ILLINOIS FINANCE AUTHORITY

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Date: May 24, 2016

To:

Rob Funderburg, Chair	Lerry Knox
Eric Anderberg	Lyle McCoy
Gila J. Bronner	Terrence M. O'Brien
James J. Fuentes	Roger Poole
Michael W. Goetz	Mordecai Tessler
Robert Horne	John Yonover
Mayor Arlene A. Juracek	Bradley A. Zeller

Subject: ***Executive Director's Message: <u>Special Meeting</u>***

Dear Member of the Authority:

Since the Authority regularly meets on the second Thursday of every month, Special Authority Meetings are rare. There are, however, situations where our borrowers require action by the Authority outside of the regular schedule.

On May 20, 2016, pursuant to Article IV, Section 3 of the Authority's By-Laws, our Chair, Rob Funderburg, called a Special Meeting of the Authority to consider an immediate request by Presence Health Network ("Presence") to approve a large tax-exempt bridge conduit financing to refund its outstanding bank-held debt.

Presence, a mission-driven not-for-profit organization, plays a large and vital role in the delivery of healthcare services to the people of Illinois. Presence is the largest Catholic health system based in Illinois. Importantly, for the quality of life in our State, Presence is the both largest provider of Medicaid-funded health services and the largest provider of behavioral health services in Illinois.

We are fortunate to have informed and committed volunteer Authority members. I am personally grateful to all of you that a quorum was available at such short notice.

As always, I look forward to continuing to work with you in support of jobs and financing capital expansion projects throughout our state.

Respectfully,

____
Christopher B. Meister
Executive Director

CONDUIT

May 24, 2016

$530,000,000
Presence Health Network

REQUEST	**Purpose**: Bond proceeds will be used by **Presence Health Network** (“**Presence**” or the “**Borrower**”) to (i) refund all or a portion of the outstanding Series 2013A-F bonds in addition to taxable term loans with both Bank of America, N.A. and PNC Bank, N.A., and (ii) pay costs of issuance. **Program**: Conduit 501(c)(3) Revenue Bonds. **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution *(One-time consideration)*
MATERIAL CHANGES	None. This is the first time this financing has been presented to the IFA Board of Directors
JOB DATA	20,000 Current employees N/A New jobs projected N/A Retained jobs N/A Construction jobs projected *Note: “current employees” from Chicago Tribune article as of March 17, 2016*
DESCRIPTION	● Location – Multiple locations in Chicago and the Northeast Region (see “Service Area”) ● On November 1, 2011, Provena Health and Resurrection Health Care consolidated to form Presence Health, the largest Catholic health system in the State of Illinois. Presence Health operates 11 acute care hospitals and 27 senior care facilities. ● Presence Health is sponsored by the Franciscan Sisters of the Sacred Heart, the Servants of the Holy Heart of Mary, the Sisters of the Holy Family of Nazareth, the Sisters of Mercy of the Americas and the Sisters of the Resurrection.
CREDIT INDICATORS	● Ratings of Presence Health are ‘Baa2’, ‘BBB-’, and ‘BBB’ (Moody’s/S&P/Fitch). ● The plan of finance contemplates the issuance of one or more tax-exempt and/or taxable series of bonds that will be purchased directly by J.P. Morgan Securities LLC. The 2016 Bonds are expected to have a variable rate of interest tied to SIFMA and/or LIBOR and will be held by J.P. Morgan Securities LLC for an initial period for up to 18 months. Within that 18 month period, Presence intends to convert or refund these Bonds into a longer term financing.
SECURITY	● The Bonds will be secured by a note issued pursuant to Presence Health Network’s Amended and Restated MTI dated May 1, 2013.
MATURITY	● Bonds will have a final maturity no later than September 1, 2046 and will have a mandatory tender expected to be on or around December 2017.
SOURCES AND USES	**Sources:** IFA Bonds $530,000,000 **Uses:** Refunding/Refinancing and Cost of Issuance $530,000,000 **Total** **$530,000,000** **Total** **$530,000,000**
RECOMMENDATION	Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 24, 2016

