

**MINUTES OF THE AUGUST 14, 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 August 14, 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. Michael W. Goetz, Vice Chairman
2. Dr. William Barclay (via audio conference)
3. James J. Fuentes
4. Norman M. Gold (via audio conference)
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. William A. Brandt, Jr., Chairman
2. Gila J. Bronner

**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

**IFA Financial Advisor Present:**

Courtney Shea, Acacia Financial Group, Inc.

**Guests Present:**

John F. Bibby, Jr., Jones Day  
Nancy Burke, Chapman & Cutler LLP  
Claire Bushey, Crain Communications, Inc.  
Thomas Butala, News Source, LLC

Ylda Capriccioso, CMAP  
Michelle A. Carrothers, OSF Healthcare System  
Amy Cobb Curran, Jones Day  
Anne Donahoe, Anne Donahoe  
Jeremy D. Duffy, Hinshaw & Culbertson LLP  
Craig Freedman, Freedman Seating Co., Inc.  
Steve Johnson, B. C. Ziegler & Company  
Ben Klemz, Barclays Capital Inc.  
Terence Mieling, Merrill Lynch & Co., Inc.  
Carl W. Moellenkamp, Lutheran Life Communities  
Danny Nelson, PFM Asset Management LLC  
Megan Rudd, Jones Day  
Jeffrey Bruce Sahrbeck, Merrill Lynch & Co., Inc.  
Jill Scheibelhut, ImageMaster, Inc.  
Tasha Shepherd, Backstrom McCarley Berry & Co., LLC  
Steven Washington, Ice Miller LLP  
Leslie Richards-Yellen, Hinshaw & Culbertson LLP

#### **I. Call to Order & Roll Call**

The Board Meeting was called to order at 10:34 a.m. by Vice Chairman Goetz. The Assistant Secretary of the Board, Mr. Fletcher, called the roll. There being eight members physically present and two members participating via audio conference, a quorum was reached.

#### **II. Chairman's Remarks**

Vice Chairman Goetz welcomed members of the Board, IFA staff and all guests present.

#### **III. Adoption of Minutes**

Vice Chairman Goetz stated that both the Minutes of the Committee of the Whole Meeting and the Minutes of the Board Meeting, each held on July 10, 2012, were reviewed at the Committee of the Whole Meeting held earlier this morning. Vice Chairman Goetz requested a motion to adopt the Minutes of both Meetings held on July 10, 2012. Mayor Pedersen made a motion and Mr. Poole seconded the motion. A roll call vote was taken and the motion was adopted unanimously.

#### **IV. Acceptance of Financial Statements**

Additionally, Vice Chairman Goetz stated that the Financial Statements for the Month ended July 31, 2012 were reviewed at the Committee of the Whole Meeting held earlier this morning. Vice Chairman Goetz requested leave to apply the previous roll call vote in favor of accepting the Financial Statements for the Month ended July 31, 2012. Leave was granted unanimously.

#### **V. Project Approvals**

Vice Chairman Goetz asked Mr. Frampton to present the projects to the Board.

Mr. Frampton presented each of the following projects:

***Business & Industry – Airport Facility Revenue Bonds***

**Item No. 2: Hawthorne Chicago, LLC - \$9,500,000**

Hawthorne Chicago, LLC is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed Nine Million Five Hundred Thousand Dollars (\$9,500,000).

The proceeds of the Series 2012 Bonds will be used for the purpose of providing Hawthorne Chicago, LLC (the “Borrower”) with all or a portion of the funds for the purpose of (i) financing the acquisition of certain leasehold and related rights in an approximately 8 acre site located at Chicago Executive Airport, 1020 South Plant Road, Wheeling, Illinois (the “Airport”), and the construction, improvement, and equipping thereon of an approximately 10,000 square foot terminal and office building and an adjacent, approximately 30,000 square foot hangar to be owned by the Airport and to be operated by the Borrower for use as a full service fixed base of operations, private and corporate jet aviation facility (the “Project”), and (ii) paying costs of issuance of the Bonds and capitalized interest thereon (collectively with the Project, the “Financing Purposes”).

***Educational, Cultural, and Non-Healthcare 501(c)(3) – 501(c)(3) Revenue Bonds***

**Item No. 3: Rosalind Franklin University of Medicine & Science - \$16,600,000**

Rosalind Franklin University of Medicine & Science is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed Sixteen Million Six Hundred Thousand Dollars (\$16,600,000).

Bond proceeds will be used by Rosalind Franklin University of Medicine & Science (the “University”, “RFUMS”, or the “Borrower”) to (i) finance substantially all of the costs of the design, development, construction and equipping of a new student learning center and the design, development, construction, expansion, renovation, and equipping of various other educational facilities for the Borrower, including site improvements, landscaping, and improvements to roads, walkways and parking lots (collectively, the “Project”) (ii) fund a portion of interest on the Bonds, if deemed necessary or desirable by the Borrower, (iii) fund a debt service reserve fund for the benefit of the Bonds, if deemed necessary or desirable by the Borrower, and (iv) pay expenses incurred in connection with the issuance of the Bonds (collectively, the “Financing Purposes”).

