

**MINUTES OF THE JULY 10, 2012 MEETING 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 Board Meeting on July 10, 2012, at 10:30 a.m. in the Conference Center, One Prudential Plaza, 130 East Randolph Avenue, Suite 750, Chicago, Illinois 60601.

IFA Board Members Present:

1. William A. Brandt, Jr., Chairman
2. Michael W. Goetz, Vice Chairman
3. Gila J. Bronner
4. Norman M. Gold
5. Edward H. Leonard, Sr.
6. Terrence M. O’Brien
7. Heather D. Parish
8. Mayor Barrett F. Pedersen
9. Roger E. Poole
10. Bradley A. Zeller

IFA Board Members Excused:

1. Dr. William Barclay
2. James J. Fuentes

IFA Staff Present:

Christopher B. Meister, Executive Director
Richard Frampton, Vice President
Pamela A. Lenane, Vice President and Acting General Counsel
James Senica, Senior Financial Analyst
Brad R. Fletcher, Legal/Financial Analyst
Terrell Gholston, Procurement Analyst
Nora O’Brien, Legal/Financial Analyst
Sohair Omar, Policy/Operations Analyst
Kristina Garcia, Intern
David Papirnik, Intern

IFA Financial Advisor Present:

Phoebe Selden, Acacia Financial Group, Inc.

Guests Present:

Charles J. Jarik, Chapman & Cutler LLP
Anthe Mitrakos, Crain Communications, Inc.

Megan C. Rudd, Jones Day
Tasha Shepherd, Backstrom McCarley Berry & Co., LLC

I. Call to Order & Roll Call

The Board Meeting was called to order at 10:39 a.m. by Chairman Brandt. The Assistant Secretary of the Board, Mr. Fletcher, called the roll. There being ten members present, a quorum was reached.

II. Chairman's Remarks

Chairman Brandt welcomed Members of the Board, IFA staff and all guests present.

III. Adoption of Minutes

Chairman Brandt stated that both the Minutes of the Committee of the Whole Meeting and the Minutes of the Board Meeting, each held on June 12, 2012, were reviewed at the Committee of the Whole Meeting held earlier this morning. Additionally, Chairman Brandt stated that the Financial Statements for the Month ended June 30, 2012 were reviewed at the Committee of the Whole Meeting held earlier this morning. Chairman Brandt requested a motion to adopt the Minutes of both Meetings held on June 12, 2012, and accept the Financial Statements for the Month ended June 30, 2012. Mayor Pedersen made a motion and Vice Chairman Goetz seconded the motion. A roll call vote was taken and the motion was adopted unanimously.

IV. Acceptance of Financial Statements

See Item III.

V. Project Approvals

Chairman Brandt asked Mr. Frampton to present the projects to the Board.

Mr. Frampton presented each of the following projects:

Agriculture – Beginning Farmer Bonds

Item No. 1A: Scott A. & Angela D. Vounard - \$248,700

Scott A. & Angela D. Vounard are requesting approval of a Final Bond Resolution in an amount not-to-exceed Two Hundred Forty Eight Thousand and Seven Hundred Dollars (\$248,700). Bond proceeds will be used to finance the acquisition of approximately 89.26 acres of farmland located in Foster Township in Madison County.

Item No. 1B: George A. Chandler - \$488,600

George A. Chandler is requesting approval of a Final Bond Resolution in an amount not-to-exceed Four Hundred Eighty-Eight Thousand and Six Hundred Dollars (\$488,600). Bond proceeds will be used to finance the acquisition of approximately 160 acres of farmland located in Bald Bluff Township in Henderson County.

VI. Resolutions

Chairman Brandt asked Mr. Frampton to present the resolutions to the Board.

Mr. Frampton presented each of the following resolutions:

Item No. 3: Resolution to Adopt the Fiscal Year 2013 Budget of the Illinois Finance Authority

Item No. 4: Resolution to Adopt the Strategic Plan of the Illinois Finance Authority for Fiscal Years 2013 through 2015 (the “Strategic Plan”) and to delegate to the Executive Director the authority to Implement, Update and Amend the Strategic Plan

Item No. 5: Resolution to Authorize Amendments and Revisions to the Illinois Finance Authority Bond Program Handbook

Chairman Brandt asked if the Members of the Board had any questions related to any of the projects or resolutions presented. There being none, Chairman Brandt requested leave to apply the previous roll call vote in favor of each project and resolution. Leave was granted unanimously.

V. Project Approvals

Chairman Brandt asked Mr. Frampton to present the project which may have an abstention and require a separate roll call vote of the Board.

Mr. Frampton presented the following project:

Healthcare – 501(c)(3) Revenue Bonds

Item No. 2: Hospital Sisters Services, Inc. - \$550,000,000

Hospital Sisters Services, Inc. is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed Five Hundred Fifty Million Dollars (\$550,000,000).

Bond proceeds will be used by Hospital Sisters Services, Inc. (hereinafter, "HSSI" or the "Borrower") to: (i) pay or reimburse the Borrower the payment of the costs of acquiring, constructing, renovating, remodeling and equipping certain of their health facilities, including, but not limited to, acquiring, constructing and equipping an approximately a 25-bed critical access replacement hospital in Highland, Illinois (to replace the existing St. Joseph's Hospital in Highland), and for the renovation and replacement of a surgery department at St. John's Hospital in Springfield, Illinois, (ii) refund the outstanding principal amount of IHFA Series 2003A Bonds, IFA Series 2007C Bonds and IFA Series 2008A Bonds that financed prior projects at multiple locations in Illinois, (iii) pay a portion of the interest accruing on the Bonds, if deemed necessary or advisable, (iv) fund working capital, if deemed necessary or advisable, and (v) pay certain expenses incurred in connection with the issuance of the Bonds.

In anticipation of an abstention, Chairman Brandt requested a roll call vote in favor of the project. The Assistant Secretary of the Board, Mr. Fletcher, called the roll. With nine yeas, zero nays and one abstention by Mr. Poole, the project was granted approval. Mr. Poole abstained due to service on the Board of Directors of the Southwestern Illinois Development Authority ("SWIDA"), which at one time also contemplated financing this transaction.

VII. Other Business

None.

VIII. Public Comment

None.

IX. Adjournment

Chairman Brandt requested a motion to adjourn the Board Meeting. A motion to adjourn was made by Mr. Goetz and seconded by Mr. O'Brien.

The Board Meeting adjourned at 10:45 a.m.

Minutes submitted by:

Brad R. Fletcher

Assistant Secretary of the Board