

**MINUTES OF THE JUNE 5, 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 1:00 p.m. on June 5, 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
Roger Poole
David Vaught
Brad Zeller

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

None

GENERAL BUSINESS

I. Call to Order and Roll Call

The Committee meeting was called to order at 1:12 p.m. with the above Board Members and IFA staff present. Chairman Knox asked Ms. O’Brien to call the roll. There being four members present, Mr. Knox declared a quorum had been met.

II. Review and Approval of the May 6, 2014 Minutes

The Minutes from the Healthcare and Education Committee meeting held on May 6, 2014, were reviewed. Mr. Zeller moved to approve the minutes and the motion was seconded by Mr. Poole. By unanimous voice vote, the Committee approved the above referenced minutes.

III. Project Approval

Ms. O’Brien presented the following project:

Item A: Southern Illinois Healthcare Enterprises, Inc. – One-time Final Resolution

Southern Illinois Healthcare Enterprises, Inc. Southern Illinois Healthcare Enterprises, Inc. (“SIHE”, “SIH” or the “Corporation”) is requesting approval of a **One-Time Final Bond Resolution** in an amount not-to-exceed **One Hundred Thirty Five Million Dollars** (\$135,000,000). Bond proceeds will be used by SIHE and Southern Illinois Hospital Services (the “Hospital” and, together with the Corporation, the “Users”) to (i) pay or reimburse the Users for the costs of acquiring, constructing, remodeling, renovating and equipping certain health care facilities owned by the Users, including (a) an Energy Center and certain related facilities adjacent to Memorial Hospital of Carbondale (“MHC”), (b) an approximately four-story addition to MHC, including an expansion of surgical and intensive care facilities, (c) expansion of the outpatient facilities at St. Joseph Memorial Hospital (“SJMh”), (d) the construction of an approximately 46,000 square foot Cancer Center, and (e) various other capital improvements to and routine capital equipment purchases for MHC, SJMH, Herrin Hospital and the Users’ healthcare and corporate facilities; (ii) refund all or a portion of the Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2008 (Southern Illinois Healthcare Enterprises, Inc.) (the “Prior Bonds”); (iii) provide working capital to the Users, if deemed necessary or advisable by the Corporation or the Authority; (iv) pay a portion of the interest on the Series

2014 Bonds, if deemed necessary or advisable by the Corporation or the Authority; and (v) pay certain expenses incurred in connection with the issuance of the Series 2014 Bonds and the refunding of the Prior Bonds, all as permitted by the Act (collectively, the “**Financing Purposes**”).

There were no questions on this project. Mr. Zeller moved to approve the project and Mr. Poole seconded that motion. By unanimous voice vote, the Committee agreed that this resolution be recommended to the Board for approval.

IV. Amendatory Resolution

Ms. O’Brien presented the following resolution:

Item A: Swedish Covenant Hospital

On June 28, 2011, the Illinois Finance Authority (the “**Authority**”) issued its Illinois Finance Authority Revenue Bonds Series 2011 (**Swedish Covenant Hospital**) (the “**Series 2011 Bonds**”) with an authorized principal amount of \$20,000,000. Due to changes in the Borrower’s plans for its hospital campus and facilities, they have decided not to undertake certain portions of the Series 2011 Project and to replace other portions of the Series 2011 Project with new capital expenditures being made on the Borrower’s main hospital campus (the “**Project Amendments**”) pursuant to Section 3.3 of the Loan Agreement. The Borrower has requested that the Authority and U.S. Bank National Association (“**USBNA**”), the original purchaser of and the current owner of the Series 2011 Bonds, consent to (i) the Project Amendments, (ii) the use of excess funds in the Project Fund after taking into account the Project Amendments to optionally redeem a portion of the Series 2011 Bonds (the “**Optional Redemption**”) and (iii) an amendment to the terms of the Series 2011 Bonds to extend the initial Flex Rate Private Placement Period applicable to the Series 2011 Bonds (the “**Flex Rate Period Extension**”).

The Authority will need to approve a resolution authorizing the execution and delivery of a First Supplemental Bond Indenture and First Supplemental Loan Agreement relating to the Series 2011 Bonds.

The Committee had no questions on this project. Mr. Poole moved to adopt the resolution and Mr. Zeller seconded that motion. By unanimous voice vote, the Committee agreed that this resolution be recommended for Board approval.

V. Other Business

Ms. O’Brien stated that the IFA received a request from Freeport Memorial Hospital (“**FMH**”) to structure their bonds as draw down bonds to minimize any negative arbitrage on the amounts in deposit in the project funds. This project was approved at the May board meeting. This resolution will approve the execution and delivery of the draw down bond documents.

Ms. O’Brien noted that since this item was not on the agenda the Committee should not vote on the matter. This will be on the agenda for the June 10, 2014, board meeting.

VI. Public Comment

There was no public comment.

VII. Adjournment

Mr. Poole moved to adjourn the meeting and the motion was seconded by Mr. Zeller. The meeting adjourned at 1:17 p.m.

Minutes submitted by:
John Dark
Law Clerk