

**MINUTES OF THE FEBRUARY 7, 2012, MEETING OF THE HEALTHCARE COMMITTEE OF THE
BOARD OF DIRECTORS OF THE ILLINOIS FINANCE AUTHORITY**

The Board of Directors (the “Board”) of the Illinois Finance Authority (the “IFA”), pursuant to notice duly given, held a Healthcare Committee (the “Committee”) Teleconference Meeting at 1:00 p.m. on February 7, 2012, at the Chicago Office of the Illinois Finance Authority, 180 North Stetson Avenue, Suite 2555, Chicago, IL 60601.

<u>Board Members Participating:</u>		<u>IFA Staff Participants:</u>	<u>Others Participating:</u>
Dr. William J. Barclay, Committee Chairman		Pam Lenane, Vice President/Acting General Counsel	Courtney Shea, Acacia Financial Group
Michael W. Goetz		Jim Senica, Senior Financial Analyst	Kristen Schorsch, Crains Chicago Business
Heather Parish		Nora O'Brien, Legal/Financial Analyst	Marj Halperin, Marj Halperin Consulting
Bradley Zeller			Rob Walton, Marj Halperin Consulting

GENERAL BUSINESS

I. Call to Order and Roll Call

Chairman Dr. Barclay called the Committee meeting to order at 1:02 p.m. with the above Board Members, IFA staff and other participants present. The Chairman asked Ms. O’Brien to call the roll. There being four members present, Chairman Dr. Barclay declared the quorum met.

II. Review and Approval of the January 4, 2012 Minutes

The Minutes from the Healthcare Committee meeting held on January 4, 2012, were reviewed. Mr. Zeller moved to approve the minutes and Mr. Goetz seconded the motion. The Committee unanimously agreed to approve the Minutes.

III. Project Approvals

Ms. O’Brien presented the following project:

Item A: Ascension Health Alliance - \$600,000,000 – Preliminary Resolution

Ascension Health Alliance is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed \$600,000,000. Bond proceeds will be used by Ascension Health Alliance (“Ascension Health” or the “Borrower”) (i) finance various capital expenditures at the Alexian Brothers Health System, (ii) refund certain Alexian Brothers Health System Bonds, (iii) refund certain Ascension Health Alliance commercial paper which may be issued to fund the redemption of certain Alexian Brothers Health System Bonds and/or tender of certain Alexian Brothers Health System Bonds, if deemed necessary or advisable, and (iv) refund certain Ascension Health Series 2002 Bonds.

Mr. Goetz asked about what the \$175,000,000 in capital expenditures included. The Committee wondered why no construction jobs were projected since a large amount of money was being spent on various capital expenditures. Ms. O’Brien stated that she would follow up with Ascension and ensure the details were included in the final report.

Ms. Parish noted that currently there are no MBE/WBE participants on the underwriting team. Ms. Lenane stated that she mentioned IFA’s policy in encouraging minority participation to the Borrower several months ago and she

would mention it to them again. Ms. Lenane mentioned that she was happy Ascension decided to issue through the IFA and hoped that IFA would continue to be their issuer of choice in the future.

Chairman Dr. Barclay asked for a motion to approve the above project. Mr. Zeller moved to approve the above project and the motion was seconded by Ms. Parish. The Committee concurred that this project be recommended for Board approval.

Mr. Senica presented the following project:

Item B: M.O.B. III Development LLC - \$11,200,000 – Preliminary Resolution

M.O.B. III Development LLC is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed \$11,200,000. Bond proceeds will be used by **M.O.B. Development, LLC and its affiliates, successors, or assigns** (the “**Borrower**”) to finance (i) the costs of constructing a 60,000 square foot, 3-story medical office building at 925 Broadway Avenue in Quincy (Adams County), IL 62301, adjacent to two existing medical office buildings on the Blessing Hospital campus. Additionally, Bond proceeds may be used to (ii) pay costs of issuance, if deemed necessary or desirable by the Borrower, (iii) finance capitalized interest, if deemed necessary or desirable by the Borrower, and (iv) capitalize certain reserves, if deemed necessary or desirable by the Borrower (and, collectively, the “**Project**”).

Mr. Senica mentioned that this project came in late and he would have an updated report for the Board Meeting next week.

Chairman Dr. Barclay asked for a motion to approve the above project. Mr. Zeller moved to approve the above project and the motion was seconded by Mr. Goetz. The Committee concurred that this project be recommended for Board approval.

Item C: Edward Hospital - \$30,00,000 – One-time Final Resolution

Edward Hospital is requesting approval of a Final Bond Resolution in an amount not-to-exceed \$30,000,000. Bond proceeds will be used to (i) refund **Edward Hospital** (“**Edward**”, the “**Hospital**”, the “**Corporation**” or the “**Borrower**”) IHFA Series 2001A Bonds, (ii) finance capital projects and (iii) pay cost of issuance.

Ms. O’Brien mentioned that she thought the capital projects were IT driven and that was the reason for no construction jobs being projected. She stated that she would follow up with Edward and get more detail on this information for the final report.

Chairman Dr. Barclay asked for a motion to approve the above project. Mr. Goetz moved to approve the above project and the motion was seconded by Ms. Parish. The Committee concurred that this project be recommended for Board approval.

IV. Amendatory Resolution

Item A: Presbyterian Homes

Presbyterian Homes Lake Forest Place Project and Presbyterian Homes Two Arbor Lake Project (“**Presbyterian Homes**” or the “**Borrower**”) will be amending various credit enhancement facilities, replacing FSA (Assured Guaranty) and making certain changes to its Master Indenture. As a result, three series of Presbyterian Homes Bonds will be subject to a mandatory tender and remarketing. In connection with the mandatory tender, the Bond Indenture will be amended to allow for bondholder consents to be granted by the credit enhancer only. In addition, the fourth series of Bonds will be amended so that the Borrower’s loan agreement obligation to IFA will be upgraded from a subordinate obligation to a parity obligation under their Master Indenture.

Chairman Dr. Barclay asked for a motion to approve the above project. Mr. Goetz moved to approve the above resolution and the motion was seconded by Ms. Parish. The Committee concurred that this resolution be recommended for Board approval.

V. Other Business

Ms. Lenane updated the group on the Medicaid Vendor Payment Program. She stated there had been no changes since the last Healthcare Committee Meeting.

VII. Adjournment

Dr. Barclay asked for a motion to adjourn. Mr. Zeller moved to adjourn and Ms. Parish seconded the motion.

The meeting adjourned at 1:26 p.m.

Minutes submitted by:

Nora O'Brien

Legal/Financial Analyst