

**MINUTES OF THE APRIL 1, 2014, MEETING OF THE HEALTHCARE AND EDUCATION  
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 and Education Committee (the “Committee”) Teleconference Meeting at 10:00 a.m. on April 1, 2014, at the Chicago Office of the Illinois Finance Authority, 180 North Stetson Avenue, Suite 2555, Chicago, IL 60601.

**IFA Staff Participants:**

**Board Members Participating:**

**Others Participating:**

Chairman Lerry Knox  
Michael Goetz  
Roger Poole  
Brad Zeller

Christopher Meister, Executive Director  
John Dark, Law Clerk  
Brad Fletcher, Financial/Legal Analyst  
Rich Frampton, Vice President  
Melinda Gildart, Chief Financial Officer  
Pam Lenane, Vice President/Acting General  
Counsel  
Nora O’Brien, Associate General Counsel

Brie Callahan, Marj Halperin Consulting

**GENERAL BUSINESS**

***I. Call to Order and Roll Call***

The Committee meeting was called to order at 10:04 a.m. with the above Board Members, IFA staff and other participants present. Chairman Knox asked Ms. O’Brien to call the roll. There being four members present, Chairman Knox declared a quorum had been met.

***II. Review and Approval of the March 11, 2014 Minutes***

The Minutes from the Healthcare Committee meeting held on March 11, 2014, were reviewed. Mr. Poole moved to approve the minutes and the motion was seconded by Mr. Goetz. By voice vote, the Committee approved the above referenced minutes.

***III. Project Approval***

Ms. O’Brien presented the following project:

**Item A: Memorial Health System – Final Resolution**

**Memorial Health System** is requesting approval of a **Final Bond Resolution** in an amount not to exceed **One Hundred Forty Million Dollars** (\$140,000,000.00) (excluding original issue discount or premium, if any) in aggregate principal amount of revenue bonds consisting of one or more series of Revenue Bonds, Series 2014A and 2014B (Memorial Health System) (the “Series 2014 Bonds”).

Bond proceeds of the Series 2014A and 2014B Bonds will be used by **Memorial Health System** (the “**System**”) and **Memorial Medical Center** (“**MMC**” or the “**Medical Center**” and, together with the System, the “**Borrowers**”) to: (i) pay or reimburse the Borrowers for the payment of certain costs of acquiring, constructing, renovating, remodeling and equipping certain “projects”, including necessary and attendant land acquisition, facilities, equipment, site work and utilities appurtenant thereto, for the Borrowers including, but not limited to, (a)

the construction and equipping of an approximately three level, 115,000 square foot vertical expansion to the Medical Center's existing patient tower located in Springfield, Illinois, (b) the construction and equipping of an approximately two story, 34,000 square foot expansion to the Medical Center's existing main operating suite located in Springfield, Illinois, (c) the renovation and equipping of the Medical Center's existing energy plant and related infrastructure located in Springfield, Illinois, (d) the construction and equipping of an approximately four story, 50,000 square foot building to be located at 228 West Miller Street in Springfield, Illinois and to be used by the Medical Center and the Southern Illinois University School of Medicine as an educational institution for staff and physicians, (e) the renovation and reconfiguration of the main entrance and lobby of the Medical Center's 'E' building located in Springfield, Illinois, and (f) certain routine capital expenditures of the Borrowers; (ii) establish a debt service reserve fund with respect to the Bonds, if deemed necessary or advisable by the Authority or the Borrowers; (iii) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Authority or the Borrowers; (iv) provide working capital to the Borrowers, if deemed necessary or advisable by the Authority or the Borrowers; and (v) pay certain expenses incurred in connection with the issuance of the Bonds.

Ms. O'Brien noted that the Series 2014B bonds will be a direct purchase by Fifth Third Bank in the amount of **Sixty Million Dollars** (\$60,000,000.00).