Project: Presence Health Network

STATISTICS

Project Number:	12343	Amount:	$530,000,000 (not-to-exceed)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Pam Lenane and Tammy Harter
Locations:	See "Service Area" below	County/Region:	United States

BOARD ACTION

Final Bond Resolution (One-time consideration)	
Conduit 501(c)(3) Revenue Bonds	No IFA funds at risk
Credit Review Committee recommends approval	No extraordinary conditions

VOTING RECORD

This is the first time this Project is being presented to the Board.

PURPOSE

Bond proceeds will be used by **Presence Health Network** ("**Presence**" or the "**Borrower**") to (i) refund all or a portion of the outstanding Series 2013A-F bonds in addition to taxable term loans with both Bank of America, N.A. and PNC Bank, N.A., and (ii) pay costs of issuance.

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are a form of municipal bonds that 501(c)(3) corporations can use to finance capital projects that will be used to further their charitable mission. IFA's issuance will convey federal tax-exempt status on interest paid to bondholders, thereby reducing the Borrower's interest expense. The Borrower is also considering issuing all or a portion as taxable bonds.

VOLUME CAP

501(c)(3) Bonds do not require Volume Cap.

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		**Uses:**	
IFA Bonds	$530,000,000	Refunding/Refinancing and Cost of Issuance	$530,000,000
Total	**$530,000,000**	**Total**	**$530,000,000**

JOBS

Current employment:	20,000 employees	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	N/A

Note: "current employees" from Chicago Tribune article as of March 17, 2016

FINANCING SUMMARY

Security:	The Bonds will be secured by a note issued pursuant to Presence Health Network's Amended and Restated MTI dated May 1, 2013.
Structure:	The plan of finance contemplates the issuance of one or more tax-exempt and/or taxable series of Bonds that will be purchased directly by J.P. Morgan Securities LLC. The 2016 Bonds are expected to have a variable rate of interest tied to SIFMA and/or LIBOR and will be held by J.P. Morgan Securities LLC for an initial period for up to 18 months. Within that 18 month period, Presence intends to convert or refund these Bonds into a longer term financing.
Interest Rate:	To be determined based on market conditions at closing.
Interest Rate Modes:	Variable Rate Direct
Underlying Ratings:	'Baa2' (on review for downgrade) / 'BBB-' (CreditWatch negative) /, and 'BBB' (Rating Watch Negative) (Moody's/S&P/Fitch)
Maturity:	Bonds will have a final maturity no later than September 1, 2046 and will have a mandatory tender expected to be on or around December 2017.
Estimated Closing Date:	May 25, 2016

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

See attached.

BUSINESS SUMMARY

Background:	Presence Health Network is the largest Catholic healthcare network in the State of Illinois, comprising 11 hospitals, 27 long-term care and senior residential facilities, and more than 150 total locations around the State. The combined health system has hospital operations throughout Chicago, as well as in Des Plaines, Evanston, Aurora, Elgin, Joliet, Kankakee, Urbana and Danville. Presence Health Network is currently the largest provider of Medicaid services and behavioral healthcare services in Illinois.
Key Components of Operating Loss:	A new Presence Health leadership team started in 4Q 2015 and began a thorough review of its financials, resulting in several accounting adjustments. This led to a $185MM operating loss for FY2015, key components of which include: $96MM in Accounts Receivable & Contractuals, $44MM in Medical Malpractice, and $26MM in Other Balance Sheet Adjustments. Reasons for the adjustments include a change in reserve methodology, prior year adjustments, write-offs. Due to the dollar amount of these adjustments, Presence Health has breached or will breach certain financial and reporting covenants in its various lending agreements. It is important to note these are "technical defaults" – Presence has approximately $900 million in cash and investments and has made all scheduled principal and interest payments.
Key Initiatives:	Management has identified performance improvement opportunities in excess of $180M per year over a two year period with a total of $50-90M in Revenue Cycle, $30-40M in Strategic Pricing, $30-40M in Supply Chain, $50-70M in Labor and $10-15M in Other Initiatives. Presence is in the process of implementing these expeditiously with the assistance of several external resources, including Crowe Horwath, Huron Healthcare and Xtend Healthcare.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Presence Health Network
Site Address:	Presence Health Network, 200 South Wacker Drive, Chicago, IL 60606
Contact:	Michael Englehart, Chief Executive Officer
Website:	www.presencehealth.org
Project name:	Presence Health Network, Series 2016
Organization:	501(c)(3) Not-for-Profit Corporation
State:	Illinois
Board:	The 2016 Board Members of Presence Health are listed below:

