MEMORANDUM

Montana Facility Finance Authority
Department of Commerce
2401 Colonial Drive, 3rd Floor
P.O. Box 200506, Helena MT 59620
(406) 444-0259

To: Members of the MFFA Board

From: Michelle Barstad, Adam Gill & Linda Wendling

Date: September 2, 2016

Subject: MFFA Board Meeting Monday, September 12, 2016

Enclosed, please find board meeting materials for our upcoming MFFA Board Meeting:

Monday, September 12, 2016
10:00 in HELENA

We have a very full meeting' therefore, the Board meeting will start at 10:00 on Monday, September 12.

We have two pretty straight forward refinancings; one for Boyd Andrew Community Services for the women's methamphetamine treatment facility in Boulder, and the other for Providence Services (now called Providence St. Joseph Health). Providence has merged with another large hospital system (St. Joseph Health) and, therefore, are replacing debt of St. Joseph with obligated group membership debt. At the same time, it was determined it would be wise to refinance existing debt. This is part of an almost $2 billion transaction. Sue Painter, VP/Treasurer, will be joining us.

Benefis will be before the board to refinance existing debt and also issue $20 million of new money. The resolution contemplates and gives approval to refinance the 2007 bonds and, if economically feasible, refinance the 2011 bonds.

Glendive will be before us. As you have heard throughout the last years, Glendive has been hurting. A large part of that was due to implementation of its electronic health records, but many other issues were also intricately involved with that and also caused other problems. We have provided an involved narrative and management will be before the board to further address questions you may have. The good thing is that Glendive has turned a corner and is seeing light at the end of the tunnel.

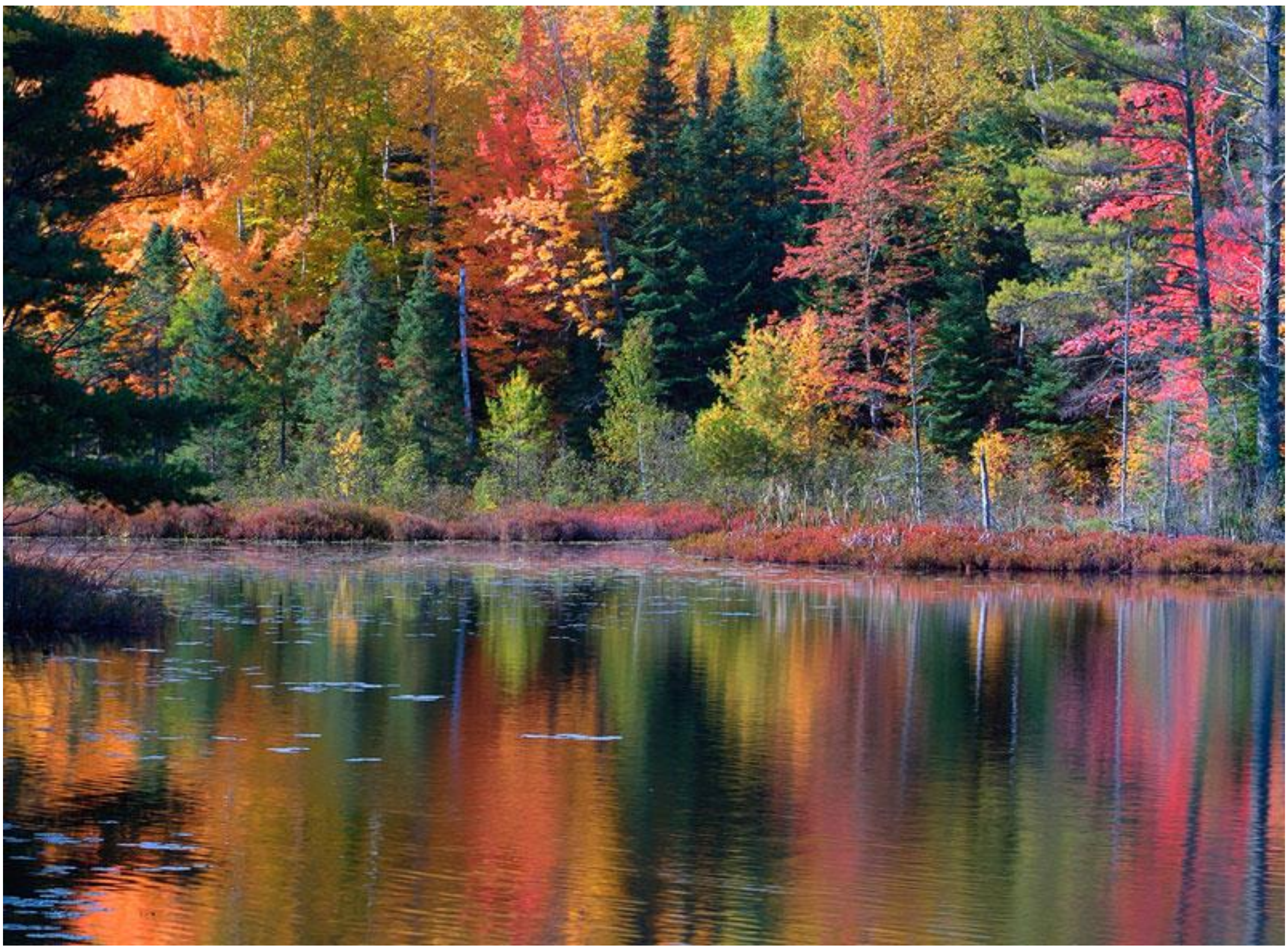
We will also discuss the personnel process of hiring the new Executive Director.

As always, please call or write if you have any questions.

MONTANA FACILITY FINANCE AUTHORITY

Board Meeting
Montana Facility Finance Authority Office
2401 Colonial Dr., Helena

September 12, 2016



MONTANA FACILITY FINANCE AUTHORITY

Board Meeting

September 12, 2016
10:00

MFFA Large Conference Room
2401 Colonial Drive, 3rd Floor

MEETING AGENDA

10:00 **I. CALL TO ORDER**
A. Roll Call

II. PUBLIC COMMENT on Board Related Items (5 minutes)

III. FINANCINGS

(Tab 1) 10:10 A. Boyd Andrew Community Services
1. Loan Summary
2. Resolution No. 16-10
   Joining by in Person:
   Amy Tenney, CEO-Boyd Andrew
   Bob Murdo, Bond Counsel-Jackson, Murdo & Grant
   Kreg Jones, Placement Agent-DA Davidson

(Tab 2) 10:40 B. Glendive Medical Center (MLP)
1. Loan Summary
2. Resolution No. 16-11
   Joining in Person:
   Parker Powell, CEO-Glendive Medical Center
   Bill Robinson, CFO-Glendive Medical Center
   Erin McCrady, Bond Counsel-Dorsey
   Kreg Jones, Underwriter-DA Davidson

BREAK

(Tab 3) 12:00 C. Providence St. Joseph Health
1. Loan Summary
2. Resolution No. 16-12
   Joining by in person:
   Sue Painter, Vice President/Treasurer-Providence St. Joseph
   Joining by Phone:
   Dan Gottlieb, Bond Counsel-Hillis Clark Martin & Peterson

LUNCH

(Tab 4) **1:30** **D. Benefis Health System**

1. Loan Summary
2. Resolution No. 16-13

   Joining by in person:

   Forrest Ehlinger, CFO-Benefis

   Joining by Phone:

   Todd Gibson, Bond Counsel-Squire Patton Boggs

   Robert Turner, Financial Advisor-Kaufman Hall

E. Pricing Updates

(Tab 5) **2:15** **IV. GENERAL ADMINISTRATIVE**

A. Approval of Meeting Minutes (07/18)

B. Financials

1. FY 2016 DRAFT financials (Teri Juneau/Accountant, Commerce joining)
2. Audit Update (verbal)
3. Budget -v- Actual
4. Revenue Graph
5. Staff Approved Loans (no activity/verbal report)

C. Upcoming and/or Potential Financings

D. Personnel

V. MISCELLANEOUS

VI. CALENDAR

BOARD MEETINGS	**CONVENTIONS**
	September 27 (travel) NAHEFFA Chicago, convention 28 - 29 (Larry & Michelle)
	September 28-29 MHA Billings (Adam)
	October 6/7 Montana Manufacturing Fairmont (Adam)
	MEDA October 12-14 Polson (Adam)
	HFMA October 19-21 Billings (Michelle & Adam)
December 5 – Dinner	
December 6 – Meeting	

3:30 **DISMISS**

CALL-IN INSTRUCTIONS

Call: 1-877-273-4202

Conference Room: 994 0970 #

Boyd Andrews
Helena, MT
Moral Obligation Program
Loan Summary

ELIGIBLE HEALTH FACILITY

Boyd Andrew Community Services ("Boyd" or the "Borrower") is a 501(c)(3) nonprofit organization headquartered in Helena, MT which provides rehabilitative and drug treatment services, operates a 105-bed men's prerelease facility and a 49-bed women's methamphetamine treatment facility.

The prerelease facility, located in Helena, has a contract with the Department of Corrections (the "Department") to serve 105 male prison inmates approaching release and transitioning into society. The women's methamphetamine treatment facility, located in Boulder, is for female offenders who have been convicted of second or subsequent criminal possession of methamphetamine offenses. Boyd Andrew has a contract with the Department of Corrections for 42 beds and Department of Health and Human Services for an additional 7 beds.

It also operates an out-patient program and half-way house in Helena, providing drug and alcohol treatment and prevention services.

In FY 2011, Boyd Andrew Management Services was created in order to segregate the management and administrative services and assets from the program services of the organization. Boyd Andrew Management Services has an independent board of directors, although it does share certain employees, including the Executive Director.

PROJECT AND COST

Proceeds will be used to refund the Series 2006B bonds which financed the construction of the Elkhorn Treatment Center.

Sources:		
Bond Proceeds		3,075,000
2006B Debt Service Reserve Fund		391,950
TOTAL	$	3,466,950
Uses:		
Advance Refund 2006B Bond		3,085,762
Debt Service Reserve Fund		307,500
Costs of Issuance		69,231
Bond Rounding		4,457
TOTAL	$	3,466,950

PROGRAM Stand Alone Issue

LOAN TERM 10 years

INTEREST RATE To be presented during the Board meeting, RFPs are due on September 7th

CLOSING DATE November 1, 2016

MATURITY DATE October 2026

SECURITY

Provisions in the Series 2006B Bonds will be maintained:

1. Moral obligation of the State of Montana. If the Debt Service Reserve falls below the reserve requirement, the Governor is obligated to include in the executive budget presented to the Legislature, an amount necessary to restore the deficiency. However, the Legislature is not obligated to fund the request.

2. Contract with the Montana Department of Corrections (COR) wherein COR agrees to:

    a. Make the bond payments for Boyd Andrew Community Services as part of its regular contract payment
    b. Guaranty payment equal to 75% of the contracted bed space
    c. Ensure a Debt Service Coverage of 115%

3. Leasehold on the Elkhorn Treatment Facility In Boulder

RATING

Boyd Andrew has no external bond rating. The current bonds issued for prelease facilities with contracts with the Montana Department of Corrections are currently rated A due to the moral obligation pledge.

INVESTOR LETTER

RFPs have been sent to banks that are considered "sophisticated investors" that will conduct their own due diligence on Boyd Andrew and make its own internal analysis of Boyd Andrew's ability to repay the debt. The chosen bank will sign an investor letter indicating that it is satisfied that all of its questions have been appropriately answered.

UTILIZATION

Boyd Andrew Average Fiscal Year Occupancy			
	Percentage of Contracted Capacity		
Program	2014	2015	2016
Helena Prerelease	101.0%	99.9%	100.3%
Elkhorn Treatment	101.8%	99.6%	101.5%

GOVERNANCE

Boyd Andrew Community Services is currently governed by a 7 member Board of Directors whose representation includes community groups, private businesses and local government. Boyd Andrew's Articles of Incorporation state that as many as 9 people may serve on the Board of Directors. The Directors serve without compensation.

MANAGEMENT

Amy Tenney has been employed by Boyd Andrew Community Services since 2001 and has been the CEO since 2014. Prior to being CEO, Amy was a Licensed Addiction Counselor, Director of the Helena Prerelease Center, and Chief Operations Officer for Boyd Andrew. She has a Bachelor's Degree in Sociology, with a Justice Studies option and has 17 years of experience in corrections.

Dan Krause has worked in the substance prevention, intervention, and treatment field for 18 years as a prevention specialist, licensed addiction counselor and treatment program administrator. He currently works as the Chief Operations Officer for Boyd Andrew Community Services in Helena, Montana. Dan has a degree in psychology with a minor emphasis in criminal justice from Montana State University.

Sara Dobbins has been the Business Manager of Boyd Andrew Community Services since November 2014. Her background came from 17 years working for a labor organization in an administrative and technology position. She received an Administrative Aide Certificate in 2000.

HISTORICAL FINANCIALS

Audited Financials as of 6/30	2013	2014	2015	UNAUDITED 2016
Assets				
Cash & Cash Equivalents	586,554	904,032	1,283,777	1,653,304
Investments	-	-	-	-
Receivables	551,315	548,214	653,779	577,442
Other Current Assets	-	-	-	-
Total Current Assets	**1,137,869**	**1,452,246**	**1,937,556**	**2,230,746**
Fixed Assets (net of depreciation)	8,046,658	7,783,262	7,506,583	7,235,401
Board Designated Funds	-	-		
Assets Held in Trust	831,133	853,972	786,837	656,781
Other Assets	66,133	46,175	26,216	-
Total Assets	**$ 10,081,793**	**$ 10,135,655**	**$ 10,257,192**	**$ 10,122,928**
Liabilities				
Accounts Payable	78,019	139,291	139,539	60,771
Due to Boyd Andrrew Managemt Svcs	-	-	225,112	230,372
Other Acrued Expenses	234,708	278,215	326,392	342,409
Current Portion of Long-Term Debt	538,704	528,236	551,858	579,853
Other Current Liabilities	80,600	118,035	128,787	92,984
Total Current Liabilities	**$ 932,031**	**$ 1,063,777**	**$ 1,371,688**	**$ 1,306,389**
Long-Term Debt	6,367,441	5,847,762	5,296,406	4,725,362
Other Long-Term Liabilities	-	-	-	-
Unrestricted Fund Balance	2,782,321	3,224,116	3,589,098	4,091,178
Restricted Fund Balance	-	-	-	-
Total Liabilities & Fund Balance	**$ 10,081,793**	**$ 10,135,655**	**$ 10,257,192**	**$ 10,122,928**
Revenue and Expense				
Total Public Support and Revenue	5,907,474	6,157,756	6,140,911	6,868,880
Interest	324,760	313,942	284,171	266,095
Depreciation & Amortization	300,088	302,401	284,679	298,014
Operating Expenses	5,033,738	5,099,618	5,207,079	5,703,507
Net Operating Profit/(Loss)	**$ 248,888**	**$ 441,795**	**$ 364,982**	**$ 601,264**
Other Non-Operating Revenue	-	-	-	-
Excess of Revenue Over Expenses	**$ 248,888**	**$ 441,795**	**$ 364,982**	**$ 601,264**

Key Ratios	2012	2013	2014	2015	UNAUDITED 2016
Days Cash on Hand	54.73	39.95	60.95	85.33	101.18
Days in Accounts Receivable	43.61	34.06	32.50	38.86	31.09
Current Ratio (x)	1.64	1.22	1.37	1.41	1.71
Excess Margin	9.89	4.21	7.17	5.94	7.64
Debt to Capitalization	74.03	69.59	64.46	59.61	53.60
Debt Service Coverage (x)	1.58	1.09	1.24	1.15	1.32
Average Age of Plant	6.44	7.30	8.18	9.69	11.01

FINANCIAL STATEMENT OBSERVATIONS

Overall, Boyd is in solid financial shape. Boyd has posted consistently positive net profits and the audited financials show that Support & Revenues have consistently grown at a faster rate than Operating Expenses.

Boyd's Balance Sheet also demonstrates this growth. Its Days Cash on Hand has more than doubled since FY 2013 as Cash and Equivalents have tripled. Further the number of Days in Accounts Receivable has dropped to 31 days since FY 2012. While the unaudited FY 2016 financials show a significant increase in revenue and expenses, it is due to internal transfers that will be corrected during the audit. In addition, the increase in Accounts Payable between FY 2013 and FY 2014 is caused by the timing of a payment relative to the fiscal year.

Debt Service Coverage has improved since FY 2013 and Boyd Andrew met the minimum debt coverage ratios for each financing in FY 2016. The refunding will provide additional cash flow saving and will boost the debt coverage ratio further.

ANTICIPATED FINANCIAL IMPACT

Based on an assumed interest rate of 2.75%, the net present value savings are estimated at $210,686 over ten years with annual cash flow savings of over $32,000 per year.

OUTSTANDING/PAST MFFA LOANS

Series	Original Issue	Outstanding 6/30/2016	Maturity	Project
Facilites Revenue Bond Series 2000	$2,245,000	$ 825,000	10/1/2020	Construction of the 60-bed Boyd Andrew Prerelease Center for adult men in Helena, MT
Facilites Revenue Bond Series 2004	$ 250,000	$ -	4/1/2014	45-bed expansion of the Boyd Andrew Prerelease Facility
Facilites Revenue Bond Series 2005	$1,200,000	$ 460,319	10/1/2020	Expansion of existing facility to provide an additional 40 beds
Facilites Revenue Bond Series 2006B	$5,085,000	$ 3,330,000	10/1/2026	Construction of the Elkhorn Treatment Facility 52-bed methamphetamine treatment center for adult women in Boulder, MT
Totals	$8,780,000	$ 4,615,319		

FINANCE TEAM MEMBERS

Finance Team Member	Firm	Primary
Bond Counsel	Jackson, Murdo & Grant	Bob Murdo
Placement Agent	D.A. Davidson, Great Falls	Kreg Jones
Trustee	US Bank	
Purchaser	TBD	

STRENGTHS

- Expected savings from refunding
- Long history of contracting with Montana Department of Corrections
- Moral obligation of the State of Montana
- 20-year contract with Department of Corrections

WEAKNESSES

- Reimbursement rates are impacted by State Legislature and may not always match the increased cost of operations

RECOMMENDATION

Approval is recommended based upon the following considerations:

- Boyd Andrew strengthening its financial position by lowering its borrowing costs;
- Moral Obligation security and length of contract with State of Montana;
- The bank making its own independent analysis of debt repayment ability.

RESOLUTION NO. 16-10

RESOLUTION RELATING TO A METHAMPHETAMINE TREATMENT REVENUE REFUNDING BOND, SERIES 2016 (BOYD ANDREW COMMUNITY SERVICES PROJECT); MAKING FINDINGS WITH RESPECT TO THE SERIES 2016 BOND AND THE METHAMPHETAMINE TREATMENT CENTER PROJECT TO BE REFUNDED THEREBY; AUTHORIZING AND APPROVING THE SALE AND ISSUANCE OF THE SERIES 2016 BOND SECURED BY PAYMENTS TO BE RECEIVED PURSUANT TO A LOAN AGREEMENT, AND ASSIGNMENT BY THE AUTHORITY OF ITS INTEREST IN THE LOAN AGREEMENT, AND PAYMENTS THEREUNDER, TO THE OWNER OF THE SERIES 2016 BOND; AND AUTHORIZING THE EXECUTION OF DOCUMENTS.

BE IT RESOLVED by the Montana Facility Finance Authority (the “Authority”), as follows:

ARTICLE I

RECITALS

Section 1.01. The Authority is authorized by Montana Code Annotated, Title 90, Chapter 7, Parts 1, 2 and 3, as amended (the “Act”), including specifically Sections 90-7-226 and 90-7-227 of the Act, to issue and sell its revenue bonds and loan the proceeds thereof to one or more institutions (as defined in the Act) to finance or refinance for costs of acquiring, constructing and equipping eligible facilities (as defined in the Act). Bonds so issued are payable solely from the revenues and assets derived from the participating institutions (as defined in the Act) and do not constitute a debt, liability or obligation of the State of Montana (the “State”) or a pledge of the faith and credit thereof. The Authority is required to secure the bonds by pledging the revenues received from the participating institutions. The Authority may also secure the bonds by mortgages, assignments and other security devices deemed advantageous by the Authority pursuant to a trust agreement between the Authority and a corporate trustee.

