MINUTES OF THE AUGUST 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 10:00 a.m. on August 5, 2014, at the Chicago Office of the Illinois Finance Authority, 180 North Stetson Avenue, Suite 2555, Chicago, IL 60601.

Board Members Participating:	**IFA Staff Participants:**	**Others Participating:**
Chairman Lerry Knox	Brad Fletcher, Financial Analyst	
Mike Goetz	Rich Frampton, Vice President (Phone)	
Roger Poole	Pam Lenane, Vice President/Acting General Counsel	
Brad Zeller	Nora O'Brien, Associate General Counsel	
	John Dark, Law Clerk	

GENERAL BUSINESS

I. Call to Order and Roll Call

The Committee meeting was called to order at 10:02 a.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 July 1, 2014 Minutes

The minutes from the Healthcare and Education Committee meeting held on July 1, 2014, were reviewed. Mr. Poole moved to approve the minutes and the motion was seconded by Mr. Goetz. By unanimous voice vote, the Committee approved the above referenced minutes.

III. Project Approvals

Mr. Frampton presented the following project:

Item A: **Rogers Park Montessori School – Final Bond Resolution**

Rogers Park Montessori School (the "**Borrower**"), an Illinois not for profit corporation, is requesting approval of a **Final Bond Resolution** in an amount not to exceed **Twenty Million Dollars** ($20,000,000). Bonds will be issued in one or more series and the proceeds thereof will be loaned to the Borrower to assist the Borrower in providing a portion of the funds necessary to (i) pay or reimburse the Borrower, or refinance certain indebtedness the proceeds of which were used to pay or reimburse the Borrower, for the costs of acquiring, constructing, renovating, remodeling, expanding and equipping certain of the Borrower's school facilities, located at 1800 W. Balmoral Ave., Chicago, Illinois 60640 (the "**School Facility**"), including without limitation, an approximately 13,000 square foot expansion of the School Facility; the addition of classrooms, art, drama and music rooms, science spaces, presentation spaces, group work spaces, tutoring alcoves, and co-curricular spaces to the School Facility; and renovating, remodeling, expanding and equipping the gymnasium of the School Facility (together, the "**Project**"); (ii) refund all or a portion of the outstanding principal amount of the $11,750,000 original principal amount

Educational Facility Revenue Bonds (Rogers Park Montessori School Project) Series 2004 (the "**Prior Bonds**"); (iii) fund a debt service reserve fund for the Series 2014 Bonds, if deemed necessary or advisable by the Borrower; (iv) fund a capitalized interest fund for the Series 2014 Bonds, if deemed necessary or advisable by the Borrower; and (v) pay certain costs incurred in connection with the issuance of the Series 2014 Bonds, and the costs of refunding the Prior Bonds (collectively, the "**Financing Purposes**").

Mr. Frampton noted that both the Healthcare and Education Committee and the Board approved an amendatory resolution at last month's meeting to approve changes in the participants and add a subordinate series of bonds. These bonds will be sold to friends and family of the school. These subordinate bonds will improve the debt service coverage on the senior Series A bonds substantially.

At the time of issue, Ziegler will underwrite the Bonds. Accordingly, Ziegler will purchase and re-sell both the Series A and B Bonds. The Series 2014 Bonds will be sold in accordance with IFA Bond Handbook requirements. Both the Series A and B bonds will have investor restrictions. Mr. Frampton noted that sizing of certain reserve funds will not be determined until Ziegler prices the bonds.

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

IV. Amendatory Resolution

Item A. **<u>Dominican University – Amendatory Resolution</u>**

Dominican University (the "**Borrower**"), an Illinois not for profit corporation, and **MB Financial Bank, N.A.** (the "**Bank**" or "**Bond Purchaser**"), are requesting approval of a Resolution to (i) authorize execution and delivery of a Bond and Loan Agreement, a Tax Exemption Certificate and Agreement and related documents and (ii) approve related matters to effectuate the refinancing of a portion of the outstanding Illinois Finance Authority ("**IFA**") Adjustable Rate Demand Revenue Bonds, Dominican University, Series 2006 (the "**Series 2006 Bonds**") by issuing a Revenue Refunding Bond (Dominican University), Series 2014 (the "**Series 2014 Bond**").

The Series 2006 Bonds are currently secured by a Direct Pay Letter of Credit from JP Morgan Chase Bank, N.A. The original par amount of the Series 2006 Bonds was $30,000,000. The proceeds from the Series 2006 Bonds were used to construct a parking garage, academic building, and other improvements on the campus. It is anticipated that MB Financial Bank, N.A. will purchase the Series 2014 Bond in an expected amount of up to $20,500,000 that will fully fund redemption of the Series 2006 Bonds and potentially pay costs of issuance. This transaction will be considered a reissuance for tax purposes. IFA's estimated administrative fee will be $29,600.

The accompanying Resolution will enable Dominican University to switch from a Direct Pay LOC-secured bond structure to a Bank Direct Purchase bond structure. Concurrently, the University will be amending certain terms and covenants of its Village of River Forest Series 2009 Revenue Bonds (which were initially purchased directly (in a bank purchase mode) by MB Financial Bank, N.A.).

There were no questions on this project. Mr. Goetz moved to approve the resolution, and Mr. Zeller seconded the motion. By a unanimous voice vote, the Committee approved the resolution.

V. Other Business

Mr. Frampton noted that the Authority would be pricing and closing the **University of Chicago** (the "**University**") Series 2014 Bonds over the next week. The par amount will be **Five Hundred Seventy Five Million Dollars** ($575,000,000). Mr. Knox asked how much of the par amount would be taxable. Mr. Frampton stated that all of the IFA par amount would be tax-exempt, but the University would be issuing **Two Hundred Million Dollars** ($200,000,000) in taxable bonds directly without a municipal issuer. Mr. Knox asked if the IFA could issue the taxable bonds as well. Mr. Frampton noted that IFA could issue taxable bonds but noted that the Authority was working with an entirely new staff contacts at the University and noted after closing would be an appropriate time to discuss opportunities to issue taxable bonds on behalf of the University further with their financial advisor.

At closing the following week the Authority would collect a fee of $211,000.

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 10:12 a.m.

Minutes submitted by:
John Dark
Law Clerk