Name	Title
Victor Orler	Board Chair
Haven Cockerham	Board Vice Chair
Michael Englehart	Member
James Gravell	Member
Bruce Hamory, MD, FACP	Member
Mark Hanson, Esq.	Member
Thomas Huberty, MD	Member
Sister Patricia Koschalke, CSFN	Member
Marsha Ladenburger	Member
Laurie Lafontaine	Member
Sister Terry Maltby, RSM	Member
Susan McDonough	Member
Thomas Settles	Member
Sister Mary Shinnick, OSF	Member
Guy Wiebking	Member
James Winikates	Member

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Nixon Peabody	Chicago, IL	Julie Seymour
Financial Advisor:	Kaufman Hall	Chicago, IL	Jim Blake
Bond Counsel	Chapman and Cutler LLP	Chicago, IL	David Kates
Auditor:	KPMG	Chicago, IL	Charles Klescewski
Purchaser/Underwriter(s):	J.P. Morgan Securities LLC	Chicago, IL	Meghan O'Keefe
Purchaser/Underwriter:	Orrick, Herrington & Sutcliffe	Sacramento, CA	John Myers
IFA Counsel:	Schiff Hardin, LLP	Chicago, IL	Bruce Weisenthal
IFA's Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Phoebe S. Selden

LEGISLATIVE DISTRICTS

Congressional:	2, 4, 5, 6, 7, 9, 10, 11, 13, 15, 16, 17
State Senate:	2, 5, 6, 9, 10, 22, 25, 28, 40, 43, 49, 51, 52
State House:	4, 5, 9, 10, 12, 17, 18, 19, 20, 39, 43, 55, 67, 79, 83, 84, 85, 86, 89, 98, 103, 104

SERVICE AREA

Presence Health Network has hospitals throughout Chicago, as well as in Des Plaines, Evanston, Aurora, Elgin, Joliet, Kankakee, Urbana and Danville.

EXISTING CAPITAL STRUCTURE SUMMARY

Series	Par ($000s)	Mode	Credit Support/ Bond Purchaser	Credit Renewal	Interest Formula	Weighted Average Life (yrs)	Final Maturity	Call Date	Call Price
1999A	$79,575	Fixed Rate	Assured Guaranty	n/a	5.09%	7.0	5/15/2029	5/15/2018	100%
1999B	$79,575	Fixed Rate	Assured Guaranty	n/a	5.01%	7.0	5/15/2029	5/15/2018	100%
2009	$51,915	Fixed Rate	None	n/a	6.09%	6.6	5/15/2025	5/15/2019	100%
2009A	$200,000	Fixed Rate	None	n/a	7.75%	15.7	8/15/2034	8/15/2019	100%
2010A	$86,835	Fixed Rate	None	n/a	5.98%	7.2	5/1/2028	5/1/2020	100%
2013A	$57,795	Bank DP	Fifth Third	9/1/2020	% LIBOR + Spread	14.4	2/15/2035	Any IPD	100%
2013B	$48,835	Bank DP	Compass	9/1/2020	% LIBOR + Spread	23.0	2/15/2044	Any IPD	100%
2013C	$53,550	Bank DP	BMO Harris	9/1/2021	% LIBOR + Spread	21.6	2/15/2045	Any IPD	100%
2013D	$38,050	Bank DP	BofA	9/1/2021	% LIBOR + Spread	21.2	2/1/2045	Any IPD	100%
2013E	$114,510	Bank DP	JPMorgan	9/3/2018	% LIBOR + Spread	14.0	2/15/2035	Any IPD	100%
2013F	$39,940	Bank DP	JPMorgan	9/3/2018	% LIBOR + Spread	23.0	2/15/2044	Any IPD	100%
Term Loan	$92,171	Term Loan	BofA	12/15/2023	LIBOR + Spread	6.9	12/15/2023	Any IPD	100%
Term Loan	$77,540	Term Loan	PNC	n/a	3.186%	4.3	11/15/2023	Any IPD	Make Whole
	$1,020,291					**12.4**			