Section 1.02. Boyd Andrew Community Services (the “Corporation”), is a Montana nonprofit corporation authorized to do business in the State. The Corporation’s business includes the operation of prerelease centers, a methamphetamine treatment center, chemical dependency programs and community referral programs for referrals by the Montana Department of Correction. The Corporation owns and operates facilities providing such services in the State of Montana.

Section 1.03. Pursuant to a previous request from the Corporation, the Authority issued its Revenue Bonds, Series 2006B (Boyd Andrew Community Services Project) (the "Series 2006 Bonds") in the original aggregate principal amount of $5,085,000 and lent the proceeds thereof to the Corporation for the purpose of providing part of the funds necessary to pay (a) the costs of construction and equipping an approximately 23,000 sq. ft., one-story residential methamphetamine treatment center near Boulder, Montana to be owned and operated by the Corporation on land leased from Jefferson County, Montana for female offenders referred by the Montana Department of Corrections; (b) to pay certain credit enhancement fees; (c) the initial deposit to a debt service reserve for the Series 2006 Bonds; and (d) costs of issuing and other incidental costs related to the Series 2006 Bonds (the "Project"). The facilities mentioned above have been constructed and continue to be owned and operated by the Corporation.

Section 1.04. The Corporation now proposes to undertake the current refunding and redemption of the outstanding Series 2006 Bonds with the cost of such undertaking, (including the costs of issuance and other incidental costs of the refunding) in the estimated principal amount of $3,200,000, plus the use of the Series 2006 Bond Reserve Fund of the Series 2006 Bonds, which is estimated to be sufficient to fully redeem the Series 2006 Bonds (the "Refunding").

Section 1.05. The Corporation has requested that the Authority, acting pursuant to and in accordance with the Act, authorize the issuance of its Montana Facility Finance Authority Methamphetamine Treatment Revenue Refunding Bond, Series 2016 (Boyd Andrew Community Services Project) (the "Series 2016 Bond"), in the maximum estimated principal amount of $3,200,000, the proceeds of which will be loaned by the Authority to the Corporation to fund a portion of the costs of the Refunding. Under the provisions of the Act, the Series 2016 Bond shall be a special, limited obligation of the Authority payable solely from revenues, including loan repayments from the Corporation, and shall not constitute a debt, liability, obligation or pledge of the faith, credit or taxing powers of the State.

Section 1.06. The Authority noticed and conducted a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), with respect to the Project and issuance of the Series 2006 Bonds and the Governor of the State approved the issuance of the Series 2006 Bond. No additional hearing is required for this Refunding.

Section 1.07. The following documents relating to the Series 2016 Bond have been prepared, which documents in proposed form are before this Authority at this meeting and shall be placed on file in the office of the Authority:

(a) The Financing Agreement (the "Financing Agreement") to be entered into by and between the Authority and the Corporation, to be dated the date of issuance of the Series 2016 Bond (the "Date of Issue");

(b) The Loan Agreement (the "Loan Agreement") to be entered into by the Authority and the Corporation, to be dated the Date of Issue;

(c) The Trust Indenture (the "Trust Indenture") to be entered into by and between the Authority and U.S. Bank National Association Bank, in its capacity pursuant to such agreement as Trustee and paying agent (the "Trustee") and registrar for the Series 2016 Bond (the "Registrar"), to be dated the Date of Issue;

(d) The Series 2016 Capital Reserve Account Agreement between the Authority and the Board of Investments of the State of Montana, to be dated as of the Date of Issue;

(e) The Assignment of Loan Documents (the "Assignment") to be executed by the Authority in favor of the purchaser of the Series 2016 Bond, in its capacity as the Owner of the Series 2016 Bond, to be dated the Date of Issue;

(f) The form of the Series 2016 Bond (the "Series 2016 Bond Form");

(g) The Tax Agreement and Nonarbitrage Certificate (the "Tax Agreement") to be entered into by and among the Corporation, and the Authority, to be dated the Date of Issue; and

(h) The current contract for Methamphetamine Treatment Services between the Montana Department of Corrections and the Corporation.

Section 1.08. Unless the context requires otherwise, the terms defined in Section 1.01 and elsewhere in the Financing Agreement shall, for all purposes of this Resolution (including the recitals and exhibits hereto), be incorporated herein by this reference, and shall have the meanings specified in such places, such definitions to be equally applicable to both the singular and plural forms of any of the defined terms.

ARTICLE II

FINDINGS

Based on information provided by the Corporation and such other facts and circumstances as the Authority deems relevant, the Authority hereby finds, determines and declares as follows:

(a) The project facility described in Section 1.03 hereof is an "eligible facility" within the meaning of the Act, and will be owned and/or operated by the Corporation, which is an "institution" within the meaning of the Act;

(b) The Loan Agreement provides for the payment of amounts sufficient to pay the principal of, and interest on the Series 2016 Bond when due and all other obligations in connection with the Loan Agreement, and costs of servicing and securing the Series 2016 Bond and the Loan;

(c) The loan of the proceeds of the Series 2016 Bond to the Corporation pursuant to the Loan Agreement will not exceed the total costs of the Eligible Facilities to be refinanced with proceeds of such obligation, as determined by the Corporation;

(d) Based solely upon information provided and representations made by the Corporation, the Revenues are expected to be sufficient to provide for the payment of the principal of and interest on the Loan as due;

(e) The Loan payments and amounts payable under the Loan Agreement are pledged to the payment of the principal of, and interest on the Series 2016 Bond;

(f) Based solely on information provided and representations made by the Corporation, to the extent required under Montana law, the Project was reviewed and approved by the appropriate regional and state health planning boards and received any approval required by Montana Code Annotated, Title 50, Chapter 5, Part 3, as amended; and

(g) Based solely on information provided and representations made by the Corporation, the Project did not and does not significantly affect the quality of the human environment, within the meaning of Montana Code Annotated, Section 75-1-201(1)(b)(iii);

(h) Based solely upon representations and covenants of the Corporation, the Project Facilities are owned and operated by the Corporation for the purpose of fulfilling its obligations to provide facilities and services pursuant to the Department of Corrections contract;

(i) Based solely upon information provided and representations made by the Corporation, the Corporation has sufficient experience and expertise to operate the Project Facilities; and

(j) Based solely upon information provided and representations made by the Corporation, the Refunding is financially feasible and the Corporation will have sufficient revenues to provide for the payment of the principal of and interest on the Loan, as due.

The foregoing findings and determinations are made pursuant to the Act and are not made for the benefit of, and may not be relied upon by the Owner of the Series 2016 Bond.

ARTICLE III

APPROVAL AND AUTHORIZATIONS

Section 3.01. Subject to compliance with the terms of the Act and this Resolution, the Refunding is hereby approved, and the Authority shall make the Loan to the Corporation for the purpose of providing the financial assistance requested by the Corporation therefor. To fund the

Loan, the Authority hereby authorizes the issuance of the Series 2016 Bond and the sale of the Series 2016 Bond to the purchaser and original Owner of the Series 2016 Bond (the "Purchaser"), at par, subject to the following:

(a) the principal amount of the Series 2016 Bond shall not exceed $3,200,000;

(b) the tax-exempt, fixed rate of interest for the Series 2016 Bond and the Loan shall not exceed 3.25%%;

(c) the final maturity of the Series 2016 Bond shall be October 1, 2026; and

(d) the provisions for refunding of the Series 2006 Bonds are in place.

The Series 2016 Bond shall be dated the Date of Issue and shall be issued as a single fully registered bond, without number, in substantially the same form as the Series 2016 Bond Form, which is incorporated herein by this reference.

The Series 2016 Bond shall be a special limited obligation of the Authority, payable solely from the money and investments in the Bond Fund.

The State is not liable on the Series 2016 Bond. The Series 2016 Bond is not a debt of the State, and neither the faith and credit nor the taxing power of the State is pledged to the payment of the principal of or the interest on the Series 2016 Bond. The Owner of the Series 2016 Bond shall have no right to compel the exercise of the taxing power, if any, of the State or any political subdivision thereof to pay any principal of or interest on the Series 2016 Bond.

The Series 2016 Bond shall be secured by a pledge of the money and investments in the Bond Fund and the Capital Reserve Account Agreement. As additional security for the Series 2016 Bond, the Authority shall assign its rights, title and interests in the Loan Documents to the Owner of the Series 2016 Bond, without recourse, pursuant to the Assignment.

The Series 2016 Bond shall be executed on behalf of the Authority with the facsimile or manual signatures of the Chair, the Executive Director or the Associate Director of the Authority, and shall be authenticated by an authorized representative of the Registrar.

Section 3.02. The Authority hereby authorizes, accepts, approves and agrees to all the terms and conditions of the following documents, in substantially the forms available to the Authority on this date, with such additions, deletions and modifications as are hereafter deemed, by the Chair, the Executive Director or the Associate Director of the Authority, or any one or more of them acting alone or in combination, to be in the best interest of the Authority, which documents authorize, *inter alia*, the delivery of the Series 2016 Bond; the Loan of the proceeds of the Series 2016 Bond to the Corporation for the Refunding; the appointment of U.S. Ban National Association as Trustee (the "Trustee") and Registrar; the establishment of a "Bond Fund" as a special trust fund for the payment of and security for the Series 2016 Bond; the pledge of the money and investments in the Bond Fund as security for the Series 2016 Bond; and the assignment or delegation, as appropriate, of the Authority's rights, title and interest in the Loan Agreement to the Owner, without recourse, as additional security for the Series 2016 Bond:

(a) The Financing Agreement,

(b) The Loan Agreement,

(c) The Trust Indenture,

(d) The Series 2016 Capital Reserve Account Agreement,

(e) The Assignment;

(f) The Series 2016 Bond form;

(g) The Tax Agreement; and

(h) All other certificates, documents and other papers which, in the judgment of either the Chair, the Executive Director or the Associate Director of the Authority (whoever actually executes such documents), are necessary to the sale and delivery of the Series 2016 Bond, and the Loan of the proceeds thereof to the Corporation for the Refunding.

Section 3.03.

(a) Refunding Plan. The proceeds of sale of the Series 2016 Bond, together with the funds in the Series 2006 Bond Reserve Fund for the Series 200A Bonds, shall be delivered to the Trustee for the purpose of redeeming in full the Series 2006 Bonds and establishing a Reserve for the Series 2016 Bond and paying related costs of issuance. Money received by the Trustee from the Series 2016 Bond proceeds and funds in the Series 2006 Bond Reserve Fund for the Series 2006 Bonds provided by the Trustee shall be used immediately by the Trustee upon receipt thereof to refund the Series 2006 Bonds as authorized by Article V of the Series 2006 Indenture, and pay costs of issuance of the Series 2016 Bond.

(b) Implementation of Refunding Plan. The Authority hereby authorizes the Executive Director or Associate Director, upon receiving a final commitment from the Purchaser, to irrevocably call the Series 2006 Bonds for redemption in accordance with the provisions of Article V of the Series 2006 Indenture.

The Trustee is hereby authorized and directed to provide for the giving of notice of the redemption of the Series 2006 Bonds pursuant to instructions from the Executive Director or Associate Director.

Section 3.04. The Chair, the Executive Director or the Associate Director of the Authority, or any one or more of them acting alone or in combination, are each hereby authorized and directed to execute or endorse and assign, as appropriate, for and on behalf of the Authority, and to deliver to the parties entitled to executed copies of the same, the Financing Agreement, the Loan Agreement, the Series 2016 Indenture, the Series 2016 Capital Reserve Account Agreement, the Tax Agreement, the Assignment and the certificates, documents and other papers described in Section 3.02(i) hereof, in each case, with such additions, deletions and modifications as are hereafter deemed by the Chair, the Executive Director or the Associate Director of the Authority (whoever actually executes such documents) to be necessary to conform such documents to each other and/or to be in the best interests of the Authority.

The Chair, the Executive Director or the Associate Director of the Authority are hereby authorized and directed to execute, for and on behalf of the Authority, the Series 2016 Bond, and to deliver the same to the Purchaser in consideration of payment in full of the purchase price therefor.

The Chair, the Executive Director or the Associate Director of the Authority, or any one or more of them acting alone or in combination, are authorized, for and on behalf of the Authority, to endorse to the Owner, without recourse, any and all negotiable instruments made payable to the Authority in payment for the Series 2016 Bond.

The Chair, the Executive Director or the Associate Director of the Authority, or any one or more of them acting alone or in combination, are hereby authorized and directed to take such other actions to consummate the sale of the Series 2016 Bond as may be necessary or desirable.

ARTICLE IV

FEES

<u>As authorized by Section 90-7-211 of the Act, the Authority may assess certain initial planning service fees and annual planning services fees. The Authority hereby determines that the initial planning service fee for the Series 2016 Bond shall be determined in accordance with current policy and will be 30 basis points (0.30%) times the original principal amount of the Series 2016 Bonds, and the annual planning service fee for the Series 2016 Bond shall be five basis points (0.05%) times the then-outstanding principal amount of the Series 2016 Bond, due annually, unless and until changed by the Authority.</u> No Owner of the Series 2016 Bond or any other outstanding bonds of the Authority shall have any interest in such funds or any right, by contract or otherwise to direct the application of such funds to the payment or security of such bonds.

ARTICLE V

LIMITED LIABILITY OF AUTHORITY AND STATE OF MONTANA

The Series 2016 Bond is a special, limited obligation of the Authority, payable solely from the Bond Fund, and shall be secured by a pledge of the money and investments in the Bond Fund, and by assignment of the Loan Agreement in accordance with the Assignment. The Series

2016 Bond shall not constitute or give rise to a pecuniary liability of the Authority or a charge against the credit or general taxing powers, if any, of the State.

PASSED AND APPROVED BY THE MONTANA FACILITY FINANCE AUTHORITY this 12th day of September, 2016.

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By: Jon Marchi
Its: Chair

Glendive Medical Center
Glendive, Montana
Master Loan Program
Loan Summary

ELIGIBLE HEALTH FACILITY

Glendive Medical Center (the "Borrower" or "GMC") operates as a 25-bed critical access hospital and a 71-bed skilled nursing facility in Glendive, Montana, providing inpatient, outpatient, and emergency services, and a nursing home primarily for residents of eastern Montana. In addition, Glendive Medical Center operates Eastern Montana Veterans' Home, an 80-bed long-term care facility, and a 13-unit assisted living facility in Glendive, Montana.

Glendive Medical Center also has several related entities under its umbrella including a for-profit subsidiary, a foundation, and a property holding company. Additional information on these entities is below.

Gabert Medical Services, Inc., which is wholly owned by GMC, is a for-profit corporation established to help recruit and retain physicians in the community. Gabert employs physicians and provides outpatient services.

Glendive Medical Center Foundation, Inc. was established exclusively for the benefit of, to perform the functions of, or to carry out the purposes of Glendive Medical Center. The Chief Executive Officer of Glendive Medical Center, or designee, is the Foundation Director.

GMC Properties LLC, which is wholly owned by GMC, leases and operates and apartment building in Glendive, MT which is used to house travelling and locum providers.

PROJECT AND COST

The bond issue will refund the existing 2008 Master Loan Program Health Care Facilities Revenue Bond that was issued in the amount of $30,000,000. The refunding will improve GMC's cash flows and its ability to pay the loan, thereby reducing the risk of default and subsequent risk of triggering the BOI guarantee.

Sources:		
Bond Proceeds		21,460,000
Premium		4,369,739
Cash for COI		100,422
Debt Service Fund (est)		878,552
Debt Service Reserve Fund (est)		2,098,387
TOTAL	**$**	**28,907,101**
Uses:		
Refund MLP Series 2008		26,349,756
Debt Service Reserve Fund		1,936,750
Cost of Issuance		456,067
Underwriter's Discount		160,950
Rounding Amount		3,578
TOTAL	**$**	**28,907,101**

PROGRAM Master Loan Program

INTEREST RATE Estimated at 2.57% as of August 30

CLOSING DATE Estimated November 30, 2016

MATURITY DATE July 2033

SECURITY BOI enhancement of the bonds. The BOI will be secured by a mortgage on the properties and a pledge of revenues.

RATING

The Hospital is unrated and too small to pursue a rating. The Master Loan Program (the "Program") is secured by a pledge by the Montana Board of Investments to replenish the debt service reserve fund if it is drawn upon. The Program received a rating of AA from Fitch in July of 2015 and a rating of Aa3 from Moody's effective February 2013.

Utilization

Hospital	2012	2013	2014	2015
Licensed Beds	25	25	25	25
Admissions	750	699	719	594
Newborn Admissions	102	75	103	108
Total Patient Days	2,296	2,312	2,215	1,724
Average Length of Stay (days)	3.08	3.33	3.06	2.93
Outpatient Visits	28,605	27,870	26,940	30,230
Emergency Visits	4,501	4,524	4,160	4,030

GMC Nursing Home	2012	2013	2014	2015
Licensed Beds	71	71	71	71
Beds in Operation	71	71	71	71
Admissions	89	83	39	21
Total Patient Days	15,866	17,574	19,600	17,562
Occupancy Rate	60.96%	67.75%	75.63%	67.77%

Eastern Montana Veteran's Home	2012	2013	2014	2015
Licensed Beds	80	80	80	80
Beds in Operation	80	80	80	80
Admissions	60	105	69	65
Total Patient Days	22,063	26,123	24,940	24,353
Occupancy Rate	84.90%	89.46%	85.41%	83.40%

Payor Mix

	2013	2014	2015
Medicare	35%	35%	37%
Medicaid	13%	13%	13%
Blue Cross / Blue Shield	14%	14%	12%
Private Pay/Other	38%	38%	38%

Governance

On September 1, 2013, the GMC and Billings Clinic entered into an affiliation agreement. Under the affiliation agreement the Billings Clinic is responsible for selecting and employing the Chief Executive Officer of GMC. The agreement specifies the GMC will have an 11-member board, of which Billings Clinic appoints two members. The agreement gives the right to supervise and direct the management of GMC.

Management

Parker Powell, CEO – has served as Glendive Medical Center's Chief Executive Officer for almost 3 years. He received his undergraduate degree in Healthcare Administration through Montana State University – Billings, and completed his Masters in the fall of 2013 in Healthcare Administration. He previously served as the Administrator for Prairie Community Hospital in Terry, MT, for 4 years.

Sam Hubbard, Vice President of Operations – has worked for Glendive Medical Center for 12 years in various administrative roles. He was graduated from the University of Montana and earned a Master's degree in Healthcare Administration from Montana State University-Billings.

William F. Robinson, CPA, CHFP, Vice President of Finance –was hired as the Vice President of Finance for GMC a year ago in August after formerly serving as the Controller for West Park Hospital in Cody Wyoming. Prior to that he worked for an engineering firm for 25+ years and retired from that organization as a VP and CFO. He received his Bachelor of Science degree in Business Administration from Montana Tech in 1984 and received his Masters of Business Administration in 1987 from the University of Montana.

Jill Domek, RN, and VP of Patient Care Services – has been with GMC for 10 years. She has 34 years of nursing experience in acute and long term care and obtained her Nursing Home Administrators license in 2007, serving as the VP of Aging Services for GMC from 2007-2012, before moving into the VP of Patient Care Services role.

Angela Bryhn, CPA, Controller - received her B.S. in Accounting & Business Administration in 2005 from the University of Mary in Bismarck, ND and received her MBA in 2009, also from the University of Mary. She worked as a financial auditor for the North Dakota State Auditor's office for over 9 years before starting as the Controller at GMC in the fall of 2014.

Kathrine Bosworth, Director of Patient Financial Services - has been with Glendive Medical Center since 2001 fulfilling various rolls in Payroll, Human Resources and currently as the Patient Financial Services Director. She is actively pursuing her BA in Business through MSUB with an expected graduation date of 2017.