***Healthcare – 501(c)(3) Revenue Bonds***

**Item No. 5: Hospital Sisters Services, Inc. - \$550,000,000**

Hospital Sisters Services, Inc. is requesting approval of a Final 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. (“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 25 bed critical access replacement hospital in Highland, Illinois, and the renovation of a surgery department at St. John’s Hospital in Springfield, (ii) refund the outstanding principal amount of IHFA Series 2003A Bonds, IFA Series 2007C Bonds and IFA 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) funding working capital, if deemed necessary or advisable, and (v) pay certain expenses incurred in connection with the issuance of the Bonds.

**Item No. 6: SwedishAmerican Health System - \$45,000,000**

SwedishAmerican Health System is requesting approval of a Final Bond Resolution in an amount not-to-exceed Forty-Five Million Dollars (\$45,000,000). This Project is being presented for one-time consideration.

Bond proceeds will be used by SwedishAmerican Health System (“SwedishAmerican”, “SAHS”, the “Corporation” or the “Borrower”) to: (i) finance the construction of an off-campus cancer treatment center, (ii) finance the construction and modernization of the existing Hospital campus owned by SwedishAmerican Health System in Rockford, (iii) pay a portion of the interests accruing on the Bonds, if deemed necessary or advisable, (iv) fund one or more debt service reserve funds, if deemed necessary or advisable and (v) pay certain expenses incurred in connection with the issuance of the Bonds.

**VI. Resolutions**

Mr. Frampton presented each of the following projects:

**Item No. 8: Resolution Authorizing the Execution and Delivery of an Amendment to the Bond and Loan Agreement in Connection with Illinois Finance Authority Industrial Development Revenue Refunding Bonds (Transparent Container Company, Inc. Project), Series 2011**

**Item No. 9: Resolution Approving and Ratifying the Substitution of Credit Facility Provider for Certain Outstanding Bonds Issued on Behalf of Swedish Covenant Hospital; Approving and Ratifying the Replacement of**

**Remarketing Agent for Certain Outstanding Bonds Issued on Behalf of Swedish Covenant Hospital; and Authorizing, Approving and Ratifying Certain Other Matters (IFA Series 2008A Variable Rate Revenue Refunding Bonds – Swedish Covenant Hospital Project)**

**Item No. 10: Resolution Delegating to the Executive Director of the Illinois Finance Authority the Power to Develop and Administer a Pilot Program in Connection with the Small Contractor Initiative of the United States Department of Housing and Urban Development and the United States Small Business Administration**

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

**V. Project Approvals**

Vice Chairman Goetz asked Mr. Frampton to present the projects to the Board which may have guests.

Mr. Frampton presented each of the following projects:

***Business & Industry – Industrial Revenue Bonds***

**Item No. 1: Freedman Seating Company, Freedman Building LLC, FSLH, LLC, FSLH, LLC - Series 4545, FSLH, LLC - Series 4501, FSLH, LLC - Series 7346 and FBSA LLC - \$7,000,000**

Freedman Seating Company, Freedman Building LLC, FSLH, LLC, FSLH, LLC - Series 4545, FSLH, LLC - Series 4501, FSLH, LLC - Series 7346 and FBSA LLC are requesting approval of a Final Bond Resolution in an amount not-to-exceed Seven Million Dollars (\$7,000,000).

Bond proceeds will be used by Freedman Seating Company, Freedman Building L.L.C., FSLH, LLC, FSLH, LLC - Series 4545, FSLH, LLC - Series 4501, FSLH, LLC - Series 7346 and FBSA LLC (collectively, the “Borrowers”), to (i) purchase, renovate, and equip an approximately 170,000 square foot (“SF”) building located at 4501 W. Augusta Blvd., Chicago, Illinois, that includes adjacent properties located at 914 N. Kilbourn Ave., 976 N. Kilbourn Ave., both in Chicago, Illinois, for use as a manufacturing facility and the surface parking lot located just north of 4500 W. Chicago Ave., Chicago, Illinois; (ii) refund One Million Eighty-Five Thousand Dollars (\$1,085,000) principal amount of the Authority’s Industrial Development Revenue Bonds (Freedman Seating Company Project), Series 2005, and originally issued to finance costs of acquisition and installation of seating manufacturing lines and related equipment to convert these

bonds to a bank direct purchase made for Freedman Seating Company, (iii) refund One Million Eight Hundred and Fifty-Five Thousand Dollars (\$1,855,000) principal amount of City of Chicago Industrial Development Revenue Bonds, Series 1998 issued to finance costs of acquisition, rehabilitation and equipping of a manufacturing facility and related equipment located at 4545 W. Augusta Blvd., Chicago, Illinois for Freedman Seating Company and Freedman Building L.L.C., (iv) paying bond issuance costs, and (v) authorizing the execution of related documents.