RESOLUTION 2016-0524-HC01

RESOLUTION PROVIDING FOR THE ISSUANCE BY THE ILLINOIS FINANCE AUTHORITY OF NOT TO EXCEED $530,000,000 AGGREGATE PRINCIPAL AMOUNT OF ILLINOIS FINANCE AUTHORITY REVENUE REFUNDING BONDS, SERIES 2016 (PRESENCE HEALTH NETWORK), FOR THE BENEFIT OF PRESENCE HEALTH NETWORK, IN ONE OR MORE SERIES, AND AUTHORIZING THE SALE THEREOF; AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE BOND TRUST INDENTURES, ONE OR MORE LOAN AGREEMENTS, ONE OR MORE BOND PURCHASE CONTRACTS AND RELATED DOCUMENTS; AND AUTHORIZING AND APPROVING RELATED MATTERS.

WHEREAS, the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the *"Authority"*), including, without limitation, the Illinois Finance Authority Act, 20 ILCS 3501/801-1 *et. seq.*, as supplemented and amended (the *"Act"*), is authorized by the laws of the State of Illinois, including without limitation, the Act, to among other things, finance and refinance the cost of "health facilities" owned and operated by "participating health institutions" (as such terms are defined in the Act); and

WHEREAS, Presence Health Network, an Illinois not for profit corporation (the *"Corporation"*), wishes to (i) finance, refinance or be reimbursed for all or a portion of the costs of the planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain of its facilities constituting health facilities owned by the Corporation and Presence Care Transformation Corporation (formerly, Presence PRV Health), Presence Chicago Hospitals Network (formerly, Presence RHC Corporation), Presence Central and Suburban Hospitals Network (formerly, Presence Hospitals PRV), Presence Life Connections, Presence Senior Services – Chicagoland (formerly, Presence RHC Senior Services), Presence Home Care (formerly, Presence Home Care Services) and Presence Behavioral Health (collectively, the *"Users"*); (ii) refund all of the Illinois Finance Authority Variable Rate Revenue Bonds, Series 2013A (Presence Health Network) (the *"Series 2013A Bonds"*); (iii) refund all of the Illinois Finance Authority Variable Rate Revenue Bonds, Series 2013B (Presence Health Network) (the *"Series 2013B Bonds"*); (iv) refund all of the Illinois Finance Authority Variable Rate Revenue Bonds, Series 2013C (Presence Health Network) (the *"Series 2013C Bonds"*); (v) refund all of the Illinois Finance Authority Variable Rate Revenue Bonds, Series 2013D (Presence Health Network) (the *"Series 2013D Bonds"*); (vi) refund all of the Illinois Finance Authority Variable Rate Revenue Bonds, Series 2013E (Presence Health Network) (the *"Series 2013E Bonds"*); (vii) refund all of the Illinois Finance Authority Variable Rate Revenue Bonds, Series 2013F (Presence Health Network) (the *"Series 2013F Bonds"* and collectively with the Series 2013A Bonds, the Series 2013B Bonds, the Series 2013C Bonds, the Series 2013D Bonds and the Series 2013E Bonds, the *"Series 2013 Bonds"*); (viii) refinance all or a portion of certain taxable indebtedness incurred by the Corporation and certain of the Users; (ix) pay a portion of the interest on the Series 2016 Bonds (as hereinafter defined), if deemed necessary or advisable by the Authority or the Corporation; (x) fund a debt service reserve fund, if deemed necessary or advisable by the Authority or the Corporation; (xi) provide working capital to the Corporation, if deemed necessary or advisable by the Authority or the Corporation; and (xii) pay certain expenses incurred in connection with the issuance of the Series 2016 Bonds and the refunding of the Series 2013 Bonds, all as permitted under the Act (together, the *"Financing Purposes"*); and