HISTORICAL FINANCIALS

Key Ratios	2012	2013	2014	2015	Moody's 2014 Baa Medians
Current Ration	2.65	2.68	2.22	1.87	2.20
Cushion Ratio	2.14	2.44	1.98	1.50	12.00
Days Cash on Hand	43.98	53.67	43.22	30.79	151.00
Days in Accounts Receivable	70.70	69.36	82.39	112.05	47.30
Operating Margin	-6.40%	-4.55%	-2.17%	-3.40%	1.30%
Excess Margin	-6.29%	-4.03%	-1.07%	-3.08%	3.90%
Debt to Capitalization	62.32%	63.70%	63.44%	64.63%	42.70%
Debt Service Coverage (x)	1.00	1.40	1.89	1.56	3.50

FISCAL YEARS ENDED	6/30/2013	6/30/2014	6/30/2015
ASSETS			
Cash & Cash Equivalents	$ 1,429,998	$ 426,528	$ 582,634
Investments	1,493,458	1,609,335	861,519
Patient Recvbls (net) & Due from 3rd-Party	6,715,279	8,234,712	11,943,093
Other Receivables	690,744	695,894	1,399,314
Inventory	1,670,988	2,116,906	2,158,605
Current Assets Whose Use is Limited	1,585,499	1,476,766	1,497,341
All Other Current Assets	141,576	101,743	25,472
Total Current Assets	**13,727,542**	**14,661,884**	**18,467,978**
Fixed Assets	59,872,892	62,050,281	63,579,647
Accumulated Depreciation	31,701,214	34,693,940	37,945,525
Fixed Assets (net)	28,171,678	27,356,341	25,634,122
Board Designated Funds	2,254,476	2,165,259	1,797,603
Assets Held in Trust	2,150,243	2,378,915	2,424,119
Other Assets	2,054,499	2,093,873	1,562,174
Total Assets	**$ 48,358,438**	**$ 48,656,272**	**$ 49,885,996**
LIABILITIES & FUND BALANCE			
Accounts Payable & Accrued Expenses	2,727,672	2,399,089	3,825,815
Trade Payables	1,609,343	3,360,006	5,180,087
Current Portion of Long-Term Debt	792,507	840,000	880,000
Total Current Liabilities	**5,129,522**	**6,599,095**	**9,885,902**
Long-Term Debt (Less Current Portion)	26,831,744	25,991,743	25,127,630
Other Long-Term Liabilities	366,705	44,931	66,779
Unrestricted Fund Balance	15,288,754	14,975,849	13,749,101
Restricted Fund Balance	741,713	1,044,654	1,056,584
Fund Balance	16,030,467	16,020,503	14,805,685
Total Liabilities & Fund Balance	**$ 48,358,438**	**$ 48,656,272**	**$ 49,885,996**
REVENUES & EXPENSES			
Gross Patient Service Revenue	47,350,961	50,025,937	54,485,502
Deductions from Patient Revenue	12,014,048	13,545,888	15,581,133
Net Patient Service Revenue	35,336,913	36,480,049	38,904,369
Other Operating Revenue	1,288,572	1,263,552	1,449,314
Total Operating Revenue	**36,625,485**	**37,743,601**	**40,353,683**
Interest	1,370,996	1,324,436	1,322,558
Depreciation & Amortization	3,077,614	3,078,508	3,291,793
Other Operating Expenses	33,843,737	34,158,411	37,111,225
Total Operating Expenses	**38,292,347**	**38,561,355**	**41,725,576**
Income from Operations	(1,666,862)	(817,754)	(1,371,893)
Nonoperating Revenue	185,155	410,852	124,311
Excess of Rev Over Exp Excl Extraord	**$ (1,481,707)**	**$ (406,902)**	**$ (1,247,582)**
Interest Expense	1,370,996	1,324,436	1,322,558
Amortization & Depreciation Expense	3,077,614	3,078,508	3,291,793
Funds Available for Debt Service	**$ 2,966,903**	**$ 3,996,042**	**$ 3,366,769**

UNAUDITED FINANCIALS FOR GMC & EASTERN MONTANA VETERAN'S HOME

NOTE: The FY 2016 financial information provided below for Glendive Medical Center and Eastern Montana Veteran's Home only. The interim financials do not include the Foundation, Gabert, or any other subsidiary. As such, they are not comparable to the audited financials, nor are they complete. However, they are illustrative FY 2016 for the hospital and the veteran's home.

FISCAL YEARS ENDED	Unaudited for GMC and EMVH 6/30/2016
ASSETS	
Cash & Cash Equivalents	$ 118,720
Investments	150,137
Patient Recvbls (net) & Due from 3rd-Party	11,766,654
Other Receivables	3,661,320
Inventory	911,672
Current Assets Whose Use is Limited	1,742,165
All Other Current Assets	73,851
Total Current Assets	**18,424,519**
Fixed Assets	65,034,443
Accumulated Depreciation	41,298,856
Fixed Assets (net)	23,735,587
Board Designated Funds	209,911
Assets Held in Trust	2,319,665
Other Assets	9,178,614
Total Assets	**$ 53,868,296**
LIABILITIES & FUND BALANCE	
Accounts Payable & Accrued Expenses	6,681,920
Current Portion of Long-Term Debt	894,139
Total Current Liabilities	**7,576,059**
Long-Term Debt (Less Current Portion)	24,405,861
Other Long-Term Liabilities	233,791
Unrestricted Fund Balance	21,580,806
Restricted Fund Balance	71,779
Fund Balance	21,652,585
Total Liabilities & Fund Balance	**$ 53,868,296**
REVENUES & EXPENSES	
Gross Patient Service Revenue	49,401,316
Deductions from Patient Revenue	15,220,241
Net Patient Service Revenue	34,181,075
Other Operating Revenue	1,681,600
Total Operating Revenue	**35,862,675**
Interest	1,802,078
Depreciation & Amortization	3,015,187
Other Operating Expenses	31,501,594
Total Operating Expenses	**36,318,859**
Income from Operations	(456,184)
Nonoperating Revenue	(641,661)
Excess of Rev Over Exp Excl Extraord	**$ (1,097,845)**

FINANCIAL OBSERVATIONS

What Happened

In September of 2014, Glendive Medical Center transitioned to Cerner Millennium, a comprehensive Electronic Health Record System with Lawson accounting software alongside it. While intended to be a short transition period, it instead stretched out over years as staff turnover, training issues, incomplete implementation and the strain of maintaining a parallel system significantly complicated the process. In order to have the system installed before the Meaningful Use reimbursement deadline arrived; Cerner was launched before the build was complete. The premature launch resulted in errors in implementation, system bugs and inefficiencies.

Cerner's difficult rollout resulted in greater inefficiency in translating billable procedures into actual bills in a timely manner. This was exacerbated by a significant turnover in GMC's billing department. Three successive waves of turnover resulted in greater delays as staff had to be hired, trained and eventually replaced. Both the turnover and general difficulty retaining and recruiting billing office staff has been complicated by the difficult labor market created by the oil boom in the Bakken. As the Cerner launch dragged out, the launch of the Lawson accounting software was delayed in favor of continuing to use GMC's existing system, Meditech, until Cerner troubleshooting and implementation was complete. This maintained an inefficient system (Meditech and Cerner in tandem) and slowed the billing process and the implementation.

Accounts receivable increased over 75% as the process stretched on. In addition, significant turnover in providers decreased overall admissions and market share. GMC has operated at a loss since FY 2012 and the implementation issues and declining census exacerbated the net losses and created cash flow problems. During this period accounts payable increased sharply as the costs of implementing the Cerner system and management support from Billing Clinic as well as other vendors piled up. As a result, trade payables increased sharply between FY 2013 and FY 2015.

Going Forward

With the assistance and guidance of Billings Clinic, Glendive Medical Center took a number of steps in FY 2016 to improve its financials and operations. It has fully implemented Cerner and is now optimizing the system to work with Lawson upon its launch on January 1 of 2017. It has also outsourced its billing to increase competency and reduce the fluctuating impact of turnover. Throughout the process, Billings Clinic made GMC's stability its top priority and has devoted additional resources to assist in the turn around.

GMC currently projects a small net income of $48,000 for FY 2017 and an improvement on its overall balance sheet. The projected improvement is based on GMC achieving the following: 1) reduce its accounts payable, 2) finish the implementation of Lawson and the optimization of Cerner, 3) restructure accounts receivable to improve payments, and 4) addition of several new providers and service lines.

First, early in FY 2016, GMC pursued a line of credit to facilitate cash availability to catch up with outstanding vendor obligations. The $1.5M line of credit along with Meaningful Use reimbursements were used to reduce accounts payable for GMC & EMVH from $6.5M in FY 2015 to $2.98M in FY 2016. This freed up cash and has allowed GMC to stop aging its payables.

Second, GMC worked with Billing Clinic on the implementation of Lawson. Several modules are being implemented (payroll, fixed assets, etc.) and other modules are being optimized. It has also created "Incident Command Team" in collaboration with Billings Clinic to improve implementation and optimize Cerner functionality. Billings Clinic and GMC are fully committed to having Cerner optimized and Lawson fully implemented by the end of the calendar year.

Third, GMC is planning on finalizing a patient loan program in October. As patients have increasingly utilized high deductible health insurance plans, with deductibles of up to $13,700, the chances of default has increased as has the bad debt expense of GMC. GMC vetted local banks and has chosen a bank to create a recourse loan program where the patient receives a loan from the bank to cover medical bills. The funds are paid up front by the bank to GMC and the patient can stretch payment out over a longer period of time with a consistent payment that better fits their finances. If a patient defaults on the loan, GMC will purchase the loan back from the bank and pursue the patient through the collections process. Once implemented, the program should reduce both the bad debt expense and accounts receivable.

Fourth, GMC is pursuing several expansion initiatives that should provide additional reliable revenue. GMC has received grant funds to renovate and reopen the Behavioral Health Inpatient Unit with a target opening date of January 2017. GMC is also attempting to expand business lines through the opening of an Urgent Care facility which should improve reimbursement from payers who would currently deny non-emergency visits. Finally, GMC is expanding its providers. It has recently hired an Internist and is seeking to hire an Ear Nose and Throat provider and a Nurse Practitioner which should expand the number of procedures carried out at GMC.

GMC has struggled through several difficult years; however, several important steps have been taken to improve cash flows, reduce liabilities and expand revenue streams. This August was the highest revenue month for GMC in its history and its best month on cash collections. The changes above as well as the continued support and guidance of Billings Clinic are creating a foundation for growth and long-term stability. The advanced refunding of the Series 2008 bonds will further improve its cash flow and reduce the risk of the BOI guarantee being triggered.

ANTICIPATED FINANCIAL CHANGES DUE TO PROJECT

The advanced refunding of the Series 2008 bonds is expected to result in a net present value savings of approximately $2.66 million and annual cash flow savings in excess of $200,000 per year. The annual cash flow savings will be a significant help to GMC as they move toward profitability.

OUTSTANDING MFFA BONDS/LOANS

Series	Original Issue	Outstanding 5/1/2016	Maturity	Project
Master Loan Program Series 2008	$ 30,000,000	$ 25,300,000	7/1/2033	Expansion and renovation of the hospital as well as refunding the 1985 Pooled Loan Program Bonds
Totals	**$ 30,000,000**	**$ 25,300,000**		

FINANCE TEAM MEMBERS

Finance Team Member	Firm	Primary
Bond Counsel	Dorsey, Whitney	Erin McCrady
Trustee	US Bank	Gretchen Middents
Underwriter	DA Davidson	Kreg Jones

STRENGTHS

- Refunding will decrease the cost of debt service and improve cash flows
- Management agreement with Billings Clinic provides GMC with expertise and reduced costs of services
- Management is expanding services to increase revenues and improve collections

WEAKNESSES

- GMC has run a net loss since FY 2012
- Full EHR implementation has been delayed for several years and is not yet fully implemented
- Cash and investments have been depleted since FY 2013
- GMC has struggled to meet bond covenants for timeliness of annual disclosure

RECOMMENDATION

Approval is recommended based upon the credit enhancement provided by BOI as well as the Hospital strengthening its financial position by lowering its borrowing costs.

CERTIFICATE AS TO RESOLUTION

I, the undersigned, being the duly qualified and acting recording officer of the Montana Facility Finance Authority (the "Authority"), hereby certify that the attached resolution is a true copy of Resolution No. 16-11, entitled: "RESOLUTION RELATING TO HEALTH CARE FACILITIES REVENUE REFUNDING BONDS TO BE ISSUED UNDER THE MASTER LOAN PROGRAM FOR A LOAN TO GLENDIVE MEDICAL CENTER, INC.; AUTHORIZING AND APPROVING THE SALE AND ISSUANCE OF BONDS AND THE LOAN SECURED BY PAYMENTS TO BE RECEIVED PURSUANT TO A LOAN AGREEMENT AND PLEDGE AND ASSIGNMENT OF THE AUTHORITY'S INTEREST IN THE LOAN AGREEMENT AND PAYMENTS THEREUNDER AND IN A CAPITAL RESERVE ACCOUNT AGREEMENT WITH THE BOARD OF INVESTMENTS TO A TRUSTEE; AND AUTHORIZING THE EXECUTION OF DOCUMENTS" (the "Resolution"), on file in the original records of the Authority in my legal custody; that the Resolution was duly adopted by the Authority at a meeting on September 12, 2016, and that the meeting was duly held by the Authority and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

WITNESS my hand officially as such recording officer this 12th day of September, 2016.

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Michelle Barstad
Executive Director

RESOLUTION NO. 16-11

RESOLUTION RELATING TO HEALTH CARE FACILITIES REVENUE REFUNDING BONDS TO BE ISSUED UNDER THE MASTER LOAN PROGRAM FOR A LOAN TO GLENDIVE MEDICAL CENTER, INC.; AUTHORIZING AND APPROVING THE SALE AND ISSUANCE OF BONDS AND THE LOAN SECURED BY PAYMENTS TO BE RECEIVED PURSUANT TO A LOAN AGREEMENT AND PLEDGE AND ASSIGNMENT OF THE AUTHORITY'S INTEREST IN THE LOAN AGREEMENT AND PAYMENTS THEREUNDER AND IN A CAPITAL RESERVE ACCOUNT AGREEMENT WITH THE BOARD OF INVESTMENTS TO A TRUSTEE; AND AUTHORIZING THE EXECUTION OF DOCUMENTS

BE IT RESOLVED by the Montana Facility Finance Authority (the "Authority"), as follows:

Section 1. Recitals.

1.01. The Authority is authorized by the Montana Health Facility Authority Act, Montana Code Annotated, Title 90, Chapter 7, Parts 1, 2 and 3, as amended (the "Act"), to issue revenue bonds to finance or refinance eligible facilities (as defined in the Act) and to enter into agreements regarding the facilities being financed or refinanced by the revenue bonds for, among other things, considerations sufficient, in the judgment of the Authority, to pay the principal of and interest on the revenue bonds when due.

1.02. The Authority has developed its Master Loan Program (the "Program") pursuant to which the Authority proposes to issue its revenue bonds in one or more series and use the proceeds thereof to make loans to certain eligible institutions (the "Institutions") for the purpose of financing or refinancing the costs of constructing, acquiring and equipping health facilities or refund bonds issued for such purposes and paying certain costs incidental to the authorization, issuance and sale of the bonds. Pursuant to such authorization, the Authority has issued its Health Care Facilities Revenue Bonds, Series 1994, Series 1995A, Series 1996, Series 1998, Series 2000, Series 2001, Series 2005, Series 2006, Series 2007, Series 2008, and Series 2010.

1.03. Sections 90-7-317 through 90-7-320 of the Act establish a capital reserve account in an enterprise fund credited to the Authority (the "Capital Reserve Account") which the Authority may pledge, in whole or in part, as security for the payment of bonds issued by the Authority and authorize the Board of Investments of the State of Montana (the "Board of Investments") to loan money to the Authority for deposit in the Capital Reserve Account. Bonds heretofore issued under the Program are secured by the Capital Reserve Account.

1.04. The Series 2008 Bonds are entitled "Health Care Facilities Revenue Bonds (Master Loan Program—Glendive Medical Center, Inc. Project, Glendive, Montana), Series 2008A" and were originally issued in the aggregate principal amount of $30,000,000. The proceeds of the Series 2008 Bonds were loaned (the "2008 Loan") to Glendive Medical Center, Inc., a Montana nonprofit corporation (the "Borrower"), for the purposes of (i) acquiring, constructing, remodeling, renovating, equipping and furnishing improvements to the Borrower's health care facilities (the "Project"); (ii) refinancing loans made by the Authority to the Borrower under the Authority's 1985 Pool Loan Program; (iii) purchasing an industrial development revenue bond issued by Dawson County, Montana, in the principal amount of $1,900,000; (iv) paying interest on the Series 2008 Bonds; (v) funding a debt service reserve fund for the Series 2008 Bonds; and (vi) paying a portion of the expenses incurred in connection with the issuance of the Series 2008 Bonds.

1.05. The Borrower has requested that the Authority issue its Series 2016 Bonds (as hereinafter defined) under the Act and pursuant to the Program in an aggregate principal amount of up to $23,500,000 and loan the proceeds thereof to the Borrower to be used, with other available funds of the Borrower, for the following purposes: (i) to refund the Series 2008 Bonds maturing on and after July 1, 2017 (the "Refunded Bonds"), (ii) to make a deposit to a debt service reserve fund for the Series 2016 Bonds, and (iii) to pay a portion of the expenses incurred in connection with the issuance of the Series 2016 Bonds and the refunding.

1.06. The Authority has requested the Board of Investments to make a loan to the Authority the proceeds of which will be deposited in a subaccount in the Capital Reserve Account and used to secure the Series 2016 Bonds upon the terms and conditions contained in the Board of Investments Agreement (as hereinafter defined).

Section 2. Determinations and Approvals.

2.01. Program Approval. The Authority hereby determines that the issuance of its Health Care Facilities Revenue Refunding Bonds (Master Loan Program—Glendive Medical Center, Inc. Project), Series 2016 (the "Series 2016 Bonds") is in the best interests of the State of Montana (the "State") and authorizes its staff, together with Dorsey & Whitney LLP, as bond counsel to the Authority ("Bond Counsel"), to prepare documents necessary to issue the Series 2016 Bonds. The Authority approves the issuance of its Series 2016 Bonds, the proceeds of which shall be loaned to the Borrower in the maximum principal amount of $23,500,000 (the "2016 Loan") for the purposes set forth in Section 1.05 hereof. The Series 2016 Bonds shall not constitute a debt, liability, obligation or pledge of the faith and credit of the State, but shall be payable solely from the revenues and assets of the Borrower and the Capital Reserve Account.

The Series 2016 Bonds will be sold by the Authority to D.A. Davidson & Co. (the "Underwriter"), pursuant to a Bond Purchase Agreement among the Authority, the Borrower and the Underwriter (the "Bond Purchase Agreement").

2.02. The Authority hereby authorizes and directs any one or more of the Executive Director, the Associate Director, the Chair or the other members of the Authority to negotiate the sale of the Series 2016 Bonds to the Underwriter. The Series 2016 Bonds shall be in the aggregate principal amount, mature on such dates, bear interest at such rates per annum, be subject to redemption, bear such date, and be sold at such purchase price as are set forth in the Bond Purchase Agreement; provided that:

(a) The total aggregate principal amount of the Series 2016 Bonds shall not exceed $23,500,000 (exclusive of any premium or discount thereon);

(b) The true interest cost for the Series 2016 Bonds is not more than 3.50%; and

(c) The term of the 2016 Loan and the Series 2016 Bonds shall not exceed the term of the 2008 Loan and the Refunded Bonds.

Section 3. General.