Craig Freedman, President of Freedman Seating Co., Inc. thanked the members of the Board for their consideration of this financing.

Vice Chairman Goetz thanked Mr. Freedman for his appearance before the Board. Vice Chairman Goetz asked if the members of the Board had any questions related to this project. There being none, Vice Chairman Goetz requested leave to apply the previous roll call vote in favor of this project. Leave was granted unanimously.

### ***Healthcare – 501(c)(3) Revenue Bonds***

#### **Item No. 4: Lutheran Home and Services Obligated Group - \$120,000,000**

Lutheran Home and Services Obligated Group is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed One Hundred Twenty Million Dollars (\$120,000,000).

Bond proceeds will be used by Lutheran Home and Services Obligated Group (“Lutheran Homes”, “LHS”, the “Corporation” or the “Borrower”) to (i) pay or reimburse the Borrowers for, or refinance certain indebtedness, the proceeds of which were used for, the payment of certain costs of acquiring, constructing, renovating, remodeling and equipping certain “projects” (as such term is defined in the Illinois Finance Authority Act, as amended) for the Borrowers’ senior living community, including, but not limited to, the renovation of an existing long term care facility, totaling approximately 126,000 square feet, known as the Olson Pavilion and the constructing and equipping of four additions to the Olson Pavilion totaling approximately 81,000 square feet, which additions will include 78-bed skilled nursing beds, resident dining rooms, rehabilitation rooms and other common areas; (ii) refund all or a portion of the outstanding Thirteen Million Two Hundred Thousand Dollar (\$13,200,000) Illinois Health Facilities Authority Weekly Adjustable Rate Revenue Bonds, Series 2001 (Lutheran Home and Services) (the “Series 2001 Bonds”); (iii) refund all or a portion of the outstanding Fourteen Million Three Hundred and Fifty Thousand Dollar (\$14,350,000) Illinois Health Facilities Authority Variable Rate Demand Revenue Refunding Bonds, Series 2003 (Lutheran Home and Services) (the “Series 2003 Bonds” and, together with the Series 2001 Bonds, the “Prior Bonds”); (iv) pay a portion of the interest on the Bonds; (v) establish a debt service reserve fund with

respect to the Bonds; and (vi) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Prior Bonds.

Carl W. Moellenkamp, Senior VP of Corporate Finance/CFO for Lutheran Life Communities thanked the members of the Board for their consideration of this financing.

Vice Chairman Goetz thanked Mr. Moellenkamp for his appearance before the Board. Vice Chairman Goetz asked if the members of the Board had any questions related to this project. There being none, Vice Chairman Goetz requested leave to apply the previous roll call vote in favor of this project. Leave was granted unanimously.

**Item No. 7: OSF Healthcare System - \$200,000,000**

OSF Healthcare System is requesting approval of a Final Bond Resolution in an amount not-to-exceed Two Hundred Million Dollars (\$200,000,000). This Project is being presented for one-time consideration.

The Series 2012 Bonds will be used to refund approximately One Hundred Twenty Million Dollars (\$120,000,000) in fixed rate bonds for present value savings and approximately Sixteen Million Dollars (\$16,000,000) in variable rate bonds to eliminate the risks associated with variable rate debt and lock-in low cost committed capital. At the same time, OSF plans to take the opportunity to permanently finance its PNC Line relating to debt associated with Ottawa Regional Hospital & Healthcare Center (now known as OSF St. Elizabeth Medical Center) and the 2008 CP program relating to the Glen Park Place expansion. In addition, OSF will finance the reimbursement of certain prior capital expenditures relating to the cost of constructing and equipping a birthing center at Joseph Medical Center (known as the “Bloomington Project”).

Ms. Lenane attempted to clarify for the Board the present value savings of this refunding transaction before introducing Michelle A. Carrothers, Director of Debt Management & Revenue Cycle for OSF Healthcare System.

Ms. Carrothers thanked the members of the Board for their consideration of this financing.

Vice Chairman Goetz thanked Ms. Carrothers for her appearance before the Board. Vice Chairman Goetz asked if the members of the Board had any questions related to this project. There being none, Vice Chairman Goetz requested leave to apply the previous roll call vote in favor of this project. Leave was granted unanimously.

**VII. Other Business**

None.

**VIII. Public Comment**

None.

## **IX. Adjournment**

Vice Chairman Goetz requested a motion to adjourn the Board Meeting. A motion to adjourn was made by Mr. O'Brien and seconded by Mayor Pedersen. A voice vote was taken on the motion. The motion prevailed.

The Board Meeting adjourned at 10:54 a.m.

Minutes submitted by:  
Brad R. Fletcher  
Assistant Secretary of the Board