, the Illinois Tollway's Board of Directors met in Executive Session pursuant to Sections 2 (c) (1) of the Open Meetings Act to discuss employment issues. The Secretary called the roll and those present were as follows:

Chairman John Mitola
Director David Andalcio
Director Jim Banks
Director Tom Canham
Director Steve Harris
Director Betty-Ann Moore
Director Pradel
Director Roolf
Director Towns
Ms. Trudy Steinhauser

Chairman Mitola stated that Acting Executive Director Dawn Catuara has submitted her resignation and he feels it's appropriate to appoint another Acting Executive Director.

During the last meeting it was decided that a subcommittee would be formed to conduct a search for candidates for the full-time Executive Director position.

Much discussion was had on current Tollway employees qualified to fill the position of Acting Executive Director. It was also noted that the Governor's office has not recommended anyone for the position but by keeping the position "Acting", the Board is giving the Governor and his staff deference that they may also recommend candidates. The Board then agreed on appointing Michael King as Acting Executive Director, effectively immediately.

There was then some discussion on the Chief of Staff position. It was decided that this position would be filled at a later date.

Director Roolf would like a report on the top 20 people at the Tollway and their rate of compensation.

A brief discussion was then held on the search firm process. It was decided that potential candidates would first be brought to the Board subcommittee. If no qualified candidates are found, the Board would then go through the search firm process.

There being no further business, Chairman Mitola called for a motion to adjourn. Director Roolf moved to adjourn; seconded by Director Towns.

Chairman Mitola called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Meeting adjourned at approximately 1:25 p.m.

Minutes taken by: _____
Trudy Steinhauser

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS
February 26, 2009

On February 26, 2009 at approximately 10:45 a.m. upon a roll call vote, the Illinois Tollway's Board of Directors met in Executive Session pursuant to Sections 2 (c) (11) of the Open Meetings Act to discuss property acquisition and possible litigation. The Secretary called the roll and those present were as follows:

Acting Chairman Jim Banks
Director David Andalcio
Director Tom Canham
Director Steve Harris
Director Betty-Ann Moore
Director George Pradel - phone
Director Jim Roof
Director Carl Towns

Mr. Mike King
Mr. Tom Bamonte
Mr. Paul Kovacs
Ms. Trudy Steinhauser
Mr. Tom Conklin
Mr. Greg Busey

Mr. Bamonte introduced Mr. Tom Conklin, the Tollway's property acquisition lawyer who is working on the Abbott Labs land acquisition.

Director Harris stated that his law firm represents Abbott Labs and that he has signed a conflict waiver and he's completely cut-off from any discussion with respect to Abbott. He wants to make sure it's okay for him to be in on this discussion.

Mr. Conklin asked Director Harris if a Chinese wall had been set-up. Director Harris stated "Yes, a Chinese wall, waiver signed by the Tollway and Abbott.

Mr. Conklin stated that he was comfortable with Director Harris in on the discussion.

Acting Chairman Banks asked the Board members if they had any issues with regard to Director Harris and they all responded “not at all”.

Mr. Conklin then briefed the Board on the acquisition of 41 acres of land from Abbott Labs, out of a parcel of 109 acres. He distributed a hand-out (copy attached) with both the plats and aerial photos. He explained that this site was the most suitable to create detention storage and wetland mitigation which was necessitated by the additional surface created when the Tollway was widened from Dempster north to the Wisconsin line. There is a plan in place that would create 98.4 acre feet of detention storage and wetland mitigation. That plan has been approved by both the Army Corp of Engineers and the Lake County Storm Water Management Commission.

Abbott agreed that the Tollway could add a temporary easement to provide entrance directly from the Tollway unto the subject’s side for the Tollway’s equipment. The only access point to this site is Atkinson Road. That’s important in terms of highest and best use of what you can actually build on this property.