3.01. The following documents relating to the Series 2016 Bonds will be prepared and entered into:

(a) Amendment to Capital Reserve Account Agreement (the "Amendment to Agreement"), amending and supplementing the Capital Reserve Account Agreement as heretofore amended and supplemented (the "Original Board of Investments Agreement"), to be entered into by the Authority and the Board of Investments (the Original Board of Investment Agreement, as amended and supplemented by the Amendment to Agreement, is referred to herein as the "Board of Investments Agreement");

(b) Loan Agreement (the "Loan Agreement") to be entered into by the Authority and the Borrower;

(c) Supplemental Indenture of Trust (the "Supplemental Indenture"), amending and supplementing the Master Indenture of Trust, dated as of October 1, 1994 as heretofore amended and supplemented (the "Original Indenture"), to be entered into by the Authority and U.S. Bank National Association, as Trustee (the "Trustee");

(d) Combination Mortgage, Security Agreement and Fixture Financing Statement to be executed by Borrower in favor of the Trustee (the "Mortgage"); and

(e) Promissory note to be executed and delivered by the Authority to the Board of Investments pursuant to the Board of Investments Agreement (the "Note").

3.02. The loan repayments or other amounts payable by the Borrower to the Authority under the Loan Agreement and other agreements to be entered into in connection with the issuance of the Series 2016 Bonds shall be sufficient, if paid timely and in full, to pay the principal of, premium, if any, and interest on the Series 2016 Bonds as and when the same shall become due and payable.

3.03. The Borrower shall make payment either directly or through the Authority of any and all costs incurred by the Authority in connection with the Series 2016 Bonds, whether or not they are issued.

3.04. The Authority staff is hereby authorized and directed to cooperate with the Borrower, the Underwriter and each of their counsel in the preparation of the Preliminary Official Statement and of a Final Official Statement to be distributed to prospective purchasers of the Series 2016 Bonds; provided, however, that the Authority takes no responsibility for, and makes no representations or warranties as to, the accuracy, completeness or sufficiency of the information in the Preliminary Official Statement or the Final Official Statement, except as to matters relating to the Authority. The Executive Director is authorized on behalf of the Authority to deem the Preliminary Official Statement near final as of its date, in accordance with Rule 15c2-12(b)(1) promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

Section 4. Commitment Conditional. The approval by the Authority of the issuance of the Series 2016 Bonds is subject to the approval by the Board of Investments of the loan to the Authority with respect to the Series 2016 Bonds as described in Section 1.06 hereof. The Authority retains the right in its sole and absolute discretion to withdraw from participation and accordingly not issue the Series 2016 Bonds should the Authority at any time prior to the execution and delivery of the Bond Purchase Agreement by the Authority determine that it is in the best interests of the Authority not to issue the Series 2016 Bonds or should the parties to the transaction be unable to reach agreement as to the terms and conditions of any of the documents required for the financing.

Section 5. Public Hearing. Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), requires that, prior to the issuance of the Series 2016 Bonds, a public hearing be held by the Authority on the Project, the Refunding and the issuance of the Series 2016 Bonds following notice thereof. Pursuant to that requirement, the Authority shall conduct a public hearing concerning the refunding of the Refunded Bonds and the issuance of the Series 2016 Bonds. Each of the Executive Director and the Associate Director is authorized and directed to conduct that hearing at the time and place specified in a published notice and to provide minutes of that public hearing to the Borrower and to Bond Counsel.

Section 6. Approval of Governor. Each of the Executive Director and the Associate Director is authorized and directed to forward to the Governor a certified copy of this Resolution and the minutes of the public hearing referred to in Section 5 and to request on behalf of the Authority that he approve the issuance of the Series 2008 Bonds for the purposes contemplated by this Resolution as required by Section 147(f) of the Code.

Section 7. Findings. Based on such facts and circumstances as this Authority deems relevant, the Authority hereby finds, determines and declares as follows:

(a) in accordance with the terms of the Loan Agreement, the payments of the Borrower are to be sufficient to pay the principal of, premium, if any, and interest on the Series 2016 Bonds when due, to maintain a debt service reserve fund therefor, to meet all other obligations in connection with the Loan Agreement and to provide for costs of administering and securing the Series 2016 Bonds;

(b) the facilities financed and refinanced with the Series 2008 Bonds are authorized to be refinanced by the issuance of the Series 2016 Bonds pursuant to the Act;

(c) pursuant to the Supplemental Indenture, the payments to be made under the Loan Agreement and amounts payable under the Board of Investments Agreement are pledged to the payment of the Series 2016 Bonds;

(d) the facilities to be refinanced by the Series 2016 Bonds will be operated by health institutions for the purpose of fulfilling their obligation to provide health care facilities;

(e) based solely on information provided and representations made by the Borrower, the amount of the loan does not exceed the total cost of the eligible health facility being refinanced; and

(f) the Borrower has provided information showing that the facilities to be refinanced by the Series 2016 Bonds are financially feasible and there will be sufficient revenues to assure that principal and interest payments are made when they become due.

Section 8. Execution of Documents and Series 2016 Bonds.

8.01. The Executive Director and the Associate Director of the Authority or any one or more of the officers of the Authority are hereby authorized and directed to execute the Bond Purchase Agreement, the Loan Agreement, the Supplemental Indenture, the Amendment to Agreement, the Note and such other agreements and documents to be executed by the Authority in connection with the issuance of the Series 2016 Bonds, in the name and on behalf of the Authority, and in such form as is approved by the officer or officers executing the same, which approval shall be conclusively presumed by the execution thereof.

8.02. The Chair, the Executive Director, the Associate Director, or any one or more of such officers, are authorized to prepare and execute the Series 2016 Bonds as prescribed in the Supplemental Indenture and deliver them to the Trustee, together with a certified copy of this resolution and the other documents required by the Supplemental Indenture and the Bond Purchase Agreement for authentication of the Series 2016 Bonds by the Trustee and delivery by the Trustee of the Series 2016 Bonds to the Underwriter.

8.03. The Executive Director and the Associate Director and other officers of the Authority, are authorized and directed to prepare and furnish to the Underwriter and Bond Counsel, when the Series 2016 Bonds are issued, certified copies of all proceedings and records of the Authority relating to the Series 2016 Bonds, and such other affidavits, certificates and documents as may be required to show the facts relating to the legality and marketability of the Series 2016 Bonds as such facts appear from the books and records in the officers' custody and control or as otherwise known to them, or as may be necessary or desirable to accomplish the issuance and sale of the Series 2016 Bonds, and all such certified copies, certificates, affidavits and documents, including any heretofore furnished, shall constitute representations of the Authority as to the truth of all statements of fact contained therein.

Section 9. Limited Liability of Authority and State. The Series 2016 Bonds and the Authority's obligations under the Bond Purchase Agreement, the Loan Agreement, the Supplemental Indenture, the Amendment to Agreement and the Note shall be special, limited obligations of the Authority payable solely from and secured by the payments required to be made by the Borrower or others (except to the extent payable from the proceeds of the Series 2016 Bonds) and will not constitute or give rise to a pecuniary liability of the Authority or a charge against the general credit or taxing powers of the State of Montana.

Section 10. Authority Fees. As authorized by Section 90-7-211 of the Act, the Authority may assess certain initial planning service fees and annual planning service fees. The Authority hereby determines that the initial planning service fee for the Series 2016 Bonds shall be the greater of $25,000 or 15 basis points (0.15%) times the original principal amount of the Series 2016 Bonds upon issuance, and the annual planning service fee for the Series 2016 Bonds shall be 10 basis points (0.10%) times the then-outstanding principal amount of the Series 2016 Bonds, unless and until changed by the Authority. No holder of the Series 2016 Bonds or any other bonds of the Authority outstanding from time to time shall have any interest in such funds or any right, by contract or otherwise, to direct the application of such funds to the payment or security of such bonds.

PASSED AND APPROVED BY THE MONTANA FACILITY FINANCE AUTHORITY this 12th day of September, 2016.

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Jon Marchi
Chair

Providence St. Joseph Health
Missoula and Polson, Montana
Stand Alone Bond Issue
Loan Summary

<u>ELIGIBLE HEALTH FACILITY</u>

Providence St. Joseph Health ("PSJH" or the "Corporation"), a Washington nonprofit corporation, is the parent corporation of a group of affiliated corporations that owns (or leases) and operates health care facilities and service providers in the states of Washington, Oregon, Montana, Alaska, New Mexico, Texas and California.

Effective July 1, 2016, Providence St. Joseph Health became the sole member of Providence Health & Services ("PH&S"), a Washington nonprofit corporation, and St. Joseph Health System, a California nonprofit public benefit corporation, each of which controls a multi-state health system, creating one of the largest health care systems in the United States. PSJH is headquartered in Renton, Washington, and structured with a centralized operating model and governed by a co-sponsorship council made up of members of its two sponsoring ministries, Providence Ministries and St. Joseph Health Ministry. As a result of the combination, the System operates acute care hospitals, long-term care facilities, ambulatory procedure centers, community clinics, physician practices, pharmacies, home health services, rehab facilities, a high school, a university and health plans in seven states across the western United States.

Obligated Group

Concurrent with the issuance of the Series 2016 Bonds, the entities listed below will be the members of the Obligated Group.

Obligated Group Member	Incorporation
Providence St. Joseph Medical Center	Montana nonprofit (Polson)
Providence Health & Services – Montana (dba St. Patrick)	Montana nonprofit (Missoula)
Providence Health & Services	Washington nonprofit
Providence Health & Services – Washington	Washington nonprofit
Providence Health System – Southern California	California nonprofit religious
Little Company of Mary Ancillary Services Corporation	California nonprofit public benefit
Providence Saint John's Health Center	California nonprofit religious
Providence Health & Services – Oregon	Oregon nonprofit
Providence Health & Services – Western Washington	Washington nonprofit
Swedish Health Services	Washington nonprofit
Swedish Edmonds	Washington nonprofit
PacMed Clinics	Washington nonprofit
Western HealthConnect	Washington nonprofit
Kadlec Regional Medical Center	Washington nonprofit
St. Joseph Health System	California nonprofit public benefit
St. Joseph Hospital of Orange	California nonprofit public benefit
St. Jude Hospital, Inc.	California nonprofit public benefit
Mission Hospital Regional Medical Center	California nonprofit public benefit
St. Mary Medical Center	California nonprofit public benefit
Hoag Memorial Hospital Presbyterian	California nonprofit public benefit

Queen of the Valley Medical Center	California nonprofit public benefit
Santa Rosa Memorial Hospital	California nonprofit public benefit
SRM Alliance Hospital Services	California nonprofit public benefit
St. Joseph Hospital of Eureka	California nonprofit public benefit
Redwood Memorial Hospital of Fortuna	California nonprofit public benefit
Covenant Health System	Texas nonprofit
Methodist Children's Hospital	Texas nonprofit
Methodist Hospital Levelland	Texas nonprofit
Methodist Hospital Plainview	Texas nonprofit

PSJH will not be a member of the Obligated Group on the date the Series 2016 Bonds are, but expects to join the Obligated Group within a year of the Closing Date.

Montana Facilities

In Western Montana, PSJH operates two facilities within a ten-county acute care market, St. Patrick Hospital ("*SPH*") and Providence St. Joseph Medical Center ("*SJMC*")

Located in Missoula, SPH is a regional tertiary care center, operating the area's only Level II Trauma Center and air transport program. SPH offers accredited chest pain and stroke programs and is a center for general acute inpatient services, inpatient rehabilitation and neurobehavioral care. In August 2015, SPH opened the Family Maternity Center to resume obstetrical care after a 40 year hiatus.

SJMC in Polson is one of eight critical access hospitals in the region. Located on the Flathead Indian Reservation, SJMC provides acute inpatient care, primary care and specialty clinics, outpatient diagnostic and surgical services and an assisted living center. To increase ambulatory care access and foster referral relationships throughout Western Montana, PMG operates 26 primary care and specialty locations and numerous outreach sites with 171 providers.

PROJECT AND COST

As part of the partnership agreement, it was agreed to discharge the currently outstanding St. Joseph Health System bonds and bring them into the existing Providence Obligated Group. As the outstanding Providence Health Services Series 2006B Bonds are eligible for current refunding, PSJH would like to include the refunding as a part of the comprehensive plan of finance. This will be accomplished through a direct placement vehicle with the Northern Trust Company.

The proceeds from the issue will be used to refinance the outstanding Series 2006B Bonds and pay the costs of issuance.

Sources:	
Bond Proceeds	51,180,000
Equity Contribution	1,235,916
TOTAL	**$ 52,415,916**
Uses:	
Refunding Escrow	51,901,864
Costs of Issuance	511,800
Misc/rounding	2,252
TOTAL	**$ 52,415,916**

PROGRAM Stand Alone Bond Issue

CLOSING DATE September 28, 2016

INTEREST RATE 67% of the 1 month LIBOR plus 50 basis points with a 6 year tender (0.85% as of 8/29/16)

MATURITY DATE October 1, 2026

SECURITY

Each series of bonds will be secured by an obligation issued by the Obligated Group Members under the Master Trust Indenture. Each Obligated Group Member is jointly and severally liable on all obligations that are outstanding under the Master Indenture.

RATING

Providence St. Joseph Health carries the following rating:

- Fitch rating of AA- effective August of 2016
- Moody's rating of Aa3 effective August of 2016
- Standard & Poor's rating of AA- effective August 2016

INSURANCE N/A

INVESTOR LETTER

Northern Trust Company will purchase the bonds directly and is considered a "sophisticated investor" that has conducted its own due diligence on Providence St. Joseph Health and made its own internal analysis of PSJH's ability to repay the debt. Northern Trust Company will sign an investor letter indicating that it is satisfied that all of its questions have been appropriately answered.

UTILIZATION FOR THE WESTERN MONTANA REGION

	FY 2013	FY 2014	FY 2015
Acute Adjusted Admissions	20,901	21,796	23,105
Acute Patient Days	46,119	45,276	47,393
Acute Outpatient Visits	223,312	259,272	278,654
Primary Care Visits	293,385	246,050	266,515
Total Ocupnacy %	58.5%	57.4%	60.1%
Inpatient Surgeries	4,819	3,058	3,264
Outpatient Surgeries	9,608	3,586	3,873
Emergency Room Visits	32,465	33,062	35,581
Total Outpatient Visits	516,697	505,322	545,169

The drop in Outpatient Surgeries is attributed to a change in data collection methods between FY 2013 and FY 2014

PAYOR MIX FOR THE WESTERN MONTANA REGION

Payor	FY 2013	FY 2014	FY 2015
Self-Pay	7%	5%	5%
Commercial	28%	28%	28%
Medicare	52%	53%	51%
Medicaid	8%	9%	10%
Other Gov't	4%	5%	6%
Other	0%	1%	0%
Total	**100%**	**100%**	**100%**

MARKET/COMPETITION FOR THE WESTERN MONTANA REGION

In Western Montana, PSJH operates two facilities within a ten-county acute care market, Providence St. Patrick Hospital ("*SPH*") and Providence St. Joseph Medical Center ("*SJMC*"). Along with the Providence Medical Group, PSJH provides services for more than 200,000 patients in the primary service area and more than 400,000 in contiguous areas. The Corporation held a 38 percent market share in 2015.

GOVERNANCE

Providence St. Joseph Health serves as the parent and corporate member of Providence Health & Services and St. Joseph Health Services. PSJH is currently seeking tax exemption under Section 501(c)(3) of the Internal Revenue Code.

Prior to the merger, the sole corporate member of Providence Health & Services was Providence Ministries, which acted through its sponsors, who are five individuals appointed by the Provincial Superior of the Sisters of Providence, Mother Joseph Province. Similarly, the sole corporate member of St. Joseph Health was St. Joseph Health Ministry, a California non-profit public benefit corporation. Providence Ministries and St. Joseph Health Ministry are each a public juridic person under Roman Catholic Canon law, responsible for assuring the Catholic identity and fidelity to the mission of their respective Systems. Pursuant to the Combination, Providence Ministries and St. Joseph Health Ministry have entered into an agreement that establishes a co-sponsorship model through contractual obligations exercised by the parties' sponsors collectively (the "*Co-Sponsors Council*"). The Co-Sponsors' Council retains certain reserved rights with respect to the Corporation. Among the powers reserved to the Co-Sponsors' Council are the following powers over the affairs of the Corporation (excluding certain affiliates, such as: Providence – Western Washington, Western HealthConnect, Swedish, Swedish Edmonds, PacMed, Kadlec and Hoag Hospital): to amend or repeal the articles of incorporation or bylaws of the Corporation; the appointment and removal, with or without cause, of the directors of the Corporation; the appointment and removal, with or without cause, of the President and Chief Executive Officer of the Corporation; the approval of the acquisition of assets, incurrence of debt, encumbering of assets and sale of certain property of the Corporation; the approval of operating and capital budgets, upon recommendation of the Corporation Board of Directors; and the approval of dissolution, consolidation or merger. The Corporation has reserved rights over PH&S and SJHS, which powers may be exercised by Board of the Corporation.

Executive Management Team

Rod Hochman, M.D., President and CEO of the Corporation, joined PH&S in 2012 and served as its president and CEO. He is a member of the governing council of the American Hospital Association and vice chair elect for the Catholic Health Association. Prior to joining PH&S, he served as president and CEO of Swedish Health Services in Seattle. He also held executive positions with Sentara Health Care in Virginia, the Health Alliance of Greater Cincinnati and Guthrie Health System in Pennsylvania. He was a clinical fellow in internal medicine at Harvard Medical School and Dartmouth Medical School and received his bachelor's degree and medical degree from Boston University. He is a fellow of the American College of Physicians and the American College of Rheumatology.

Mike Butler, President of Operations of the Corporation, Chief Executive of PH&S, joined PH&S in 1998, most recently serving as president of operations and services. Prior to PH&S, he was the chief operating and financial officer for the Franciscan Health System in Tacoma, Washington, and Catholic Health Initiatives in Englewood, Colorado. He currently serves as a board member for Vizient, MultiScale Health Networks and Medical Teams International. He holds a bachelor's degree in accounting and finance from California State University, Fullerton.

Annette M. Walker, President of Strategy of the Corporation, Chief Executive of SJHS, joined SJHS in 2005 as executive vice president of strategic services and most recently as interim president and CEO. While originally working in laboratory science, over the years she developed extensive experience in strategy, physician integration and wellness. She has served on the boards of Santa Rosa Memorial, Petaluma Valley, Queen of the Valley and Mission Hospitals as well as the Congregation of St. Joseph Educational Network. She is also president of American Unity, a SJHS professional liability company. She holds a bachelor's degree in biology from Loyola Marymount University and a master's degree in health care administration from University of Minnesota.

Debra Canales, Executive Vice President and Chief Administrative Officer of the Corporation, joined PH&S in 2014 as executive vice president and chief people and experience officer. An experienced health care executive, she served with CHE Trinity Health as executive vice president and chief administrative officer, and as senior vice president of human resources for Centura Health. She is a member of the boards of AMICA Mutual Insurance, The Breakaway Group Healthcare Division of Xerox and the Inforum Women's Alliance Group. She holds a bachelor's degree in business administration from the University of Texas, Austin, and holds a professional coach certification credential from International Coach Federation.

Todd Hofheins, Executive Vice President and Chief Financial Officer of the Corporation, joined PH&S in 2004, most recently serving as executive vice president and chief financial officer. His other roles included serving as chief financial officer for PH&S's Washington-Montana region. He has more than 15 years of health care finance experience in roles at Harborview Medical Center in Seattle and as a senior manager of accounting firms KPMG, LLP, and Arthur Andersen, LLP. He holds a bachelor's degree in accounting from Pacific Lutheran University College of Business.