WHEREAS, in furtherance of the purposes set forth in the Act, the Authority wishes to finance the Financing Purposes by issuing not to exceed $530,000,000 in aggregate principal amount of revenue bonds consisting of (i) one or more series of tax-exempt Revenue Refunding Bonds, Series 2016 (Presence Health Network) bearing interest at variable rates (the *"Variable Rate Bonds"*), and (ii) one or more series of taxable Revenue Refunding Bonds, Series 2016 (Presence Health Network) bearing interest at variable rates (the *"Taxable Bonds"* and, together with the Variable Rate Bonds, the *"Series 2016 Bonds"*); and

WHEREAS, drafts of the following documents have been previously provided to and are on file with the Authority, and will be executed and delivered by the Authority (collectively, the *"Authority Documents"*):

(a) one or more Bond Trust Indentures (collectively, the *"Variable Rate Bond Indenture"*) between the Authority and such bond trustee as may be approved by the Authority (with execution of the Variable Rate Bond Indenture constituting approval by the Authority) and the Corporation (as approved, the *"Bond Trustee"*), providing for the issuance thereunder of the Variable Rate Bonds and setting forth the terms and provisions applicable to the Variable Rate Bonds, including securing each series of the Variable Rate Bonds by an assignment thereunder of the Authority's right, title and interest in and to the related Variable Rate Obligation (as hereinafter defined) and certain of the Authority's rights in and to the related Variable Rate Loan Agreement (as hereinafter defined);

(b) one or more Bond Trust Indentures (collectively, the *"Taxable Bond Indenture"* and, together with the Variable Rate Bond Indenture, the *"Bond Indentures"*) between the Authority and the Bond Trustee, providing for the issuance thereunder of the Taxable Bonds and setting forth the terms and provisions applicable to the Taxable Bonds, including securing each series of the Taxable Bonds by an assignment thereunder of the Authority's right, title and interest in and to the related Taxable Obligation (as hereinafter defined) and certain of the Authority's rights in and to the related Taxable Loan Agreement (as hereinafter defined);

(c) one or more Loan Agreements (collectively, the *"Variable Rate Loan Agreement"*) between the Authority and the Corporation, under which the Authority will loan the proceeds of the Variable Rate Bonds to the Corporation, all as more fully described in the Variable Rate Loan Agreement;

(d) one or more Loan Agreements (collectively, the *"Taxable Loan Agreement"* and, together with the Variable Rate Loan Agreement, the *"Loan Agreements"*) between the Authority and the Corporation, under which the Authority will loan the proceeds of the Taxable Bonds to the Corporation, all as more fully described in the Taxable Loan Agreement;

(e) one or more Bond Purchase Contracts (collectively, the *"Purchase Contract"*) among the Authority, the Corporation, and J.P. Morgan Securities LLC ("*JPM*") or such other commercial bank or investment bank as may be approved by the Authority (with execution of the Purchase Contract constituting approval by the Authority) and the Corporation (JPM, or such other commercial bank or investment bank, as approved, collectively the *"Purchasers"*), as purchasers of the Series 2016 Bonds, providing for the sale by the Authority and the purchase by the Purchasers of the Series 2016 Bonds; and