Mr. Poole moved to approve the project and the motion was seconded by Mr. Goetz. By voice vote, the Committee approved the above referenced project.

#### ***IV. Amendatory Resolution***

##### **Item A. Amendatory Resolution – Palos Community Hospital**

On April 12, 2010, the Illinois Finance Authority (the "**Authority**") issued its Illinois Finance Authority Revenue Bonds, Series 2010A (**Palos Community Hospital**) with an authorized principal amount of \$50,000,000 and its Illinois Finance Authority Revenue Bonds, Series 2010B (**Palos Community Hospital**) with an authorized principal amount of \$50,000,000, together the Series 2010 Bonds.

The proceeds of the Series 2010 Bonds were expected to be used to finance a portion of the cost of acquisition and construction of a new bed pavilion. The pavilion has been substantially completed at a lower cost than initially anticipated, resulting in a portion of the proceeds remaining on deposit in the project funds (the "**Excess Funds**"). The Borrowers anticipate using these funds to pay the cost of acquiring, constructing, renovating a remodeling additional "health care facilities" owned and operated by the Borrowers (the "**Additional Project**").

The Borrowers previously requested that the Authority and the Purchasers amend the Original Loan Agreements to permit the Excess Funds to be spent for costs of the Additional Project on or before the first business day of April, 2014 (the "**Original Completion Date Extension**").

The Borrowers have now requested that the Authority and the Purchasers agree to further extend the Construction Final Draw Date to the first business day of July 2014 (the "**Second Completion Date Extension**").

Mr. Goetz moved to approve the resolution and the motion was seconded by Mr. Poole. By voice vote, the Committee approved the resolution.

#### ***V. Other Business***

Mr. Frampton discussed Loyola University of Chicago ("**Loyola**" or the "**Borrower**"), an Illinois not for profit corporation, and PNC Bank, National Association., (the "**Replacement Credit Facility Provider**" or "**Bank**"), whom are requesting approval of a Resolution to (i) effectuate the continuation of ongoing "rollovers" of Illinois Finance Authority Commercial Paper Revenue Notes (Loyola University of Chicago Financing Program) ("**Notes**") until June 1, 2020, and (ii) ratify certain actions related thereto.

The Notes mature and become payable no more than 270 days from the date of issuance, at which time the Borrower can "roll over" the issue by issuing new commercial paper to pay off the maturing paper at an additional term and interest rate as determined by Merrill Lynch, Pierce, Fenner & Smith Inc., a subsidiary

of Bank of America Corporation (the "**Dealer**"). The Notes are a general unsecured obligation of the Borrower. The Illinois Finance Authority (the "**Authority**") initially issued its Notes on behalf of Loyola University of Chicago as of June 4, 2008 in an amount not-to-exceed \$95,000,000. The Notes were supported by a direct-pay letter of credit from JPMorgan Chase Bank, National Association (the "**Initial Credit Facility Provider**"). On or about August 5, 2011, Loyola replaced it with a direct-pay letter of credit from PNC Bank, National Association sufficient to make timely payments of principal of and interest on the "rollovers" in an amount not-to-exceed \$80,000,000. As of April 1, 2014, Loyola had approximately \$74,040,000 of Notes outstanding.

The proceeds from the Notes are loaned to Loyola for costs or acquisitions, construction, renovation and equipment for "educational facilities," and to refinance certain indebtedness incurred and pay certain costs of issuance. No event of default has occurred with the ongoing rollovers.

Mr. Frampton noted that it is his belief Board Chairman Brandt will need to abstain from voting.

Mr. Knox asked if there would be an issuance of a new note, and Mr. Frampton said the Borrower could just roll-over the existing note.

#### ***VI. Public Comment***

There was no public comment.

#### ***VII. Adjournment***

Mr. Zeller moved to adjourn the meeting and the motion was seconded by Mr. Goetz. The meeting adjourned at 10:12 a.m.

Minutes submitted by:  
John Dark  
Law Clerk