PRO-FORMA COMBINED FINANCIALS OF PROVIDENCE & ST. JOSEPH HEALTH

	12/31/2014	12/31/2015	6/30/2016
	(in 000's of dollars)	(in 000's of dollars)	(in 000's of dollars)
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 1,658,614	$ 1,200,695	$ 1,329,030
Short-term Investments	915,494	876,338	874,375
Accounts Receivable, Net	2,018,707	2,200,076	2,234,444
Supplies Inventory at Cost	252,228	262,099	266,337
Other Current Assets	881,976	744,428	827,411
Current Portion of Funds Held by Trustee	76,365	54,740	53,714
Total Current Assets	**5,803,384**	**5,338,376**	**5,585,311**
Assets Whose Use is Limited:			
Long-Term Investments	6,972,501	7,210,249	7,338,456
Gift, Annuity, Trust and Other	249,759	267,879	275,772
Funds Held by Trustee	260,483	354,188	437,360
Assets Whose use is Limited	**7,482,743**	**7,832,316**	**8,051,588**
Property, Plant & Equipment, Net	**10,618,398**	**10,478,047**	**10,618,489**
Total Other Assets	**991,770**	**1,209,879**	**1,340,594**
Total Assets	**$ 24,896,295**	**$ 24,858,618**	**$ 25,595,982**
LIABILITIES AND NET ASSETS			
Current Liabilities:			
Master Trust Debt classified as Short-term	$ 12,500	$ 137,500	$ 272,500
Accounts Payable	643,567	555,246	512,812
Accrued Compensation	1,023,077	924,622	1,258,335
Payable to Contractual Agencies	211,689	172,179	171,124
Other Current Liabilities	1,343,591	1,274,701	1,241,409
Current Portion of Long-Term Debt	250,692	301,168	285,692
Total Current Liabilities	**3,485,116**	**3,365,416**	**3,741,872**
Long-Term Debt, Net of Current Portion	6,252,171	6,074,977	6,112,724
Other Long-Term Liabilities	1,907,613	2,013,186	2,098,501
Total Liabilities	**11,644,900**	**11,453,579**	**11,953,097**
Net Assets:			
Unrestricted	12,518,373	12,612,098	12,804,522
Temporarily Restricted	555,920	589,524	623,346
Permanently Restricted	177,102	203,417	215,017
Total Net Assets	**13,251,395**	**13,405,039**	**13,642,885**
Total Liabilities and Net Assets	**$ 24,896,295**	**$ 24,858,618**	**$ 25,595,982**
Operating Revenues:			
Net Patient Service Revenues	$ 14,657,200	$ 16,575,307	$ 8,549,070
Premium Revenues	2,822,310	3,114,044	1,848,211
Other Revenues	921,984	1,114,422	509,430
Total Operating Revenues	18,401,494	20,803,773	10,906,711
Operating Expenses:			
Salaries and Wages	7,003,506	7,852,333	4,223,327
Depreciation	978,927	989,467	503,170
Interest and Amortization	279,872	258,094	127,102
Other Expenses	9,918,796	11,400,853	6,029,342
Total Operating Expenses	18,181,101	20,500,747	10,882,941
Excess of Revenues Over Expenses from Operations	220,393	303,026	23,770
Net Nonoperating Gains (Losses)	574,115	(270,390)	158,564
Excess of Revenues Over Expenses	**$ 794,508**	**$ 32,636**	**$ 182,334**

Ratios of Combined Financials	2014	2015	Interim 2016	S&P AA FY 2014 Median Ratios
Days Cash on Hand	203.0	174.0	167.0	292..7
Debt to Capitalization	32.70%	32.40%	32.40%	27.2%
EBIDA Margin	10.82%	6.23%	7.34%	13.8%
Maximum Annual Debt Service	4.70	4.10		2.20

Financials, Days Cash on Hand, Debt to Capitalization, and Debt Service ratios were provided in Appendix A of the Preliminary Offering Statement of the plan of finance.

Cash
Days Cash on Hand has declined from FY 2014 to FY 2015. This is attributed to the increase in expenses as patient volume increased as well as investment losses and capital improvements at several facilities across the System.

Income
The Corporation experienced an increase in patient volume across its total network. This drove a 13% increase in revenues between FY 2104 and FY 2015. Expenses also grew at a rate of 13%. This was driven by an increase in labor expenses in order to meet volume demand and a change in the timing of the provider tax payments.

The change in Nonoperating Gains/(Losses) is largely due to changes in investment income. In FY 2015, PSJH investment losses were $153 million compared to gains of $280 million in FY 2014.

It should be noted that the increase in patient volume does not necessarily translate to higher profits. A large portion of the increase in patient volume is from those covered by lower reimbursement payers and those using outpatient and ambulatory services which have lower profit margins than inpatient and acute care. This, along with increased labor costs may reduce PSJH's overall operating profitability.

ANTICIPATED FINANCIAL CHANGES DUE TO PROJECT

As a result of the refinancing, the Corporation believes the reduced interest rate of the refunding of the Series 2006B Bonds is estimated to result in net present value savings of approximately $4.7 million.

OUTSTANDING/PAST MFFA LOANS

Series	Original Issue	Outstanding 6/30/2016	Maturity	Project
Facilities Revenue Bond, Series 2006B	$ 68,430,000	$ 54,495,000	10/1/2026	Refund the Series 2002 and Series 1999 Bonds which financed the renovation and equipping of Providence hospitals in Montana
Totals	**$ 68,430,000**	**$ 54,495,000**		

STRENGTHS OF PROVIDENCE ST. JOSEPH HEALTH

- Significant cash flow and present value savings from refinancing of the Series 2006 Bonds
- Good local market share
- Strong management team
- Expanded network size allows for greater flexibility and cost savings
- Over $1.3 billion in liquid assets

CONCERNS FOR PROVIDENCE ST. JOSEPH HEALTH

- Strong competition across the 10-county service area in Montana
- Increase in patient volume for lower profit margin services will impact income
- Overall market uncertainty across the multi-state service area related to implementation and the future of the Affordable Care Act including changes in Medicare and Medicaid reimbursement levels, implementation of policies across PSJH facilities and inconsistent adoption of the ACA across service area states creating a patchwork regulatory environment.

RECOMMENDATION

Approval is recommended based, in part, on:

- Ability to repay debt
- Cost savings from refinancing
- Northern Trust Company making its own independent analysis of debt repayment ability

RESOLUTION NO. 16-12

RESOLUTION RELATING TO REFUNDING REVENUE BONDS, SERIES 2016F (PROVIDENCE ST. JOSEPH HEALTH); MAKING FINDINGS WITH RESPECT TO THE SERIES 2016F BONDS AND THE BONDS TO BE REFUNDED THEREBY; AUTHORIZING AND APPROVING THE SALE AND ISSUANCE OF THE SERIES 2016F BONDS SECURED BY PAYMENTS TO BE RECEIVED PURSUANT TO A LOAN AGREEMENT AND A DIRECT NOTE OBLIGATION; AND AUTHORIZING THE EXECUTION OF DOCUMENTS.

BE IT RESOLVED by the Montana Facility Finance Authority (the "Authority"), as follows:

ARTICLE I

RECITALS

Section 1.01. The Authority is authorized by Montana Code Annotated, Title 90, Chapter 7, Parts 1, 2 and 3, as amended (the "Act"), to issue and sell its revenue bonds and loan the proceeds thereof to one or more institutions (as defined in the Act) to finance, refinance or provide reimbursement for certain allowable costs of acquiring, constructing and equipping eligible facilities (as defined in the Act). Bonds so issued are payable solely from the revenues and assets derived from the participating institutions (as defined in the Act) and do not constitute a debt, liability or obligation of the State of Montana (the "State") or a pledge of the faith and credit thereof. The Authority is required to secure the bonds by pledging the revenues received from the participating institutions. The Authority may also secure the bonds by mortgages, assignments and other security devices deemed advantageous by the Authority pursuant to a trust agreement between the Authority and a corporate trustee.

Section 1.02. Providence Health & Services—Montana ("PH&S-MT") and Providence St. Joseph Medical Center ("PSJMC" and, together with PH&S-MT, the "Montana Obligors"), each a Montana nonprofit corporation, own and operate hospitals and other health care facilities in the State, including, among other health care facilities, a hospital in Missoula, Montana, owned and operated by PH&S-MT known as St. Patrick Hospital, and a hospital in Polson, Montana, owned and operated by PSJMC known as St. Joseph Hospital.

Section 1.03. In 2006, pursuant to a request from the Montana Obligors, the Authority issued its $68,430,000 original aggregate principal amount Revenue Bonds, Series 2006B (Providence Health & Services) (the "Series 2006B Bonds"). The Series 2006B Bonds were issued for the following purposes: (i) to undertake the advance refunding and defeasance of a portion of the Montana Health Facility Authority Revenue Bonds, Series 1999 (Providence Services) and a portion of the Montana Facility Finance Authority Revenue Bonds, Series 2002

(Providence Services) (collectively, the "Prior Bonds"), which Prior Bonds were originally issued to finance costs of acquiring, constructing and equipping "eligible facilities" (as defined in the Act) owned and operated by the Montana Obligors; and (ii) to pay costs and expenses incidental to the issuance of the Series 2006B Bonds. The Series 2006B Bonds are currently outstanding in the aggregate principal amount of $54,495,000, and are subject to optional redemption commencing on October 1, 2016.

Section 1.04. The Montana Obligors now propose to undertake the refunding of the outstanding Series 2006B Bonds.

Section 1.05. The Montana Obligors have requested that the Authority, acting pursuant to and in accordance with the Act, authorize the issuance of its Montana Facility Finance Authority Refunding Revenue Bonds, Series 2016F (Providence St. Joseph Health) (the "Series 2016F Bonds"), the proceeds of which will be loaned by the Authority to the Montana Obligors to refund and prepay the Series 2006B Bonds and pay certain issuance costs (the "2016 Refunding Plan"). Under the provisions of the Act, the Series 2016F Bonds shall be special, limited obligations of the Authority payable solely from revenues, including loan repayments from the Montana Obligors, and shall not constitute a debt, liability, obligation or pledge of the faith, credit or taxing powers of the State.

Section 1.06. The Authority has heretofore called, noticed, and conducted a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), with respect to the refunding of the Series 2006B Bonds, and the issuance and sale of the Series 2016F Bonds therefor. No individuals appeared or testified regarding the proposed issuance of the Series 2016F Bonds to finance the 2016 Refunding Plan during such public hearing, and no written comments were received by the Authority prior to such public hearing regarding the proposed issuance of Series 2016F Bonds to finance the 2016 Refunding Plan. Following the public hearing but prior to the issuance of the Series 2016F Bonds, the Governor of the State is expected to approve the issuance of the Series 2016F Bonds.

Section 1.07. The following documents relating to the Series 2016F Bonds have been prepared, which documents in proposed form are before this Authority at this meeting and shall be placed on file in the office of the Authority:

(a) The Bond Trust Indenture (the "Bond Indenture"), to be dated the date of issuance and delivery of the Series 2016F Bonds (the "Date of Issue"), by and between the Authority and U.S. Bank National Association, as bond trustee (the "Series 2016F Bond Trustee");

(b) The Loan and Security Agreement (the "Loan Agreement"), to be dated the Date of Issue, by and among the Authority and the Montana Obligors;

(c) The Master Trust Indenture (Amended and Restated), dated as of May 1, 2003, among Providence Health & Services ("PH&S"), Providence Health & Services—Washington, Providence Health & Services—Oregon, Providence Health System—Southern California, Little Company of Mary Ancillary Services Corporation, Providence

Health & Services—Montana, Providence St. Joseph Medical Center, Providence Health & Services—Western Washington, Swedish Health Services, Providence Saint John's Health Center, Swedish Edmonds, Western HealthConnect, PacMed Clinics, Kadlec Regional Medical Center, St. Joseph Health System, St. Joseph Hospital of Orange, St. Jude Hospital, Inc., Mission Hospital Regional Medical Center, St. Mary Medical Center, Hoag Memorial Hospital Presbyterian, Queen of the Valley Medical Center, Santa Rosa Memorial Hospital, SRM Alliance Hospital Services, St. Joseph Hospital of Eureka, Redwood Memorial Hospital of Fortuna, Covenant Health System, Methodist Children's Hospital, Methodist Hospital Levelland, and Methodist Hospital Plainview, Texas (collectively, the "Obligated Group") and The Bank of New York Mellon Trust Company, N.A., as successor master trustee (the "Master Trustee"), as supplemented and amended from time to time;

(d) The Forty-Ninth Supplemental Master Trust Indenture (Montana No. 2) (the "Supplemental Indenture No. 49"), to be dated the Date of Issue, among the Obligated Group and the Master Trustee;

(e) The Providence Health & Services Obligated Group Series 2016F-1 Direct Note Obligation (Montana No. 2) (the "Series 2016F-1 Obligation"), to be dated the Date of Issue;

(f) The Providence Health & Services Obligated Group Series 2016F-2 Direct Note Obligation (Northern CCA) (the "Series 2016F-2 Obligation," and together with the Series 2016F-1 Obligation, the "Series 2016F Obligations"), to be dated the Date of Issue;

(g) The Continuing Covenant Agreement (the "Continuing Covenant Agreement"), to be dated the Date of Issue, among The Northern Trust Company (the "Original Purchaser") and the Montana Obligors, for themselves and on behalf of the Obligated Group;

(h) The form of the Series 2016F Bonds (the "Series 2016F Bond Form"); and

(i) The Tax Certificate and Agreement (the "Tax Agreement"), to be dated the Date of Issue, by and among the Authority and the Montana Obligors.

Section 1.08. Unless the context requires otherwise, the terms defined in Section 1.01 shall, for all purposes of this Resolution (including the recitals and exhibits hereto), be incorporated herein by this reference, and shall have the meanings specified in such places, such definitions to be equally applicable to both the singular and plural forms of any of the defined terms.

ARTICLE II

FINDINGS

Based on information provided by the Montana Obligors and such other facts and circumstances as the Authority deems relevant, the Authority hereby finds, determines and declares as follows:

(a) Each of the facilities refinanced, in whole or in part, with the proceeds of the Series 2016F Bonds (the "Project Facilities") is an "eligible facility" within the meaning of the Act, and will be owned and/or operated by the Montana Obligors, which are each an "institution" within the meaning of the Act;

(b) The loan repayments to be made by the Montana Obligors pursuant to the Loan Agreement are scheduled to be sufficient to pay the principal of, premium, if any, and interest on the Series 2016F Bonds, when due, to maintain sufficient reserves therefor, to meet all other obligations in connection with the Loan Agreement and to provide for costs of servicing and securing the Series 2016F Bonds;

(c) The loan of the proceeds of the Series 2016F Bonds to the Montana Obligors (the "Loan") pursuant to the Loan Agreement will not exceed the total allowable costs of the 2016 Refunding Plan as determined by the Montana Obligors;

(d) Based solely upon information provided and representations made by the Montana Obligors, the 2016 Refunding Plan is financially feasible and the Montana Obligors are expected to have sufficient revenues to provide for the payment of the principal of and interest on the Loan as due;

(e) The principal and interest payments on the Loan payable under the Loan Agreement and the Series 2016F-1 Obligation are pledged to the payment of the principal of, premium, if any, and interest on the Series 2016F Bonds;

(f) Based solely on information provided and representations made by the Montana Obligors, to the extent required under Montana law, the 2016 Refunding Plan will be reviewed and approved by the appropriate regional and state health planning boards and will receive any approval required by Montana Code Annotated, Title 50, Chapter 5, Part 3, as amended;

(g) Based solely on information provided and representations made by the Montana Obligors, the 2016 Refunding Plan will not significantly affect the quality of the human environment, within the meaning of Montana Code Annotated, Section 75-1-201(1)(b)(iii);

(h) Based solely upon the representations and covenants of the Montana Obligors, the Project Facilities are owned and/or operated by the Montana Obligors for the purpose of fulfilling its obligations to provide health care facilities; and

(i) Based solely upon information provided and representations made by the Montana Obligors, the Montana Obligors have sufficient experience and expertise to operate the Project Facilities.

The foregoing findings and determinations are made pursuant to the Act and are not made for the benefit of, and may not be relied upon by the Original Purchaser or any subsequent registered owner (collectively, the "Owner") of the Series 2016F Bonds.

ARTICLE III

APPROVAL AND AUTHORIZATIONS

Section 3.01. Subject to compliance with the terms of the Act and this Resolution, the 2016 Refunding Plan is hereby approved, and the Authority shall make the Loan to the Montana Obligors for the purpose of providing the financial assistance requested by the Montana Obligors for the 2016 Refunding Plan. To fund the Loan, the Authority hereby authorizes the issuance of the Series 2016F Bonds and the sale of the Series 2016F Bonds to the Original Purchaser, subject to the following, which the Executive Director is hereby authorized to approve:

(a) the principal amount of the Series 2016F Bonds, which shall not exceed $53,040,000;

(b) the initial tax-exempt interest rate for the Series 2016F Bonds, which shall not exceed 2.50%; and

(c) the Date of Issue, which shall be a date not later than October 1, 2016.

Such approval by the Executive Director shall be conclusively evidenced by a "Certificate of Approval of the Series 2016F Bonds" to be executed by the Executive Director.

The Series 2016F Bonds shall be dated the Date of Issue and shall be initially issued as a single fully registered bond, without number, in substantially the same form as the Series 2016F Bond Form, which is incorporated herein by this reference.

The Series 2016F Bonds shall be special, limited obligations of the Authority, payable solely from the money and investments in the Bond Fund.

The State is not liable on the Series 2016F Bonds. The Series 2016F Bonds are not a debt of the State, and neither the faith and credit nor the taxing power of the State is pledged to the payment of the principal of or the interest on the Series 2016F Bonds. The Owner of the Series 2016F Bonds shall have no right to compel the exercise of the taxing power, if any, of the State or any political subdivision thereof to pay any principal of or interest on the Series 2016F Bonds.

The Series 2016F Bonds shall be secured by a pledge of the money and investments in the Bond Fund (as defined in the Bond Indenture). The obligations of the Obligated Group under the Series 2016F Obligations are secured by, and subject to the terms of, the Master Indenture.

The Series 2016F Bonds shall be executed on behalf of the Authority with the facsimile or manual signature of the Executive Director of the Authority, and shall be authenticated by an authorized representative of the Bond Trustee.

Section 3.02. The Authority hereby authorizes, accepts, approves and agrees to all the terms and conditions of the following documents, in substantially the forms available to the Authority on this date, with such additions, deletions and modifications as are hereafter deemed by the Chair, the Executive Director and the Associate Director of the Authority, or any one or more of them acting alone or in combination, to be in the best interest of the Authority, which documents authorize, *inter alia*, the issuance, sale and delivery of the Series 2016F Bonds; the loan of the proceeds of the Series 2016F Bonds to the Montana Obligors for the 2016 Refunding Plan; the appointment of U.S. Bank National Association as Bond Trustee; the establishment with the Bond Trustee of a "Bond Fund" as a special trust fund for the payment of and security for the Series 2016F Bonds; the pledge of the money and investments in the Bond Fund as security for the Series 2016F Bonds; and the assignment or delegation, as appropriate, of the Authority's rights, title and interest in the Loan Agreement and the Series 2016F Obligations to the Owner, without recourse, as additional security for the Series 2016F Bonds:

(a) The Bond Indenture,

(b) The Loan Agreement,

(c) The Master Indenture,

(d) The Supplemental Indenture No. 49,

(e) The Series 2016F Obligations,

(f) The Continuing Covenant Agreement,

(g) The Tax Agreement, and

(h) All other certificates, documents and other papers which, in the judgment of either the Chair, the Executive Director and/or the Associate Director of the Authority (whoever actually executes such documents), are necessary to the sale and delivery of the Series 2016F Bonds, and the loan of the proceeds thereof to the Montana Obligors for the 2016 Refunding Plan.

Section 3.03. The Chair, the Executive Director and the Associate Director of the Authority, or any one or more of them acting alone or in combination, are each hereby authorized and directed to execute or endorse and assign, as appropriate, for and on behalf of the

Authority, and to deliver to the parties entitled to executed copies of the same, the Bond Indenture, the Loan Agreement, the Tax Agreement, and the certificates, documents and other papers described in Section 3.03(e) hereof, in each case, with such additions, deletions and modifications as are hereafter deemed by the Chair, the Executive Director and/or the Associate Director of the Authority (whoever actually executes such documents) to be necessary to conform such documents to each other and/or to be in the best interests of the Authority.

The Chair and the Executive Director of the Authority, or either of them acting alone or in combination, are hereby authorized and directed to execute, for and on behalf of the Authority, the Series 2016F Bonds, and to deliver the same to the Original Purchaser in consideration of payment in full of the purchase price therefor.

