

**MINUTES OF THE MARCH 11, 2014, 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 9:00 a.m. on March 11, 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
Carmine Lonstein (joined at 9:07)
Heather Parish
Roger Poole
Brad Zeller

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

Brie Callahan, Marj Halperin Consulting

GENERAL BUSINESS

I. Call to Order and Roll Call

The Committee meeting was called to order at 9:01 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 five members present, Chairman Knox declared a quorum had been met.

II. Review and Approval of the February 4, 2014 Minutes

The Minutes from the Healthcare Committee meeting held on February 4, 2014, were reviewed. Mr. Goetz moved to approve the minutes and the motion was seconded by Ms. Parish. By voice vote, the Committee approved the above referenced minutes.

III. Project Approval

Ms. O’Brien presented the following project:

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) (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 (Centegra Health System) (the “Series 2014 Bonds”) provided that if the Authority shall also authorize the issuance of another series of revenue bonds to benefit the Borrower or its affiliates in 2014 for purposes related to the Financing Purposes defined below, the combined principal amount of all such revenue bonds, including the Series 2014A Bonds, shall not exceed \$193,000,000 in the aggregate.

The proceeds of the Series 2014 Bonds will be used by Centegra Health System, an Illinois not for profit corporation (“**Centegra**”) to: (i) pay or reimburse Centegra and Northern Illinois Medical Center (d/b/a Centegra Hospital – McHenry) (“**NIMC**”), Memorial Medical Center – Woodstock (d/b/a Centegra Hospital – Woodstock) (“**MMC**”), NIMED Corp. (“**NIMED**”) and Centegra Hospital – Huntley (“**CHH**”) and, collectively with NIMC, MMC and NIMED, the “**Users**”), each an Illinois not for profit corporation, 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 CHH; (ii) provide working capital to Centegra or one or more of the Users, if deemed necessary or advisable by Centegra; (iii) pay a portion of the interest on the Series 2014 Bonds, if deemed necessary or advisable by Centegra; (iv) fund a debt service reserve fund, if deemed necessary or advisable by Centegra; and (v) pay certain expenses incurred in connection with the issuance of the Series 2014 Bonds, all as permitted by the Act (collectively, the “*Financing Purposes*”).

Ms. O’Brien noted that the Series 2014A Fixed Rate Bonds may be approved today and the Series 2014B Variable Rate Bonds will be considered for final approval in April or May.

Chairman Knox asked about minority participation in the underwriting group. Ms. Lenane responded that she brought the issue up with Centegra. Since the transaction is not scheduled to close until May, there is still time to add professionals to the underwriting group.

Mr. Zeller moved to approve the project and the motion was seconded by Mr. Poole. Chairman Knox asked Ms. O’Brien to call the roll. Mr. Goetz abstained from the motion.

IV. Amendatory Resolution

Item A. Amendatory Resolution Expanding the Healthcare Committee to Include Education and Creating the Healthcare and Education Committee

The Chairman of the Healthcare Committee, Mr. Lerry Knox, has over 20 years of experience as an engineer, venture capitalist and investment banker, leading national organizations that provide solutions at the complex intersection of business, engineering, technology, infrastructure, healthcare, academia and public policy. Chairman Knox believes it is in the best interest of the Authority to expand jurisdiction of the Healthcare Committee to include the Education market sector. This will be beneficial to both programs and will allow for any issues to be addressed simultaneously.

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

V. Other Business

Ms. Lenane stated that April and May will have more projects on the agenda. Enough healthcare transactions will close by June to meet the healthcare budget target for fiscal year 2014. The Authority has reinvigorated its marketing efforts and went to St. Louis a couple weeks ago to meet with the Treasurer at SSM Healthcare. SSM Healthcare will issue through the Missouri authority for their upcoming financing, but Ms. Lenane stated the Treasurer seemed open to the idea of using the Authority in future financings. The Missouri authority has agreed to share a portion of its fee from the financing with the Authority.

Ms. Lenane stated that there will be some sizeable financings in fiscal year 2015, but overall 501(c)(3) bond issuance is projected to be very low this year. Chairman Knox confirmed Ms. Lenane’s statement.

VI. Public Comment

There was no public comment.

VII. Adjournment

Mr. Zeller moved to adjourn the meeting and the motion was seconded by Mr. Poole. The meeting adjourned at 9:15 a.m.

Minutes submitted by:
John Dark
Law Clerk