Mr. Conklin explained: “The Complaint was filed July 11, 2008, the Amended Complaint enabling the Temporary Easement was September 29, 2008, and the Order Vesting Title was October 31, 2008. After the Tollway received title, the case proceeded all over again so we disclosed new Opinions on December 31, 2008 and Abbott disclosed theirs. The Opinions on valuation that were first disclosed have been supplemented and re-disclosed in that gap between October 31 and today. One more date for Disclosure on

Opinions are March 31, 2009 where we get a chance to rebut the Opinions Abbott has just proposed. Discovery close is April 30, and there is a final court case management 60 days before trial in May and trial is set for July 27. Because of the size of the dollar figure of what's involved here, both sides have hired competent, experienced experts".

"Our appraised value according to Mr. Lorenz as of the date of filing was \$4,260,000. Abbott came in with an appraisal about two weeks before our Quick Take at \$19,305,000. The split between those two figures was \$11,782,000 and Abbott was willing to accept that for Preliminary Just Compensation. We worked with them and got them to accept \$9,000,000 as Preliminary Just Compensation. That money was deposited, Abbott's taken out the money and the Tollway has title".

After Preliminary Just Compensation, the case essentially starts over and both sides can disclose their opinions. Our expert decided to leave this figure alone. We received another appraisal from Mr. Kracower and the average of our two appraisals is \$4.1 million. Abbott came back and has corresponding appraisals of \$18,600,000, \$16,700,000 and \$17,100,000 with an average appraisal of \$17.5 million dollars with the split with the Tollway appraisals being \$10,850,000.

The reasons for the differences in the evaluations of the property are the highest and best use of the property and the methodology used by the appraiser. The highest and best use in the before is a business type use, an office park use. In the after, Mr. Kracower now finds that it's gone to a much less business use

without any of the amenities. That change in highest and best use, according to Mr. Kracower, has been used by all of Abbott's appraisers to say there's damage to the remainder of \$5.9 million to \$6.1 million dollars.

Abbott hired an architect who drew up plans showing that Abbott was going to build five buildings and a multi-deck parking structure on this property but the drawings didn't consider two things; the detention storage wetland issues or access. We had these plans looked at by Christopher Burke Engineering and after their review, Abbott abandoned the plans.

Mr. Busey explained that he met with Abbott, two or three times before the Tollway made an offer. Abbott said this property was being rented out to a farmer and they had no particular use for the parcel and thought it might not be a bad piece of property to get rid of. Then, all of a sudden, once we made our offer, a plan appeared.

Director Pradel told the Board he would have to hang up and catch his plane.

Abbott's really tied itself to one plan but Mr. Conklin believes everything goes back to the single access point because it limits potential development based on traffic engineering.

Mr. Conklin then briefed the Board on the sale of a parcel near the Abbott parcel which sold in 2004.

Mr. Bamonte asked Mr. Conklin to explain to the Board how a jury might respond to this case.

Mr. Conklin explained that most jurors do not know how to value property so it's his job to teach them. He felt this case would probably be heavily discussed in the jury room and would be in the range of \$3.14 to \$5.65 per square foot. If they decide on the \$5.65 per square foot number for just the part taken, excluding any damage to the remainder, it will cost the Tollway over \$10 million. Abbott's appraisers used small parcels for their comparable which were in the \$5 to \$7 range a square foot.

Mr. Busey stated that there are two major obstacles to overcome. One is the unit value of the property itself and two, even if we win that argument, we've got the issue of damages to the property. Both the Tollway's appraisers have said that there are no damages to the remainder but the jury may not understand that.

Mr. Conklin then talked about damages. He told the Board that Abbott believes the damages are in the \$5.9 to \$6.1 million range, mostly related to the change in highest and best use, from a modern business park to lower intensity business use. Our appraisers don't believe there is damage to the remainder, so he believes the jury could go either way.

Mr. Conklin explained to the Board that his recommendation would be to mediate this, non-binding, outside the court system. This is usually negotiated by the special assistant attorney general and the property owner's attorney, or sometimes, in a pre-trial setting.

After some discussion on a possible settlement amount, Mr. Bamonte stated, "I think our collective recommendation would be to get a sense of the Board to pursue mediation; obviously keeping you apprised every step of the way, but mediation is where we'll focus our efforts and hopefully, we'll have an informed mediator rather than the uncertainty of a jury".

All Directors stated yes, mediation was their recommendation.

There being no further business, Acting Chairman Banks called for a motion to adjourn. Director Andalcio moved to adjourn; seconded by Director Moore.