The Chair, the Executive Director and the Associate Director of the Authority, or any one or more of them acting alone or in combination, are authorized, for and on behalf of the Authority, to endorse to the Owner, without recourse, any and all negotiable instruments made payable to the Authority in payment for the Series 2016F Bonds.

The Chair, the Executive Director and the Associate Director of the Authority, or any one or more of them acting alone or in combination, are hereby authorized and directed to take such other actions to consummate the sale of the Series 2016F Bonds as may be necessary or desirable.

ARTICLE IV

FEES

As authorized by Section 90-7-211 of the Act, the Authority may assess certain initial planning service fees and annual planning services fees. <u>The Authority hereby determines that the initial planning service fee for the Series 2016F Bonds shall be determined in accordance with current policy and is currently estimated to be the greater of $62,500 or 7.5 basis points (0.075%) times the original principal amount of the Series 2016F Bonds, and the annual planning service fee for the Series 2016F Bonds shall be 5 basis points (0.05%) times the then-outstanding principal amount of the Series 2016F Bonds, due annually, unless and until changed by the Authority.</u> No Owner of the Series 2016F Bonds or any other outstanding bonds of the Authority shall have any interest in such funds or any right, by contract or otherwise to direct the application of such funds to the payment or security of such bonds.

ARTICLE V

LIMITED LIABILITY OF AUTHORITY AND STATE OF MONTANA

Each of the Series 2016F Bonds is a special, limited obligation of the Authority, payable solely from the Bond Fund, and shall be secured by a pledge of the money and investments in the Bond Fund. The Series 2016F Bonds shall not constitute or give rise to a pecuniary liability of the Authority or a charge against the credit or general taxing powers, if any, of the State.

PASSED AND APPROVED BY THE MONTANA FACILITY FINANCE AUTHORITY this 12th day of September, 2016.

____
By: Jon Marchi
Its: Chair

Benefis Health Center
Great Falls, Montana
Stand Alone Bond Issue
Loan Summary

ELIGIBLE HEALTH FACILITY

Benefis Health System is a 507-bed private, nonprofit, community health care system located in Great Falls and comprises Benefis Health System, Inc. (the “System Corporation”), Benefis Hospitals, Inc. (“Benefis Hospitals” or the “Hospital”), Benefis Medical Group (“BMG”) and certain other subsidiaries (as shown below). Only Benefis Health System, Inc., Benefis Hospitals, Inc., and Benefis Medical Group are Members of the Obligated Group (highlighted in schematic below). None of the Other Subsidiaries will receive any proceeds from the Series 2016 Bonds, and none of the other subsidiaries will be obligated to repay the loan or the Series 2016 Bonds.

Benefis Hospitals, Inc. is a tax-exempt Montana nonprofit corporation established in 1996 as the successor, by merger, to Columbus Hospital and Montana Deaconess Medical Center. Benefis Hospitals is the largest hospital (by number of admissions) in the State of Montana, serving a geographically extensive, fourteen county area of North Central Montana.

Benefis Health System, Inc. was incorporated in 2008 and is a tax-exempt Montana nonprofit corporation that is designated as a public charity under the Internal Revenue Code. The corporation was formed as part of a reorganization of certain activities and operations historically conducted by Benefis Hospitals. Benefis Health System, Inc. is a non-member corporation with a self-perpetuating Board of Directors. The System Corporation is the sole member of, and elects the Board of Directors of, Benefis Hospitals and Benefis Medical Group.

Benefis Medical Group is a multi-specialty group medical clinic employing physicians and mid-level practitioners practicing in both primary care and other subspecialty areas. BMG also provides administrative and business services to community physicians who desire to outsource such services associated with their practices. As of June 30, 2016, BMG employed approximately 225 practitioners.

PROJECT AND COST

Two separate bond issues are being considered. The first financing will be used to finance the expansion and renovation of Benefis’ emergency room and refund the Series 2007 Bonds which financed the construction of a new patient tower and other expansions.

The second financing, if pursued, will be an advanced refunding of the Series 2011 Bonds which were originally used to construct a medical office building and renovate and expand the assisted living and skilled nursing facilities. The timing of advanced refunding of the Series 2011 has not been determined, and will be based upon market conditions as well as using up the one advanced-refunding allowed under tax rules, but may happen within 1 year of the TEFRA hearing

Refunding of the Series 2007 and the ER	
Sources:	
Bond Proceeds	102,625,000
Bond Premium	18,024,644
Debt Service Reserve Fund Release	8,634,000
TOTAL	**$ 129,283,644**
Uses:	
Project Fund	23,313,200
Refunding	104,182,914
Costs of Issuance	1,282,813
Underwriter Discount	502,863
Additional Proceeds	1,855
TOTAL	**$ 129,283,644**

Advanced Refunding of the Series 2011 Bonds	
Sources:	
Bond Proceeds	41,815,000
Bond Premium	8,320,133
TOTAL	**$ 50,135,133**
Uses:	
Refunding Escrow	49,404,721
Costs of Issuance	522,688
Underwriter Discount	204,894
Additional Proceeds	2,831
TOTAL	**$ 50,135,133**

	Series 2007 Refunding	Series 2011 Advance Refunding
PROGRAM	Stand Alone Bond Issue	Stand Alone Bond Issue
CLOSING DATE	Est. November 2016	TBD
INTEREST RATE	Estimated at 3.25% as of August 19th	Estimated at 2.61% as of August 19th
MATURITY DATE	February 15, 2041	February 15, 2031
SECURITY	Master Note of Obligated Group	Master Note of Obligated Group

RATING Benefis Health System carries a Standard & Poor's rating of A- with a Stable Outlook as of December 2015

JOBS CREATED 20-30 jobs are expected to be created during construction

UTILIZATION

Hospital	FY 2012	FY 2013	FY 2014	FY 2015
Admissions	13,237	13,620	13,492	13,193
Patient Days	57,621	58,814	61,107	60,525
Average Length of Stay	4.4	4.3	4.5	4.6
Available Beds	361	369	369	369
Occupancy Rate	44%	44%	45%	45%
Inpatient Surgical	3,186	3,145	3,144	3,120
Outpatient Surgical	4,631	4,582	6,006	6,914
Endoscopy	5,237	4,686	4,816	5,492
Emergency Room Visits	35,949	35,234	33,876	33,382

Senior Services	FY 2012	FY 2013	FY 2014	FY 2015
Admissions	554	663	704	651
Patient Days	47,546	48,910	59,123	66,413
Average Length of Stay	85.6	73.8	83.0	102.0
Available Beds	146	217	217	217
Occupancy Rate	89%	62%	74%	84%

PAYOR MIX - HOSPITAL

	2013	2014	2015	2016
Medicare	52%	47%	48%	47%
Blue Cross/Blue Shield	10%	11%	10%	12%
Commercial	24%	22%	21%	18%
Medicaid	8%	13%	13%	19%
Self-Pay	6%	8%	7%	4%

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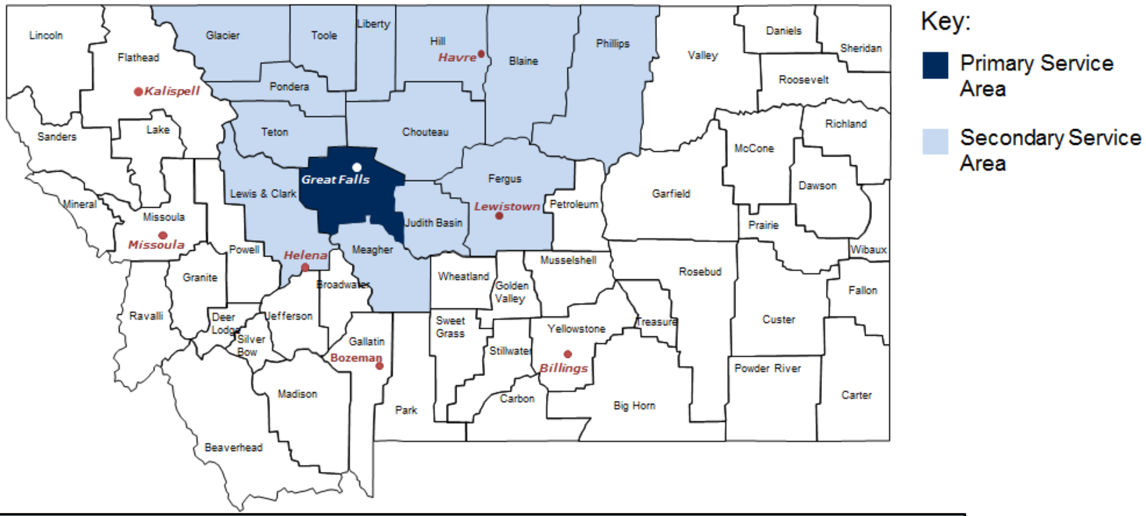
MARKET/COMPETITION

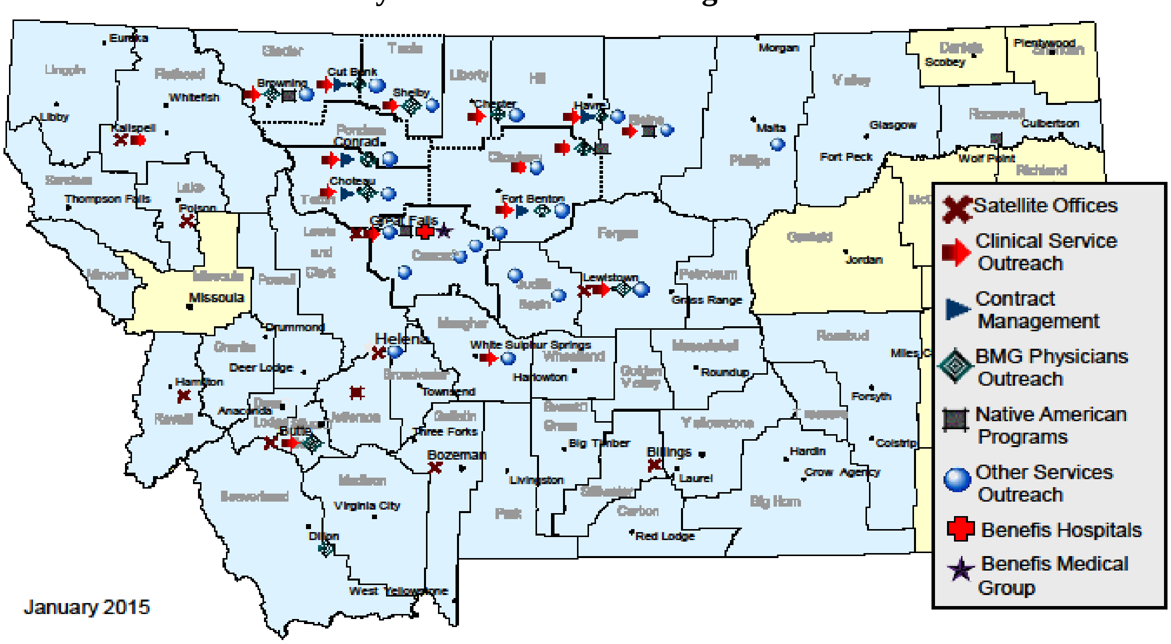
Benefis Health System provides Acute Care services to the 14 counties covering the north central part of the state of Montana. Benefis' primary and secondary service areas cover more than 40,000 square miles and serve a population of more than 230,000 people.



	2014 Population	Benefis 2014 Market Share
Primary Service Area	82,344	97.2%
Secondary Service Area	147,931	26.2%
Total	**230,275**	**54.6%**

In addition to its Acute Care services, Benefis' Spectrum Medical has a presence in 43 counties by providing hospice care, licensed/skilled home health, durable medical equipment services, home community based services and severe disabling mental illness waiver, correctional medicine, private duty, and infusion.

Benefis Health System Locations and Regional Outreach Services



GOVERNANCE

The System Corporation is governed by a self-perpetuating board of directors (the "System Board") consisting of 13 voting members, including the Chief Executive Officer of the System Corporation. Directors are elected by the System Board for three-year terms. There is no limit as to the number of successive terms that may be served by any director. At least a majority of all directors shall consist of independent persons (per IRS definition) representative of the community. The bylaws require the Chief Executive Officer to sit on the board as an ex officio voting member. The bylaws do not require any physician membership but two of the current members are physicians.

In addition to the System Board, each entity, including the Hospital Corporation, Benefis Medical Group (BMG), Benefis Spectrum Medical, Benefis Senior Services, Benefis Community Hospitals, and Benefis Health System Foundation, have their own boards. The System Corporation is the sole member of each through specific reserved powers, and has responsibility for overseeing the business and affairs of each, including but not limited to plans of merger or consolidation, amendment of articles of incorporation and bylaws, approval and amendment of operating and capital budgets, sale of real property, incurrence of indebtedness, amendment of strategic or long-term plans and determination of compensation for officers. The System Corporation also approves the overall compensation model for physicians employed by BMG. The board of directors of the Hospital Corporation is elected and may be removed by the System Corporation and consists of not less than nine nor more than 12 members, which include a representative of the System Board and the President of BMG. The board of directors of BMG is elected by the System Corporation and consists of 11 directors, which include six physicians employed by BMG, a representative of the System Board, the Chief Financial Officer of the System Corporation, the President of Benefis Acute Care Group and the President of BMG/Chief Medical Officer of the System Corporation.

EXECUTIVE MANAGEMENT TEAM

John Goodnow, Chief Executive Officer of the System Corporation, has been a hospital administrator for 40 years, at a wide range of facilities Mr. Goodnow earned a bachelor's degree in Biological Science and Administrative Health Sciences from the University of California-Davis in 1974, and a Master of Health Services Administration from the University of Michigan in 1976. He became a Fellow of the American College of Health Executives in 1987. He became CEO of Benefis Health System in 2002. Mr. Goodnow's experience ranges from community hospitals to teaching hospitals and while primarily in the not-for-profit arena, does also include some for-profit experience.

Forrest Ehlinger, Chief Financial Officer of the System Corporation, leads Benefis' financial policies, practices, and supporting activities to achieve the system's financial strategies. Mr. Ehlinger has more than 25 years of healthcare experience. Prior to joining Benefis in June 2014, he spent three years serving as the Senior Vice President and Chief Financial Officer of Harrison Medical Center in Bremerton, Washington. Prior to that time, Mr. Ehlinger worked for MultiCare Health System, a multi-hospital system in Tacoma, Washington. Prior to his service at MultiCare, he worked for Regence BlueShield and First Choice Health Network. Mr. Ehlinger received a Bachelor of Arts in Accounting from Gonzaga University and a Master of Business Administration from the University of Washington, Tacoma, and is a Certified Public Accountant.

Terry Olinger, President of Benefis Acute Care Group, has extensive health care and human resources experience. Mr. Olinger has served in a senior executive role for the past 20 years working within health systems and free-standing hospitals. Mr. Olinger earned a Bachelor's degree from Mankato State University in 1981 and a Masters of Management from the University of Mary in 1999. Mr. Olinger's career includes serving as President of the Minnesota chapter of the American Society of Human Resources Executives and also as the President for the Montana Society of Healthcare Human Resource Administrators. Mr. Olinger is board certified in health care management and is an ACHE Fellow (FACHE).

Gregory Tierney, M.D., President of Benefis Medical Group and Chief Medical Officer of the System Corporation, is a Board Certified Orthopedic Surgeon and is fellowship trained in sports medicine, having competed his medical degree at the University of Washington and his orthopedic surgery residency at the University of Michigan. He joined Benefis Medical Group in a part-time role as Chief Medical Officer in 2013. This expanded to becoming the Chief Medical Officer for the System Corporation and the President of Benefis Medical Group in 2015, while also maintaining his orthopedic surgery practice as a Benefis Medical Group employed physician.

Amy Beames, President of Benefis Senior Services, joined Benefis Health System in 2006 as the Director of Advocacy. The following year she became the Director of Community and Government Relations, and in 2008, was made the Chief Administrative Officer of External Affairs. In 2010, she left to pursue a Master of Business Administration degree at George Washington University. She rejoined the organization upon completion of her graduate program. Prior to joining Benefis, she spent six years as a staffer on Capitol Hill. She received a Bachelor of Arts degree in Political Science from Brigham Young University.

Terry Preite, President of Benefis Spectrum Medical and Regional Relationships, has worked in healthcare for over 40 years, having started her career as a social worker. Her focus has been on community programs that support patients returning home after acute care stays. She has worked for Benefis Health System since 1993 and has served as President of Benefis Spectrum Medical since 2007. Additionally, she currently leads regional relationships for Benefis, working to coordinate and improve care in rural Montana.

Louie King, President of Benefis Teton Medical Center and Missouri River Medical Center, has over 30 years of healthcare management experience, including experience in both Prospective Payment System hospitals and Critical Access Hospitals. He has a Bachelor of Science in Business Administration degree from Presbyterian College, a Master of Arts in Theological Studies from Columbia Theological Seminary, and a Master of Business Administration from Winthrop College.

HISTORICAL FINANCIALS FOR BENEFIS HEALTH SYSTEM

Audited Financials as of 12/31	2013	2014	2015
Assets			
Cash & Cash Equivalents	48,850,415	47,894,401	65,473,903
Investments	-	-	-
Receivables	66,622,828	68,511,209	74,915,274
Inventory	8,113,007	8,458,240	10,364,297
Current Assets Whose Use is Limited	10,455,797	10,298,086	9,788,159
Other Current Assets	1,865,069	1,964,365	1,968,272
Total Current Assets	**$135,907,116**	**$137,126,301**	**$162,509,905**
Fixed Assets (net of depreciation)	304,800,869	290,985,537	279,947,393
Board Designated Funds	92,332,097	121,121,276	132,214,462
Assets Held in Trust	8,892,717	8,715,829	8,833,495
Other Assets	46,873,144	52,949,166	53,550,498
Total Assets	**$588,805,943**	**$610,898,109**	**$637,055,753**
Liabilities			
Accounts Payable & Accrued Expenses	39,102,846	43,066,835	47,402,244
Current Portion of Long-Term Debt	6,387,414	6,306,681	5,796,431
Other Current Liabilities	$1,696,556	$5,722,224	$3,972,805
Total Current Liabilities	**$47,186,816**	**$55,095,740**	**$57,171,480**
Long-Term Debt (less current portion)	206,713,817	200,336,988	193,735,898
Other Long-Term Liabilities	14,167,545	18,797,523	23,806,173
Unrestricted Fund Balance	297,755,921	312,399,002	338,471,423
Restricted Fund Balance	22,981,844	24,268,856	23,870,779
Total Liabilities & Fund Balance	**$588,805,943**	**$610,898,109**	**$637,055,753**
Revenue and Expense			
Gross Patient Service Revenue	779,571,862	774,161,745	871,783,453
Deductions from Patient Service Revenue	454,859,653	430,825,243	485,844,680
Net Patient Service Revenue	324,712,209	343,336,502	385,938,773
Other Operating Revenue	30,536,210	24,534,552	26,495,832
Interest	9,624,936	10,743,291	10,294,806
Depreciation & Amortization	26,933,671	27,202,543	25,448,220
Other Operating Expenses	304,182,145	316,975,000	351,603,370
Operating Income	**$14,507,667**	**$12,950,220**	**$25,088,209**
Other Non-Operating Revenue	2,501,069	5,943,364	3,257,357
Excess of Revenue Over Expenses	**$17,008,736**	**$18,893,584**	**$28,345,566**

	2013	2014	2015	S&P A- FY 2014 Median Ratios
Days Cash on Hand	164.2	188.2	199.4	202.6
Operating Margin	4.1%	3.5%	6.1%	3.0%
Operating EBIDA Margin	14.4%	13.8%	14.7%	9.8%
Long-Term Debt to Capitalization	40.9%	39.1%	36.4%	32.6%
Maximum Annual Debt Service Coverage	3.4	3.6	4.0	4.8
Average Age of Plant (years)	10.3	11.0	12.7	10.8

*Ratios Provided by Kaufman Hall & Associates

FINANCIAL OBSERVATIONS

Assets

Benefis is in a strong financial position. Growth of current assets has outstripped growth in current liabilities. Current assets have increased by nearly 30M since FY 2013, whereas current liabilities has only grown by $10M. Benefis' days cash on hand has grown steadily since FY 2012. The unrestricted fund balance has increased by 40M in the last three years and cash and equivalents has grown by $18M.

