

**MINUTES OF THE MAY 6, 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 1:30 p.m. on May 6, 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:**

Michael Goetz  
Lerry Knox  
Heather Parish  
Roger Poole  
Brad Zeller

Christopher Meister, Executive Director  
Pam Lenane, Vice President/Acting General  
Counsel  
Nora O’Brien, Associate General Counsel

Michele Damico, Marj Halperin Consulting

**GENERAL BUSINESS**

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

The Committee meeting was called to order at 1:33 p.m. with the above Board Members, IFA staff and other participants present. Chairman Knox asked Ms. O’Brien to call the roll. There being five members present, Mr. Knox declared a quorum had been met.

***II. Review and Approval of the April 1, 2014 Minutes***

The Minutes from the Healthcare and Education Committee meeting held on April 1, 2014, were reviewed. Mr. Zeller 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 Approvals***

Ms. O’Brien presented the following projects:

**Item A: Centegra Health Systems – Final Resolution**

**Centegra Health System** is requesting approval of a **Final Bond Resolution** in an amount not-to-exceed **One Hundred Ninety Three Million Dollars** (\$193,000,000). The proceeds of the Bonds will be used by Centegra Health System, an Illinois not for profit corporation (“**Centegra**”), on behalf of itself and Northern Illinois Medical Center (d/b/a Centegra Hospital McHenry), Memorial Medical Center – Woodstock (d/b/a Centegra Hospital – Woodstock), NIMED Corp. and Centegra Hospital – Huntley, each an Illinois not for profit corporation and an affiliate of Centegra (collectively, the “**Borrowers**”) to: (i) pay or reimburse one or more of the Borrowers for the payment of certain costs of acquiring, constructing, renovating, remodeling and equipping certain “projects” (as such term is defined in the Act), including, but not limited to, the construction and equipping of an approximately 384,000-square foot, 128-bed acute care hospital facility expected to be owned, operated and managed by Centegra Hospital – Huntley; (ii) provide working capital to one or more of the Borrowers, if deemed necessary or advisable; (iii) pay a portion of the interest on the Bonds, if deemed necessary or advisable; (iv) fund a debt service reserve

fund, if deemed necessary or advisable; and (v) pay certain expenses incurred in connection with the issuance of the Bonds, all as permitted by the Act (collectively, the “**Financing Purposes**”).

Ms. O’Brien explained that Centegra is seeking final approval of the variable rate portion of this transaction which will be a bank direct purchase by First Midwest Bank and Wintrust. The Committee did not have any questions regarding this project. Mr. Poole moved to approve the project and the motion was seconded by Mr. Zeller. By voice vote, with Mr. Goetz abstaining, the Committee agreed that this resolution be recommended for Board approval.

**Item B: Freeport Regional Healthcare Foundation – One-time Final Resolution**

**Freeport Regional Health Care Foundation** (“FHN”, the “**Corporation**” or the “**Borrower**”) is requesting approval of a **One-time Final Bond Resolution** in an amount not to exceed **Forty Five Million Dollars** (\$45,000,000). Bond proceeds will be used by FHN to provide Freeport Memorial Hospital (the “**Hospital**”) and the Corporation, with all or a portion of the funds necessary to (i) pay or reimburse the Corporation and the Hospital for the costs of acquiring, constructing, remodeling, renovating and equipping certain health care facilities owned by the Corporation and/or the Hospital, including renovating the emergency department and outpatient services facilities; (ii) refund all or a portion of the \$10,000,000 original principal amount County of Stephenson, Illinois Health Care Facilities Revenue Bonds (Freeport Regional Health Care Foundation) Series 2008 (the “2008 County Bonds”); (iii) refund all or a portion of the \$8,000,000 original principal amount City of Freeport, Illinois Health Care Facilities Revenue Bonds (Freeport Regional Health Care Foundation) Series 2008 (the “2008 City Bonds”); (iv) refund all or a portion of the \$13,330,000 original principal amount City of Freeport, Illinois Variable Rate Demand Revenue Bonds, Series 2001A (Freeport Regional Health Care Foundation) (the “2001 City Bonds” and, together with the 2008 County Bonds and the 2008 City Bonds, the “**Prior Bonds**”); (v) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Corporation or the Authority; (vi) provide working capital to the Corporation and/or the Hospital, if deemed necessary or advisable by the Corporation or the Authority; and (vii) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Prior Bonds.

Ms. Lenane explained that this is the first time the Authority has ever issued bonds on behalf of Freeport and they were planning to issue through the City or County, so she had to adjust the fee accordingly. Chairman Knox inquired about the fee; Ms. Lenane responded that it was reduced to one quarter of the regular fee.

Mr. Goetz moved to approve the project and the motion was seconded by Mr. Poole. By voice vote, the Committee agreed that this resolution be recommended for Board approval.

**Item C: Rosecrance, Inc. – One-time Final Resolution**

**Rosecrance, Inc.** (“**Rosecrance**” or the “**Corporation**”) and **Rosecrance Health Network** (the “**User**”) are requesting approval of a **One-time Final Bond Resolution** in an amount not-to-exceed **Fifteen Million Dollars** (\$15,000,000). Bond proceeds will be used by Rosecrance the User to (i) pay or reimburse the Corporation and the User for the costs of acquiring, constructing, remodeling, renovating and equipping certain health care facilities owned by the Corporation and the User; (ii) provide working capital to the Corporation and/or the User, if deemed necessary or advisable by the Corporation or the Authority; (iii) pay a portion of the interest on the Bonds if deemed necessary or advisable by the Corporation or the Authority; and (iv) pay certain expenses incurred in connection with the issuance of the Series 2014 Bonds, all as permitted by the Act (collectively, the “**Financing Purposes**”).

The Committee did not have any questions regarding this resolution. Mr. Goetz moved to approve the project and the motion was seconded by Mr. Poole. By voice vote, the Committee agreed that this resolution be recommended for Board approval.

***IV. Other Business***

Chairman Knox asked about the fees that the Authority receives for direct purchase issuances compared to public offering issuances. Ms. Lenane responded that the Authority charges the same closing fee for each.

***V. Public Comment***

There was no public comment.

***VI. Adjournment***

Mr. Goetz moved to adjourn the meeting and the motion was seconded by Mr. Zeller. The meeting adjourned at 1:46 p.m.

Minutes submitted by:  
John Dark  
Law Clerk