Acting Chairman Banks called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:45 a.m.

Minutes taken by: _____
Trudy Steinhauser

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF EXECUTIVE SESSION
OF
THE BOARD OF DIRECTORS
March 26, 2009

On March 26, 2009 at approximately 11:00 a.m. upon a roll call vote, the Illinois Tollway's Board of Directors met in Executive Session pursuant to Sections 2 (c) (11) of the Open Meetings Act to discuss violations. The Secretary called the roll and those present were as follows:

Chairman John Mitola
Director David Andalcio
Director Tom Canham
Director Steve Harris
Director Betty-Ann Moore
Director George Pradel
Director Jim Roolf
Director Carl Towns

Mr. Mike King
Mr. Tom Bamonte
Mr. Stan Ryniewski
Ms. Trudy Steinhauser

Mr. Bamonte briefed the Board on possible litigation over toll violations involving rental car companies and possible approaches to resolving such matters. Mr. Bamonte stated that he wanted to get a sense from the Board on the Tollway's approach on dealing with rental car company violations before the Tollway does an outreach to those companies to try to resolve their violations.

The Tollway will roll out, by late summer, an electronic system for assigning violation notices to rental car agencies. Tollway management is exploring approaching the rental car companies with the following settlement proposition: Pay \$10 each for past violations and that will clear those violations; have an agreement that they will participate in the electronic violation reassignment process; and, finally, some agreed to amount that will cover the Tollway's cost that they will pay each time they are unsuccessful in assigning the violation back to the Tollway.

Chairman Mitola stated that there are options for us to implement with the rental agencies so that customers get charged in real time through their rental agreement vs. this backward arrangement we've had in place. He and Director Roolf have the same position on the trucking companies because the companies also get violation notices for drivers that violated tolls.

Chairman Mitola stated "We need these companies to be viable and we need them to view the Tollway as a partner, in particular while we're woefully behind on the use of technology to solve this".

Mr. Stan Ryniewski then updated the Board on the Tollway's rental car program which is being developed whereby we'll download the rental car company's license plates and when the images are going through the system, they are first going to go out and look at that rental car data base. This information will be sent to them electronically. We will give them 21 days from the receipt of this information to assign them. If they don't assign them, they will be liable for the toll.

There was discussion on third party companies, whereby they charge the customer say \$5.00 a day to cover the cost of tolls. Chairman Mitola feels this is a service the Tollway could provide.

Director Andalcio also discussed putting transponders in rental cars for free. Mr. King said this has been talked about and we will expand the Business Analyst resources that can help put this together.

Mr. Ryniewski explained that the problem with putting transponders in rental cars is tracking the transponders themselves. The car may not be brought back to our area. He is working with Enterprise in trying to understand their operations and what their needs are.

Mr. King said that right now there is a huge programming and fleet management issue on our end to just integrate tracking all this. We will do the electronic data-base so the rental car companies can reassign the violations.

Mr. Ryniewski also said that rental car companies are also hitting drivers with a \$40 bill for toll evasion. Chairman Mitola told staff that our agreement with the rental car companies has to say that they cannot do that.

Mr. King stated that it is in the Tollway's best interest to move forward. We'll come up with better standards and more resources, coupled by a solid plan and move forward with it.

Chairman Mitola asked if it was the consensus of the Board that Mr. Bamonte will have full flexibility to create settlements that are reasonable and work for both parties. All Board members concurred.

Director Roolf said that there are also some issues that need to be looked at as far as the trucking agencies are concerned in this regard. Chairman Mitola asked if the general sense of the Board was that staff also has flexibility to deal with the truckers. The Board responded yes.

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Mr. King briefed the Board on IAG, an E-ZPass consortium, consisting of many different states. It's a 10-year contract with a huge dollar amount. Because the tags being used are different from ours, we might have to adjust our system. This possible change will have to be factored into any settlements.

There being no further business, Chairman Mitola called for a motion to adjourn. Director Towns moved to adjourn; seconded by Director Moore.

Chairman Mitola called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Meeting adjourned at approximately 11:25 a.m.

Minutes taken by: _____
Trudy Steinhauser