The decrease in FY 2015 deprecation is attributed to the end of the deprecation schedule of equipment purchased during the construction of the South Tower.

Income

Benefis has consistently posted a solid net income which has allowed it to build assets. Both the operating and excess margins are strong, and exceed the S&P median ratios. FY 2014 show a drop in Deductions in Patient Revenues. This is attributed to the discontinuation of dialysis services in December of 2013 and a comprehensive review of patient receivables which reduced deduction levels in FY 2014. IN FY 2015 Gross Patient Revenues grew by over 100M due to increased patient volume and an increase in providers as well as a general 5% price increase.

Debt Service Coverage

Benefis' debt service coverage has exceeded debt covenant requirements of 1.15x and is currently at 4.20. Benefis is able to easily absorb an additional $20M in new debt, especially given the savings provided by the refunding of the Series 2007 Bonds.

INTERIM FINANCIALS

Interim financials for the Obligated Group as of June 30, 2016 (6 months) show an operating income of $9.5 million which varies from the budgeted operating income of $7.75 million. The total net income of $10.4 million also exceeds the budgeted amount of $9.5 million.

ANTICIPATED FINANCIAL CHANGES DUE TO PROJECT

The impetus for the Emergency Department expansion/renovation project is to replace a nearly 20-year-old facility that has become outdated and is seeing patient volumes in excess of its design capacity. The current space is 16,000 sq. feet and designed to deliver emergency care for 24,000 annual visits (2015 had 34,000 annual visits, including more than 1,000 air transports). The current structure is incapable of facilitating a more efficient and patient-centered care model that other Emergency Departments around the country are implementing.

The new Emergency Department is being designed and will be implemented with several key concepts in place: 1. patient-centered care; 2. highly efficient care to decrease length of stay; and 3. increased efficiency as a result of a "tiered treatment system" in which the sickest patients are provided the highest skilled and quality care, while the less acute patients are treated in the same efficiency as found within a clinic setting.

These changes will result in improvements in several major key measures:

- Door to Room
- Door to Provider
- Door to Discharge
- Door to Admission

One aspect of the construction that is key to efficiency and customer satisfaction is the relocation of the Walk-In Clinic so that it is adjacent to the Emergency Department. This allows urgent care and emergent care to remain side-by-side which results in better flow and increased patient satisfaction. This design allows the combined space to be utilized by two different departments that have two very different peak demand times throughout the 24-hour day. By sharing space, Benefis expects to reduce the overall cost of overhead by using the space most efficiently.

While advances made in Emergency Medicine will be implemented throughout the design and implementation of the new department, this also will allow for the newest technology (Point of Care Services such as Laboratory, Radiology, medication administration, documentation) to be utilized. While there will be no increase in non-provider staffing of the Emergency Department because of the decreased throughput times and efficiencies gained by the physical plant, there are several opportunities for restructuring the provider staff, especially with the relocation of the Walk-In Clinic so that physician, nurse practitioners, and physician assistants can work together to maximize patient throughput without compromising high quality urgent and emergent medical care.

PAYMENT CAPABILITIES / PRO FORMA

Based on current market conditions, a refunding of the Series 2007 Bonds would generate approximately \$13.2M in present value savings. On an average annual debt service basis, this amounts to more than \$1.5 million in debt service savings annually through 2037. A refunding of the Series 2011A Bonds is expected to generate approximately \$2.5M present value savings. On an average annual debt service basis, this amounts to more than \$200,000 in debt service savings annually through 2031. The proforma impact of the financing is shown below.

Credit Analyses

Ratio / Statistic	Fiscal Year Ended December 31, 2013 Actual	2014 Actual	2015 Actual	2015 Post Transaction[1]
Total Operating Revenue	$355.2	$367.9	$412.4	$412.4
Net Patient Service Revenue	$324.7	$343.3	$385.9	$385.9
Operating Income	$14.5	$13.0	$25.1	$27.0
Operating EBIDA	$51.1	$50.9	$60.8	$60.8
Net Income	$17.0	$18.9	$28.3	$30.3
Cash Flow (Net Inc + Depr)	$43.9	$46.1	$53.8	$55.7
Unrestricted Cash	$141.2	$169.0	$197.7	$197.7
Long-Term Debt	$206.7	$200.3	$193.7	$211.2
Capital Expenditures	$28.7	$15.8	$13.7	$13.7
Profitability				
Operating Margin	4.1%	3.5%	6.1%	6.6%
Operating EBIDA Margin	14.4%	13.8%	14.7%	14.7%
Debt Position				
MADS Coverage (x)[2]	3.4	3.6	4.0	4.2
Long-Term Debt to Capitalization	40.9%	39.1%	36.4%	38.4%
Long-Term Debt to Cash Flow (x)	4.7	4.3	3.6	3.8
Liquidity				
Cash to Long-Term Debt	68.3%	84.4%	102.0%	93.6%
Days Cash on Hand (days)	164.2	188.2	199.4	200.5
Other				
Average Age of Plant	10.3	11.0	12.7	12.7
Capital Spending Ratio	106.7%	57.9%	54.0%	54.0%

1) Post Transaction assumes $20MM in new money, matched maturtiy refunding of the Series 2007 and Series 2011A, rates as of 8/19/2016, SLGS Escrow, and 1.25% COI

2) MADS sourced from management

OUTSTANDING/PAST MFFA LOANS

Series	Original Issue	Outstanding 6/30/2016	Maturity	Project
Facilities Revenue Bond, Series 2007	$ 125,000,000	$ 101,750,000	1/1/2037	Construction of a new patient tower, remodellig of the nursing units and ICU and upgrades to the physical plant
Facilities Revenue Note, Series 2011A	$ 42,085,000	$ 41,250,000	1/1/2031	Finance construction of a Medical Office Building
Facilities Revenue Note, Series 2011B	$ 17,605,000	$ 14,265,000	6/1/2030	Finance construction of Grandview an assisted living/skilled nursing center and the renovation of the existing skilled nursing facilities
Totals	**$ 184,690,000**	**$ 157,265,000**		

FINANCE TEAM MEMBERS

Finance Team Member	Firm	Primary
Bond Counsel	Squire Patton Boggs	Todd Gibson
Underwriter	J.P. Morgan	Peter Reilly
Financial Advisor	Kaufman, Hall & Associates	Robert Turner
Trustee	Wells Fargo	Ethel Vick
Auditor	Moss Adams	Mary Wright

STRENGTHS

- Dominant market share
- Strong and stable management team
- Excellent cash position and a solid history of positive income growth
- Cash flow savings from the refunding(s) will significantly offset the debt service cost of the new money

CONCERNS

- Possibility of competition entering market due, in part, to:
  - Limited competition in the area, and
  - Affiliations, mergers and acquisitions resulting from implementation of the Affordable Care Act

RECOMMENDATION

Approval is recommended based, in part, on:

- Ability to repay debt
- A- rating from S&P
- Dominant market share
- Cash flow savings from refunding of existing debt

RESOLUTION NO. 16-13

RESOLUTION RELATING TO HOSPITAL REVENUE BONDS, SERIES 2016 (BENEFIS HEALTH SYSTEM OBLIGATED GROUP); MAKING FINDINGS WITH RESPECT TO THE SERIES 2016 BONDS, THE REFUNDED BONDS AND THE PROJECTS; AUTHORIZING AND APPROVING THE SALE AND ISSUANCE OF THE SERIES 2016 BONDS AND THEIR PAYMENT FROM AMOUNTS TO BE RECEIVED UNDER A LOAN AGREEMENT AND FROM SPECIAL FUNDS HELD UNDER A TRUST AGREEMENT; AUTHORIZING THE ASSIGNMENT TO THE TRUSTEE UNDER THE TRUST AGREEMENT OF THE LOAN PAYMENTS, THE SPECIAL FUNDS AND CERTAIN OTHER INTERESTS; AND AUTHORIZING THE SIGNING AND DELIVERY OF DOCUMENTS" (the "Resolution")

BE IT RESOLVED by the Montana Facility Finance Authority (the "Authority"), as follows:

Section 1. Recitals.

1.01. The Authority is authorized by Montana Code Annotated, Title 90, Chapter 7, Parts 1, 2 and 3, as amended (the "Act"), to issue and sell its revenue bonds and to lend the proceeds of the bonds to one or more institutions to finance, refinance or provide reimbursement for allowable costs of acquiring, constructing and equipping eligible facilities, all as defined in the Act ("Facilities"), or to refund bonds issued for such purpose. Bonds so issued are payable solely from the revenues and assets derived from the participating institutions and shall not constitute a debt, liability or obligation of the state of Montana (the "State") or a pledge of the full faith and credit of the State. The Authority is required to secure the bonds by pledging the revenues received from the participating institutions, and the bonds may be secured by mortgages, assignments and other security devices deemed advantageous by the Authority. The Authority may also secure the bonds under a trust agreement between the Authority and a corporate trustee.

1.02. Benefis Hospitals, Inc., a Montana nonprofit corporation (the "Corporation"), requested that the Authority issue revenue bonds under the Act in an aggregate principal amount of up to $180,000,000 as part of a plan of finance in one or more series (the "Series 2016 Bonds") and lend the proceeds of the Series 2016 Bonds to the Corporation to be used, with other available funds of the Corporation: (i) to finance, or to reimburse the Corporation for, allowable costs incurred in the acquisition, construction, installation, equipping and furnishing of certain improvements described in 1.03 below (the "Series 2016 Project") to the health care facilities owned and operated by the Corporation at its primary campus on 26th Street, Great Falls, Montana (the "East Campus"), the Sletten Cancer Institute on 29th Street, Great Falls, Montana (the "Sletten Cancer Institute") and the Corporations West Campus on 15th Avenue, Great Falls, Montana (the "West Campus"), (ii) to advance refund some or all of the outstanding aggregate principal amount of the Issuer's Hospital Revenue Bonds, Series 2011A (Benefis Health System Obligated Group) (the "Series 2011A Bonds") that financed certain allowable costs incurred in the acquisition, construction, installation, equipping and furnishing of certain Facilities of the Corporation more specifically described in 1.03 below (the "Series 2011A Project"), (iii) to currently refund all of the outstanding aggregate principal amount of the Issuer's Hospital Revenue Bonds, Series 2007 (Benefis Healthcare System) (the "Series 2007 Bonds" and together with the Series 2011A Bonds that are refunded, the "Refunded Bonds") that financed certain allowable costs incurred in the acquisition, construction, installation, equipping and furnishing of certain Facilities of the Corporation and refinanced obligations issued for the same purpose more specifically described in 1.03 below (the "Series 2007 Project" and together with the Series 2011A Project, the "Prior Projects and, together with the Series 2016 Project, the "Projects"), and (iv) to pay certain costs and expenses incidental to the issuance of the Series 2016 Bonds and the refunding of the Refunded Bonds. The Corporation has requested that the Authority issue the Series 2016 Bonds in one or more series of bonds bearing interest at fixed rates to be publicly sold.

1.03. (a) The Series 2016 Project consists of the renovation and expansion of the Emergency Department and the related relocation and reconfiguration of Information Technology resources, endoscopy equipment and services facilities and certain ambulatory services facilities, all located on the East Campus, as well as improvements to other Facilities of the Borrower and related equipment located at the Sletten Cancer Institute and the West Campus. The allowable costs of the Series 2016 Project may include interest on a portion of the Series 2016 Bonds prior to and during construction of the Series 2016 Project and for a period after completion of construction which is judged advisable by the Authority as provided in the Act.

(b) The Series 2011A Project consisted of (i) the construction of the first phase of a campus with facilities for the care of elderly persons ("Senior Campus"), including rehabilitation and assisted living facilities; (ii) the purchase of certain leased medical equipment, including but not limited to magnetic resonance imaging equipment and computerized axial tomography equipment; (iii) the purchase of capital equipment to be used by the Corporation's various medical departments in the provision of medical services; and (iv) the construction of a medical office building for use by the Corporation's employee physicians.

(c) The Series 2007 Project consisted of (i) the construction of the Sletten Cancer Institute and the five-story Surgery Tower; (ii) the construction of a new seven-story patient care tower; (iii) improvements to existing facilities on the East Campus, including remodeling nursing units to provide private patient rooms, renovation of the intensive care unit and expansion of laboratory facilities; (iv) acquisition and installation of medical and other equipment and furnishings, including a cyberknife, expansion of plant infrastructure to support the new patient care tower; and (v) creation of additional parking.

1.04. The following documents relating to the Series 2016 Bonds have been placed on file in the office of the Authority:

(a) a Bond Purchase Contract ("Purchase Contract") to be entered into by J.P Morgan Securities, LLC (the "Underwriter"), the Authority and the Corporation;

(b) a Loan Agreement with respect to the Series 2016 Bonds to be entered into by the Authority and the Corporation ("Loan Agreement");

(c) a Trust Agreement ("Trust Agreement") with respect to the Series 2016 Bonds to be entered into by the Authority and Wells Fargo Bank, National Association, as trustee (in such capacity, the "Trustee");

(d) an Escrow Agreement with respect to the Series 2007 Bonds to be entered into by the Authority, the Corporation and Wells Fargo Bank, National Association, as bond trustee and escrow trustee for the Series 2007 Bonds ("2007 Escrow Agreement"); and

(e) an Escrow Agreement with respect to the Series 2011A Bonds to be entered into by the Authority, the Corporation and Wells Fargo Bank, National Association, as bond trustee and escrow trustee for the Series 2011A Bonds ("2011A Escrow Agreement").

1.05. The following documents have also been provided to the Authority relating to the Series 2016 Bonds:

(a) a draft Preliminary Official Statement to be used by the Underwriter in marketing the Series 2016 Bonds (the "Preliminary Official Statement");

(b) a Master Trust Indenture dated as of April 1, 2007, as supplemented and amended from time to time pursuant to its terms, between and among Benefis Health System, Inc., the Corporation and Benefis Medical Group, as the members of the Obligated Group (collectively, the "Obligated Group"), and Wells Fargo Bank, National Association, as trustee (in such capacity, the "Master Trustee"), and a supplement to it between the Obligated Group and the Master Trustee providing for the issuance of an obligation ("the Master Obligation") to secure the payment by the Corporation of the loan payments to be made under the Loan Agreement for the Series 2016 Bonds; and

(c) a Continuing Disclosure Agreement between the Corporation and the Trustee.

Section 2. Findings. The Authority finds, determines and declares as follows:

(a) the Corporation is an "institution" and each of the Projects comprises an "eligible facility," each within the meaning of the Act;

(b) the loan of the proceeds of the Series 2016 Bonds to the Corporation under the Loan Agreement will not exceed the total allowable costs of the Series 2016 Project and amounts necessary to refund the Refunded Bonds, less other available funds, as determined by the Corporation;

(c) the payments to be made by the Corporation under the Loan Agreement are to be sufficient to pay the principal of, premium, if any, and interest on the Series 2016 Bonds when due and upon any prior redemption, to maintain reserves, if any, for the payment of principal and interest, to meet all other obligations in connection with the Loan Agreement, and to provide for costs of servicing and securing the Series 2016 Bonds and loan;

(d) each of the Projects is and is to be operated by the Corporation for the purpose of fulfilling its obligation to provide health care facilities;

(e) based solely upon information and representations provided by the Corporation, the Corporation has sufficient experience and expertise to operate each of the Projects and its other health care facilities;

(f) based solely upon information provided and representations made by the Corporation, the Series 2016 Project is financially feasible and the Corporation will have sufficient revenues to pay the principal of and any premium and interest on the Series 2016 Bonds when due;

(g) the Trust Agreement provides for the pledge to the payment of the Series 2016 Bonds of amounts payable by the Corporation under the Loan Agreement, amounts in the Special Funds held by the Trustee under the Trust Agreement, and any amounts derived under the Master Obligation;

(h) based solely on information provided and representations made by the Corporation, the Series 2016 Project does not require approval under Montana Code Annotated, Title 50, Chapter 5, Part 3, as amended; and

(i) based solely on information provided and representations made by the Corporation, including the reports or surveys on file with the Corporation by the Department of Public Health and Human Services and the Occupational Safety and Health Agency, the construction of the Series 2016 Project does not significantly affect the quality of the human environment, within the meaning of Montana Code Annotated, Section 75-1-201(1)(b)(iii).

The foregoing findings and determinations are made pursuant to the Act and are not made for the benefit of, and may not be relied upon by, the Underwriter or the owners from time to time of the Series 2016 Bonds.

Section 3. Approval and Authorizations.

3.01. The financing and refinancing of the Series 2016 Project and the refunding of the Refunded Bonds is approved, and the Authority is authorized and shall proceed to issue the Series 2016 Bonds for such purpose in the aggregate principal amount up to, but not to exceed, $180,000,000. The Series 2016 Bonds shall be entitled “Montana Facility Finance Authority, Hospital Revenue Bonds, Series 2016 (Benefis Health System Obligated Group).”

3.02. The Authority authorizes and directs any one or more of the Executive Director, the Associate Director, the Chair or any other member of the Authority to negotiate the sale of the Series 2016 Bonds to the Underwriter to accomplish the financing and refinancing of the Series 2016 Project and the refunding of the Refunded Bonds. The Series 2016 Bonds shall be sold under the terms and conditions of the Purchase Contract approved pursuant to Section 3.03 hereof; provided that the sale date of the Series 2016 Bonds shall be no later than the 90th calendar day following the date of adoption of this Resolution. The Series 2016 Bonds shall be in the aggregate principal amount, mature on such dates, bear interest at such rates per annum, be subject to redemption, and be sold at such purchase price as are set forth in the Purchase Contract; provided that:

(a) The total aggregate principal amount of the Series 2016 Bonds shall not exceed $180,000,000 (exclusive of any portion representing original issue discount);

(b) The true interest cost for the Series 2016 Bonds shall not exceed an aggregate weighted average interest rate of four and twenty-five hundredths per cent (4.25%); and

(c) The final maturity of the Series 2016 Bonds shall not exceed 35 years from the date of their issuance.

3.03. Any one of the Executive Director, the Associate Director, the Chair, or any other member of the Authority is authorized to approve in the name and on behalf of the Authority the final forms of the Purchase Contract, the Loan Agreement, the Trust Agreement, the 2007 Escrow Agreement and the 2011A Escrow Agreement. Any one of the Executive Director, the Associate Director, the Chair or any other member of the Authority is authorized to sign and deliver the Purchase Contract, the Loan Agreement, the Trust Agreement, the 2007 Escrow Agreement, the 2011A Escrow Agreement and such other agreements, certificates and documents to be signed and delivered by the Authority in connection with the issuance of the Series 2016 Bonds, including an agreement concerning federal tax matters setting forth the reasonable expectations of the Authority regarding the amount and use of the proceeds of the Series 2016 Bonds and other facts and circumstances relevant to the treatment of the interest on the Series 2016 Bonds under federal tax laws. The approval of the final forms of the Purchase Contract, the Loan Agreement, the Trust Agreement, the 2007 Escrow Agreement, the 2011A Escrow Agreement and those other documents shall be conclusively evidenced by the signing and delivery of those documents by the Executive Director or the Associate Director or the Chair or any other member of the Authority.

3.04. The Chair or any one or more other members of the Authority and the Executive Director or the Associate Director are authorized to prepare and sign the Series 2016 Bonds as prescribed in the Trust Agreement and deliver them to the Trustee, together with a certified copy of this resolution and the other documents required by the Trust Agreement and the Purchase Contract for authentication of the Series 2016 Bonds by the Trustee and delivery by the Trustee of the Series 2016 Bonds to the Underwriter.

