

**MINUTES OF THE JANUARY 3, 2013, 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 January 3, 2013, 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:

Dr. William J. Barclay, Committee
Chairman
Michael W. Goetz
Brad Zeller

Pamela Lenane, Acting General
Counsel/Vice President
Nora O’Brien, Legal/Financial Analyst

Courtney Shea, Acacia Financial Group
Marj Halperin, Marj Halperin Consulting

GENERAL BUSINESS

I. Call to Order and Roll Call

Chairman Dr. Barclay called the Committee meeting to order at 1:03 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 three members present, Chairman Dr. Barclay declared a quorum had been met.

II. Review and adoption of the Healthcare Committee Meeting Minutes from November 5, 2012

III. Review and adoption of the Healthcare Committee Meeting Minutes from December 5, 2012

Chairman Dr. Barclay asked for a motion to approve the minutes from November 5, 2012 and December 5, 2012. Mr. Goetz moved to approve the above project and the motion was seconded by Mr. Zeller. By voice vote, the Committee approved the above referenced minutes.

IV. Project Approvals

Ms. Lenane presented the following project:

Item A: Franciscan Communities, Inc. - \$160,000,000 – Final Resolution

Franciscan Communities, Inc. is requesting approval of a Final Resolution in an amount not-to-exceed \$160,000,000. Bond proceeds will be used by **Franciscan Communities, Inc.** (“FC”) and/or **University Place, Inc.** (“UP”) (collectively, FC and UP are referred to hereinafter as “**Borrower**” and/or “**Proposed Obligated Group**”) to: (i) refund various series of bonds previously issued through the Illinois Finance Authority or the Illinois Health Facilities Authority; (ii) refund bonds previously issued through the Indiana Health Facility Financing Authority; (iii) refund bonds previously issued through Cuyahoga County, Ohio; (iv) fund new money projects for certain of the Proposed Obligated Group facilities; (v) establish one or more Debt Service Reserve Funds; and (vi) provide for the payment of costs of issuance associated with the Series 2013 Bonds.

Ms. Lenane stated that Franciscan expects to receive an investment grade rating on Monday, January 7, 2013 prior to the Board Meeting.

Ms. Lenane mentioned that the new money portion of the project would be small projects at existing facilities and is not expected to create any construction jobs. Mr. Goetz asked what kind of projects and at which facilities. Ms. O'Brien stated that she would send the draft of Appendix A with the projects to him via email.

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 Mr. Zeller. By voice vote, the Committee agreed that this project be recommended for Board approval.

Item B: Northwestern Memorial HealthCare - \$150,000,000 – One-time Final Resolution

Northwestern Memorial HealthCare is requesting approval of a One-time Final Resolution in an amount not-to-exceed \$150,000,000. The proceeds of the bonds will be loaned to **Northwestern Memorial HealthCare** (the "**Borrower**" or "**NMHC**") to be used, together with certain other funds, to (i) refund all or a portion of the outstanding principal amount of the Authority's \$103,160,000 Revenue Bonds, Series 2009B (**Northwestern Memorial Hospital**) (the "**Prior Bonds**") (ii) pay or reimburse the Borrower, Northwestern Memorial Hospital ("**NMH**") and Northwestern Lake Forest Hospital ("**NLFH**") and, together with NMH, the "**Users**") for the costs of acquiring, constructing, renovating, remodeling and equipping certain health facilities of the Users, including necessary and attendant equipment, facilities, sitework and utilities thereto, including, without limitation, the construction and equipping of an approximately 503,000 square foot facility that includes an approximately 441,000 square foot parking garage and an approximately 62,000 square foot daycare center located at 445 E. Ontario, Chicago, Illinois and the renovation and equipping of the ninth, tenth and thirteenth floors of NMH's patient services pavilion known as Galter Pavilion located at 251 E. Huron, Chicago, Illinois; (iii) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Authority or the Borrower; (iv) fund one or more debt service reserve funds, if deemed necessary or advisable by the Authority or the Borrower; and (v) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Prior Bonds, including but not limited to fees for insurance, credit enhancement or liquidity enhancement for the Bonds if deemed necessary or advisable by the Borrower.

Mr. Goetz asked if there was a possibility of minority participation on this project. Ms. Lenane stated that she would confirm, but expected so, as Northwestern usually includes a minority underwriter on its underwriting team.

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 Mr. Zeller. By voice vote, the Committee agreed that this project be recommended for Board approval.

Item C: Plymouth Place, Inc. - \$35,000,000 – Preliminary Resolution

Plymouth Place, Inc. is requesting approval of a Preliminary Resolution in an amount not-to-exceed \$35,000,000. The proceeds will be used by **Plymouth Place, Inc.** (the "**Corporation**" or the "**Borrower**") to: (i) pay or reimburse the Borrower for the costs of acquiring, constructing, renovating, remodeling and equipping certain health care facilities of the Borrower, including necessary and attendant equipment, facilities, sitework and utilities thereto; (ii) refund all or a portion of the outstanding principal amount of the Authority's \$20,000,000 Variable Rate Demand Revenue Bonds, Series 2005B (The Landing at Plymouth Place Project) (the "**Series 2005B Bonds**"); (iii) refund all or a portion of the outstanding principal amount of the Authority's \$68,500,000 Variable Rate Demand Revenue Bonds, Series 2005C (The Landing at Plymouth Place Project) (the "**Series 2005C Bonds**") and, together with the Series 2005B Bonds, the "**Prior Bonds**"; (iv) fund one or more debt service reserve funds, if deemed necessary or advisable by the Authority or the Borrower; and (v) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Prior Bonds, including but not limited to fees for insurance, credit enhancement or liquidity enhancement for the Bonds if deemed necessary or advisable by the Borrower.

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 Mr. Zeller. By voice vote, the Committee agreed that this project be recommended for Board approval.

VI. Amendatory Resolution

Item A: Advocate Health Care Network

Advocate Health Care Network has requested that the Authority approve amending the bond indenture in connection with the remarketing of the Series 2008A-1 Bonds and the Series 2008A-2 Bonds on January 24, 2013 and February 1, 2013, respectively, to permit (subject to then existing market conditions) such Bonds to be remarketed at a premium or a discount for the variable-rate period for the Series 2008A-1 Bonds that begins on January 24, 2013 and ends on a future date to be determined by Advocate on or before January 24, 2013 and for the variable-rate period for the Series 2008A-2 Bonds that begins on February 1, 2013 and ends on a future date to be determined by Advocate on or before February 1, 2013.

Chairman Dr. Barclay asked for a motion to approve the above amendatory resolution. Mr. Goetz moved to approve the above amendatory resolution and the motion was seconded by Mr. Zeller. By voice vote, the Committee agreed that this project be recommended for Board approval.

VI. Other Business

Ms. Lenane mentioned that there would be an amendatory resolution for Villa St. Benedict at the Board Meeting. She stated that she just received the information and it is a ministerial change, but since a new Form 8038 will need to be signed, it needs to come to the IFA Board for approval.

IV. Public Comment

There was no public comment.

V. Adjournment

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

The meeting adjourned at 1:10 p.m.

Minutes submitted by:
Nora O'Brien
Legal/Financial Analyst