

**MINUTES OF THE APRIL 26, 2010 MEETING OF THE HEALTHCARE
COMMITTEE OF THE ILLINOIS FINANCE AUTHORITY**

The Healthcare Committee (the “Committee”) of the Illinois Finance Authority (the “IFA”), pursuant to notice duly given, held a Healthcare Committee Meeting via teleconference at 1 p.m. on Monday, April 26, 2010 at the Illinois Finance Authority, 180 N. Stetson, Suite 2555, Chicago, Illinois:

Board Members Participating

via Phone:

Dr. William J. Barclay, Chair
Roderick Bashir
Michael W. Goetz
Bradley A. Zeller

Board Members

Absent:

Juan B. Rivera

Staff Participants

Present:

Pamela Lenane
Vice President and
Acting General Counsel
Christopher B. Meister
Executive Director
William Claus
Funding Manager
Beverly Womack-Holloway,
Secretary to the Board

Others Participating

Courtney Shea
Acacia Financial Group
Osee Pierre
Seibert, Brandford & Shank
Amy Johonnett
Fidelity Investors
Shannon Williams
Scott Balice
Lois Scott
Scott Balice

GENERAL BUSINESS

Call to Order and Roll Call

Roll call was taken by Secretary, Beverly Womack-Holloway and the meeting was called to order by Chairman Barclay at 1:10 p.m. with the above Board Members, IFA staff, and other participants present and/or participating by phone.

Approval of Minutes

The minutes from the Healthcare Committee meeting held on Monday, April 26, 2010 were reviewed. Chairman Barclay motioned for approval of the minutes; Mr. Zeller moved to accept and Mr. Goetz seconded the motion; the minutes were unanimously approved by the Committee.

Discussion of Projects

Centegra Health Systems – Final - \$7MM

Request for the approval of a final bond resolution for the issuance of up to \$7 million in 501(c)(3) not-for-profit bonds. Bond proceeds will be used to, fund capital expenditures and other improvements for the health care facilities of the Borrower including, but not limited to, an advanced GE Healthcare (“GE Healthcare”) Clinical Information System

Project including Enterprise Clinical Data Repository, Pharmacy Information System, Medication Administration and Reconciliation Technology, Inpatient Electronic Medical Record, Emergency Room Information System, Perinatology Information System and Surgical Information System. This project is located in McHenry, IL (McHenry County).

Mr. Claus presented this project. A motion to recommend approval to the Board was made by Mr. Zeller and seconded by Mr. Goetz. The motion passed.

Institute for Transfusion Medicine – Preliminary - \$30MM

Request for the approval of a preliminary bond resolution for the issuance of up to \$30 million in 501(c)(3) not-for-profit bonds. The proceeds of these bonds will be used to, (i) fund the acquisition of a new building in Rosemont; (ii) fund the renovation, refurbishment, and equipping of the subject facility and; (iii) pay expenses related to costs of issuance. This project is located in Rosemont, IL (Cook County).

Mr. Claus mentioned that there were currently 627 jobs not shown in the summary and an asterisk had to be removed for unrealized gains. This would be done before it was presented to the Board. Mr. Goetz motioned for approval of this project and Mr. Zeller seconded the motion. The Committee concurred that this project be recommended for board approval.

North Shore University Health System – Preliminary - \$160MM

Request for the approval of a preliminary bond resolution for the issuance of up to \$160 million in 501(c)(3) not-for-profit bonds. The proceeds of this issuance will be used to convert or refund existing variable rate debt to fixed rate debt and to terminate two fixed payer swaps. This project is located in Evanston, IL (Cook County).

Mr. Claus presented this project. Mr. Goetz motioned for approval of this project and Mr. Zeller seconded the motion. The Committee concurred that this project be recommended for board approval.

Friendship Village of Mill Creek, NFP (GreenFields of Geneva Project) – Final - \$130MM

Request for the approval of a final bond resolution for the issuance of up to \$30 million in 501(c)(3) not-for-profit bonds. The proceeds of these bonds will be used to: (i) to construct and equip a new Continuing Care Retirement Community, (ii) repay monies used to finance pre-development costs, including the BANs referenced below and other seed capital funds provided by various sources (iii) fund one or more Debt Service Reserve Funds, (iv) fund interest expense on the Bonds for a period of approximately 20 months, and (v) fund certain professional and bond issuance costs. This project is located in Geneva, IL (Kane County).

Mr. Claus mentioned that a draft of the feasibility study would be sent to the Healthcare Committee and the Borrower would be adding minority/women owned underwriting

firm. Mr. Zeller motioned for approval of this project and Mr. Goetz seconded the motion. The Committee concurred that this project be recommended for board approval.

OSF Healthcare System – Preliminary - \$160MM

Request for the approval of a preliminary bond resolution for the issuance of up to \$160 million in 501(c)(3) not-for-profit bonds. The proceeds of this issuance will be used to current refund approximately \$142 million of OSF's variable rate bonds with fixed rate bonds. OSF wishes to rebalance their debt structure in what is currently an attractive market for fixed rate debt. At the same time, OSF plans to take the opportunity to finance reimbursement of certain prior capital expenditures. This project is located in Peoria, IL (Peoria County).

Mr. Claus presented this project. Mr. Goetz motioned for approval of this project and Mr. Bashir seconded the motion. The Committee concurred that this project be recommended for board approval.

The Clare at Water Tower – Tender and Exchange - \$91.5MM

The objective of the Tender & Exchange is to restructure the Borrower's debt obligations by reducing its annual debt service payments to a level that can be sustained by present and anticipated future operations. The Bonds will be exchanged for that portion of Series 2005 A, B & C Bonds of the Authority that are tendered by the holders thereof (collectively the "Prior Bonds") with each holder of Prior Bonds to receive: (a) Series 2010A Bonds in a principal amount equal to 70% of the principal amount of the Prior Bonds and (b) Series 2010B Bonds in a principal amount equal to 30% of the principal amount of such Prior Bonds, (the "Bond Exchange"). This project is located in Chicago, IL (Cook County).

Ms. Lenane presented this project. Mr. Goetz motioned for approval of this project and Mr. Bashir seconded the motion.

Other Business

- a) FQHC Status Update: The Healthcare team is scheduled to meet with Access Community Health Network/FQHC on April 27th.
- b) Update on Diversity Discussions: Chairman Barclay reported on the lunch meeting that he, Mr. Bashir, Ms. Lenane, and Director Meister had with a prominent underwriting firm on April 20th. The Firm advised the IFA of their interest in meeting with minority and women owned underwriting firms and including them on their next three new campus projects as a co-manager.
- c) Status of Senior Supportive Living Receivables Pool: There is presently a search for banks who are interested in purchasing bonds.

- d) Revisions to Current Healthcare Fee Schedule: Ms. Lenane advised the Committee of the IFA management team's intent to revise the 501(c)3 Lease Program fee schedule due to the increased level of Authority time being spent on transactions of this type. The Committee was all in favor of her proposed changes and recommended presentation of a resolution outlining the changes to the Board.

Adjournment

A motion to adjourn was made by Mr. Goetz and seconded by Chairman Barclay. The meeting adjourned at 2:00 p.m.

Minutes submitted by
Beverly Womack-Holloway
Secretary to the Board