3.05. The Executive Director and the Associate Director each is authorized and directed to cooperate with the Corporation, the Underwriter and each of their counsel in the preparation of the Preliminary Official Statement and a final official statement (the "Official Statement") to be distributed to prospective purchasers of the Series 2016 Bonds; provided, however, that the Authority takes no responsibility for, and makes no representations or warranties as to, the accuracy, completeness or sufficiency of the information in the Preliminary Official Statement or the Official Statement, except as to matters relating to the Authority. The Executive Director, the Associate Director, the Chair, or any other member of the Authority is authorized on behalf of the Authority to certify that the Preliminary Official Statement is deemed final as of its date except for the omission of the information identified in Rule 15c2-12(b)(1) promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

3.06. The Executive Director, the Associate Director, the Chair, or any other member of the Authority, is authorized and directed to prepare and furnish to the Underwriter and to bond counsel, when the Series 2016 Bonds are issued, certified copies of all proceedings and records of the Authority relating to the Series 2016 Bonds, and such other affidavits, certificates and documents as may be required to show the facts relating to the legality and marketability of the Series 2016 Bonds as such facts appear from the books and records in the officers' custody and control or as otherwise known to them, or as maybe necessary or desirable to accomplish the issuance and sale of the Series 2016 Bonds, and all such certified copies, certificates, affidavits and documents, shall constitute representations of the Authority as to the truth of all statements of fact contained therein.

Section 4. Limited Liability of Authority and State. The Series 2016 Bonds and the Authority's obligations under the Loan Agreement, the Trust Agreement and the Purchase Contract shall be special, limited obligations of the Authority payable solely from and secured by the payments required to be made by the Corporation (except to the extent payable from the proceeds of the Series 2016 Bonds) and will not constitute or give rise to a pecuniary liability of the Authority or a charge against the general credit or taxing powers of the State.

Section 5. Commitment Conditional. The Authority retains the right in its sole and absolute discretion to withdraw from participation and accordingly not issue the Series 2016 Bonds should the Authority at any time prior to the signing and delivery of the Purchase Contract by the Authority determine that it is in the best interests of the Authority not to issue the Series 2016 Bonds or should the parties to the transaction be unable to reach agreement as to the terms and conditions of any of the documents required for the financing.

Section 6. Public Hearing. As required by Section 147(f) of the Internal Revenue Code of 1986, as amended, (the "Code"), the Authority will conduct a public hearing concerning the Series 2016 Project and the issuance of the Series 2016 Bonds. The Executive Director and the Associate Director each is authorized and directed to set the time and location of such public hearing and to provide for published notice thereof in *The Great Falls Tribune* and in the *Independent Record*. The Executive Director and the Associate Director each is authorized and directed to conduct that hearing at the time and place specified in the published notice and to provide minutes of that public hearing to the Corporation and to bond counsel.

Section 7. Approval of Governor. The Executive Director and the Associate Director is authorized and directed to forward to the Governor of the State a certified copy of this resolution and the minutes of the public hearing described in Section 6 and to request on behalf of the Authority that he approve the issuance of the Series 2016 Bonds for the purposes contemplated by this resolution as required by Section 147(f) of the Code.

Section 8. Authority Fees. As authorized by Section 90-7-211 of the Act, the Authority may assess certain initial planning service fees and annual planning service fees. The Authority determines that the initial planning service fee for the Series 2016 Bonds shall be determined in accordance with current policy and is currently estimated to be the greater of $75,000 or six and one-half basis points (0.065%) times the original aggregate principal amount of the Series 2016 Bonds, and the annual planning service fee for the Series 2016 Bonds shall be five basis points (0.05%) times the then outstanding principal amount of the Series 2016 Bonds, unless and until changed by the Authority. No holder of the Series 2016 Bonds or any other bonds of the Authority outstanding from time to time shall have any interest in such funds or any right, by contract or otherwise, to direct the application of such funds to the payment or security of such bonds.

PASSED AND APPROVED BY THE MONTANA FACILITY FINANCE AUTHORITY this 12th day of September, 2016.

____
Jon Marchi, Chair

MONTANA FACILITY FINANCE AUTHORITY
Board Meeting
July 18, 2016

Red Lion Ridgewater Inn and Suites
209 Ridgewater Drive, Polson, Montana
July 18, 2016
9:30 A.M.

MINUTES

BOARD MEMBERS PRESENT:	Jon Marchi Bill Kearns Dick King Joe Quilici Kim Rickard Matt Thiel
BOARD MEMBERS ABSENT:	Larry Putnam (excused)
STAFF PRESENT:	Michelle Barstad, Executive Director Adam Gill, Associate Director Linda Wendling, Financial Specialist
GUESTS:	Randy Nightengale, Regional CFO, Kalispell Regional Healthcare System ("KRHS") (via phone) Bob Murdo, Bond Counsel, Jackson, Murdo & Grant Dennis Beams, Bond Purchaser, Glacier Bank Kreg Jones, Placement Agent, DA Davidson (via phone) Erin McCrady, Bond Counsel, Dorsey & Whitney (via phone)

CALL TO ORDER

Chairman Marchi called the July 18, 2016 board meeting of the Montana Facility Finance Authority (the "Authority") to order at 9:35 A.M. The meeting convened with six members of the Board present.

PUBLIC COMMENT

The meeting was opened for public comment. *No comments were received.*

FINANCINGS

Executive Director, Michelle Barstad provided information on the following financings for board deliberation:

North Valley Hospital

Ms. Barstad introduced Randy Nightengale, Regional CFO, Kalispell Regional Healthcare System and Dennis Beam, Bond Purchaser, Glacier Bank. Associate Director, Adam Gill described the financing; a refunding of the North Valley Hospital (Whitefish) Revenue Bonds Series 2012 and 2014. The May 1, 2016 affiliation agreement with KRHS will allow the Hospital to access credit on improved terms, specifically, a reduced rate and extended maturity for these obligations. The refunding is on the same credit terms as Kalispell Regional Medical Center and will be a Stand-Alone private placement to Glacier Bank. The refinancing results in a reduction in annual debt services of over $625,000.

Mr. Beams indicated that Glacier Bank has participation partners on the existing obligation and the refundings will be participated after closing to these same banks.

Ms. Barstad indicated that the extended term required a public hearing, which was held, as well as Governor's approval. Bond Counsel, Murdo, described the changes to the Resolution which was provided to the Members.

Member Quilici moved for adoption of Resolution 16-08. Member Thiel seconded the motion which passed unanimously.

Marias Medical Center

Mr. Nightengale described this request as a bond issue which will refund the 2005A Master Loan Program bonds to lower the interest rate. He provided an overview on the issues Marias has faced over the past several years, the value of its master services agreement with KRHS and the transfer of its nursing home management to EmpRes in January, 2016 which has reduced expenses and increased both operating revenue and Medicaid reimbursements.

Chairman Marchi asked how MFFA is protected.

Bond Counsel, Erin McCrady, indicated Montana law allows Toole County to issue bonds to levy taxes to repay the loan. The county has almost always used this to pay the debt instead of the hospital repaying the obligation from operating expenses.

Placement Agent, Kreg Jones, said the Board of Investments is exposed in the current obligation as well as in the refunded obligation, but risk is lowered due to the reduced debt service payments.

Member Kearns moved for adoption of Resolution 16-09. Member Theil seconded the motion which passed unanimously.

GENERAL ADMINISTRATIVE

Minutes

Member Rickard moved approval of the meeting minutes for May 24, 2016. Member King seconded the motion which passed unanimously.

Accounting

Ms. Barstad presented the Budget-vs-Actual results. Mr. Gill presented the chart showing FY 2016 budgeted and received revenues from annual service fees in addition to projected FY 2017 annual fees.

Mr. Gill presented the Staff Approved Loans noting that although there were none during the period, discussions are underway with several clients.

Potential Financings
Ms. Barstad discussed potential financings coming in the calendar year and the anticipated dates of those financings.

Ms. Barstad provided an update on Gateway Community Services indicating that the process to transfer the property and enter into a new promissory note has been finalized.

CALENDAR

BOARD MEETINGS	**CONVENTIONS**
September 20 Board Meeting in Helena	
	September 27 (travel) NAHEFFA Chicago, convention 28 - 29 (Jon, Dick, Larry and Michelle)
	September 28-29 MHA Billings (Adam)
December 5 – Dinner in Helena	
December 6 – Meeting in Helena	

ADJOURN

Chairman Marchi adjourned the meeting at 12:15 P.M.

APPROVE: ___________________________ Jon Marchi, Chairman

ATTEST: ____________________________ Michelle Barstad, Executive Director

APPROVAL DATE: _________________

MONTANA FACILITY FINANCE AUTHORITY
DEPARTMENT OF COMMERCE
A COMPONENT UNIT OF THE STATE OF MONTANA
STATEMENT OF NET POSITION - ENTERPRISE FUND
JUNE 30, 2016 AND 2015

ASSETS:		***2016***		***2015***
Current Assets:				
Cash & Cash Equivalents (Note 2)	$	3,421,804	$	3,812,104
Interest Receivable		1,509		607
Accounts Receivable (Note ?)		234,663		235,021
Short Term Notes Receivable (Note 4)		420,628		247,909
Securities Lending Collateral (Note 2)		14,287		8,884
Payroll Advance		0		458
Prepaid Expenses		2,495		855
Total Current Assets		4,095,386		4,305,838
Noncurrent Assets:				
Long Term Notes Receivable (Note 4)		1,172,811		586,024
Investments		0		32,993
Capital Assets (Note 1)		0		27,841
Total NonCurrent Assets		1,172,811		646,858
Pension Deferred Outflows (Note ?)		19,730		12,095
Total Assets and Deferred Outflows of Resources	$	5,287,927		4,964,791
LIABILITIES:				
Liabilities:				
Current Liabilities:				
Accounts Payable	$	21,632	$	15,215
Due to Primary Government		32,000		5,000
Secuities Lending Liability (Note 2)		14,287		8,884
Current Portion of LT Payables		0		0
Compensated Absences		16,810		14,026
Total Current Liabilities	$	84,729	$	43,125
Noncurrent Liabilities:				
Compensated Absences		31,728		33,966
Net Pension Liability (Note ?)		156,463		129,848
Loan Loss Contingency (Note 8)		0		0
OPEB Implicit Rate Subsidy (Note 6)		41,160		39,275
Total Noncurrent Liabilities		229,351		203,089
Total Liabilities		314,080		246,214
Pension Deferred Inflows (Note ?)		11,526		33,551
Net Position				
Net Investment in Capital Assets	$	0	$	27,841
Total Unrestricted Net Position		4,962,321		4,657,185
Total Net Position (Note 7)	$	4,962,321	$	4,685,026
Total Net Position and Liabilitites	$	5,287,927	$	4,964,791

The accompanying notes to the financial statements are an integral part of this statement.

MONTANA FACILITY FINANCE AUTHORITY
DEPARTMENT OF COMMERCE
A COMPONENT UNIT OF THE STATE OF MONTANA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
ENTERPRISE FUND
FOR FISCAL YEARS ENDED JUNE 30, 2016 AND 2015

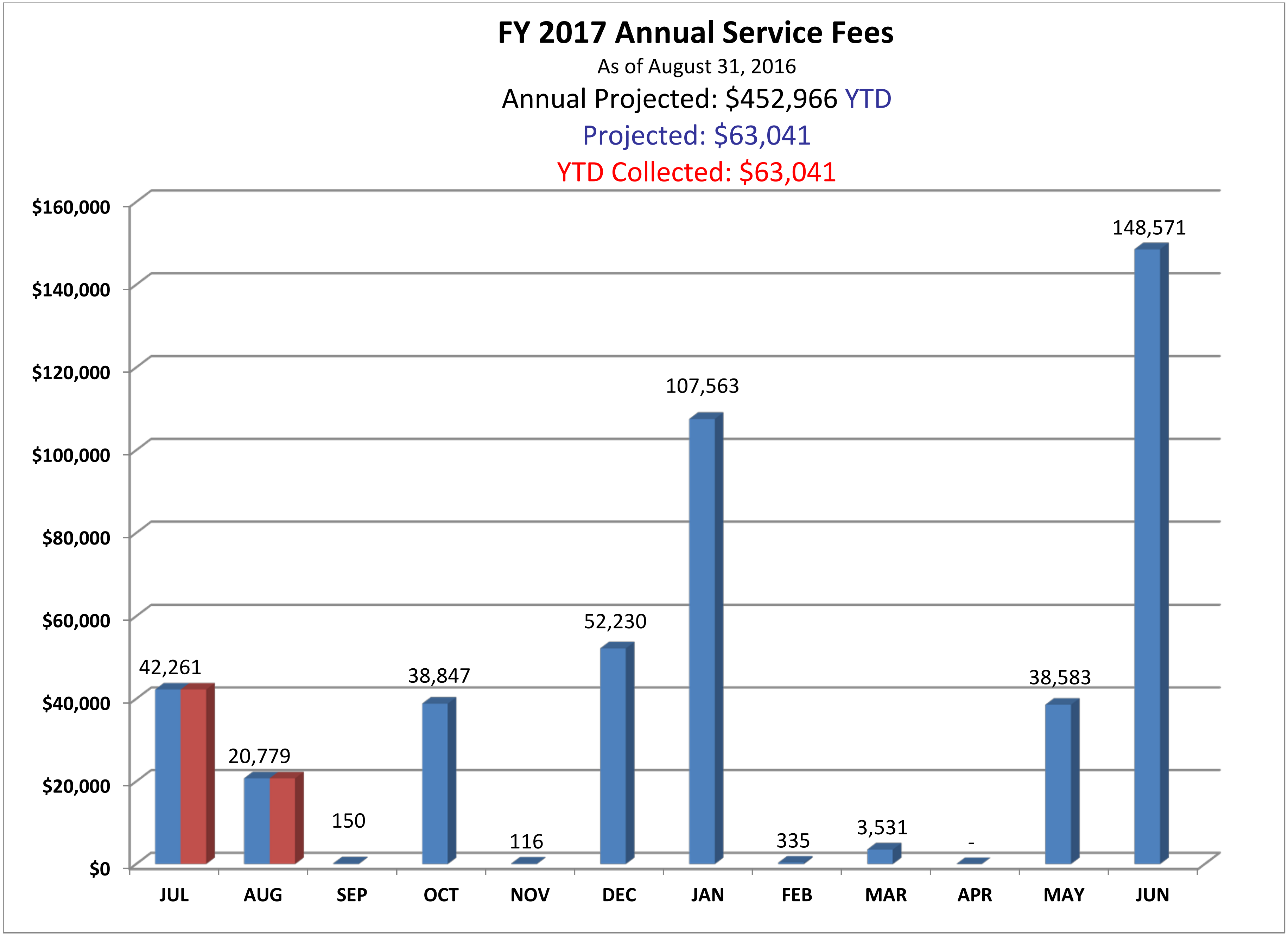
		2016		*2015*
OPERATING REVENUES:				
Service Fees	$	609,295	$	890,057
Total Operating Revenues	$	609,295	$	890,057
OPERATING EXPENSES:				
Personal Services	$	204,769	$	193,512
Contracted Services		27,507		28,126
Supplies and Materials		5,106		6,735
Communications		4,651		5,158
Benefits		2,508		13,229
Depreciation		1,098		1,198
Travel		18,989		23,611
Rent		25,508		23,153
Repairs and Maintenance		8,274		8,999
Other Expenses		45,787		43,212
Securities Lending Expense		26		2
Pension Expense		13,816		0
Grants		0		0
Claims		0		0
Componenet Unit Expense to Primary Governmen		33,981		29,607
Total Operating Expenses	$	392,020	$	376,541
Operating Income	$	217,274	$	513,516
NON OPERATING REVENUES (EXPENSES)				
Gain on Sale of Asset		5,257		
NonER Pension Revenue		4,137		3,509
Investment Earnings		50,660		38,292
Change in Net Position	$	277,329	$	555,317
Net Position Beginning of Period	$	4,684,992	$	4,286,553
Prior Period Adjustment (Note ?)		0		(156,878)
Total Net Position End of Period	$	4,962,321	$	4,684,992

The accompanying notes to the financial statements are an integral part of this statement.

Montana Facility Finance Authority
Budget v. Actual Expenses
08/31/16
16% Expended

Legislative Budget	Category	Year to Date Budget	Actual	$ Variance	% Variance
$555,000	**A) INCOME**	**$78,874**	**104,392**	25,518	32%
50,000	Application Fees	8,333	30,761	22,428	269%
460,000	Annual Fees	63,040	64,831	1,790	3%
45,000	Investment Income	7,500	8,800	1,300	17%
$275,977	**B) PERSONAL SERVICES EXPENSE**	**$45,996**	**35,337**	(10,659)	-23%
269,677	Salaries & benefits	44,946	34,337	(10,609)	
6,300	Board Per Diem	1,050	1,000	(50)	
$169,490	**C) OPERATING EXPENSES**	**$28,248**	**13,394**	(14,854)	-53%
30,634	Contracted & Other Services	5,106	453	(4,653)	-91%
	Misc. Other Services		327		
	Legal Services		126		
	Legislative Audit		0		
	ITSD		0		
3,489	Supplies/Materials/Equipment	582	183	(399)	-69%
7,792	Communications	1,299	328	(971)	-75%
19,283	Travel	3,214	5,133	1,919	60%
25,997	Rent	4,333	0	(4,333)	-100%
	Building Rent		0		
	Other Rent		0		
8,988	Repairs & Maintenance (& condo fees)	1,498	24	(1,474)	-98%
53,532	Miscellaneous	8,922	6,334	(2,588)	-29%
	Commerce Department Services		868		
	Administration (statewide) Indirect Costs		0		
	Education		0		
	Other Miscellaneous		5,466		
0	Equipment	0	0		
19,775	BOI Administrative Support	3,296	939	(2,357)	-72%
$109,533	**REVENUES IN EXCESS OF EXPENSES (A-B-C)**	**4,629**	**55,660**	51,031	1102%
60,000	Grants-Obligated/Paid	0	0		
	Current Year Increase in Net Assets		55,660		
$49,533	Prior Period Adjustments				
	INCREASE (DECREASE) IN NET ASSETS		55,660		

* Income presented on CASH basis. GAAP accrual accounting would reflect approximately $16,382.40 less income annually, or 3.48%


FY 2017 Annual Service Fees
As of August 31, 2016
Annual Projected: $452,966 YTD
Projected: $63,041
YTD Collected: $63,041
$160,000
$140,000
$120,000
$100,000
$80,000
$60,000
$40,000
$20,000
$0
42,261
20,779
150
38,847
116
52,230
107,563
335
3,531
-
38,583
148,571
JUL
AUG
SEP
OCT
NOV
DEC
JAN
FEB
MAR
APR
MAY
JUN

2016

OCTOBER

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23/30	24/31	25	26	27	28	29

NOVEMBER

S	M	T	W	T	F	S
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6	7	8	9	10	11	12
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20	21	22	23	24	25	26
27	28	29	30			

DECEMBER

S	M	T	W	T	F	S
				1	2	3
4	BOARD DNNR	BOARD MTING	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

2017

JANURARY

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

FEBRUARY

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
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19	20	21	22	23	24	25
26	27	28				

MARCH

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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

APRIL

S	M	T	W	T	F	S
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16	17	18	19	20	21	22
23/30	24	25	26	27	28	29

MAY

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

JUNE

S	M	T	W	T	F	S
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4	5	6	7	8	9	10
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18	19	20	21	22	23	24
25	26	27	28	29	30	

JULY

S	M	T	W	T	F	S
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9	10	11	12	13	14	15
16	17	18	19	20	21	22
23/30	24/31	25	26	27	28	29

AUGUST

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

SEPTEMBER

S	M	T	W	T	F	S
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3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

HOLIDAYS AND OBSERVANCES

1-Jan	New Year's Day	4-Jul	Independence Day	11-Nov	Veterans Day
18-Jan	MLK Day	5-Sep	Labor Day	24-Nov	Thanksgiving Day
15-Feb	Presidents' Day	10-Oct	Columbus Day	26-Dec	Christmas Day Ob.
30-May	Memorial Day	8-Nov	Election Day		

CONFERENCES - 2016

Sep 29-30	Montana Hospital Assoc	Apr 3-5, 2017	NAHEFFA Alexandria, VA
Sep 29-30	NAHEFFA Chicago, IL		