WHEREAS, in connection with the issuance of the Series 2016 Bonds, the following additional documents will be executed and delivered by parties other than the Authority (collectively, the *"Additional Transaction Documents"*):

(a) one or more Supplemental Master Trust Indentures, supplementing and amending that certain Master Trust Indenture, dated as of May 1, 2013, as previously supplemented and amended, among the Corporation, the Users, Presence Ambulatory Services, Presence Health Foundation Board of Trustees, and Presence Healthcare Services (collectively, the *"Members of the Obligated Group"*) and The Bank of New York Mellon Trust Company, National Association, as master trustee (the *"Master Trustee"*), providing for, among other things, the issuance thereunder of the Series 2016 Obligations (as hereinafter defined);

(b) one or more Direct Note Obligations, Series 2016 of the Corporation (collectively, the *"Variable Rate Obligation"*), which will be pledged as security to the Bond Trustee for the Variable Rate Bonds, in an aggregate principal amount equal to the aggregate principal amount of the Variable Rate Bonds and with prepayment, maturity and interest rate provisions similar to the Variable Rate Bonds;

(c) one or more Direct Note Obligations, Series 2016 of the Corporation (collectively, the *"Taxable Obligation"* and, together with the Variable Rate Obligation, the *"Series 2016 Obligations"*), which will be pledged as security to the Bond Trustee for the Taxable Bonds, in an aggregate principal amount equal to the aggregate principal amount of the Taxable Bonds and with prepayment, maturity and interest rate provisions similar to the Taxable Bonds;

(d) one or more Supplemental Bondholder's Agreements, Continuing Covenants Agreements, Reimbursement Agreements, Standby Bond Purchase Agreements or similar agreements (collectively, the *"Variable Rate Bank Agreement"*) relating to the Variable Rate Bonds among the Members of the Obligated Group and the Purchasers of the Variable Rate Bonds, providing for additional terms and conditions relating to the purchase of the Variable Rate Bonds, as more fully described therein; and

(e) one or more Supplemental Bondholder's Agreements, Continuing Covenants Agreements, Reimbursement Agreements, Standby Bond Purchase Agreements or similar agreements (collectively, the "*Taxable Bank Agreement*") relating to the Taxable Bonds among the Members of the Obligated Group and the Purchasers of the Taxable Bonds, providing for additional terms and conditions relating to the purchase of the Taxable Bonds, as more fully described therein;

NOW, THEREFORE, BE IT RESOLVED by the members of the Illinois Finance Authority as follows:

Section 1. Findings. Based upon the representations of the Corporation, the Authority hereby makes the following findings and determinations with respect to the Members of the Obligated Group, the Series 2016 Bonds to be issued by the Authority and the facilities financed and refinanced with the proceeds of the Series 2016 Bonds:

(a) Each of the Members of the Obligated Group is a not for profit corporation organized under the laws of the State of Illinois and is qualified to do business in the State of Illinois;

(b) The Corporation and the Users each is a "participating health institution" (as defined in the Act);

(c) The Corporation has properly filed with the Authority its request for assistance in issuing the Series 2016 Bonds for the benefit of the Corporation and (i) the Series 2016 Bonds will be used for the Financing Purposes, and (ii) the facilities to be financed or refinanced with the proceeds of the Series 2016 Bonds will be owned and operated by the Corporation and the Users (those facilities are included within the term "project" as defined in the Act);

(d) The facilities to be financed or refinanced with the proceeds of the Series 2016 Bonds do not include any institution, place or building used or to be used primarily for sectarian instruction or study or as a place for devotional activities or religious worship;

(e) The indebtedness to be refinanced with the proceeds of the Series 2016 Bonds was issued for purposes which constitute valid purposes under the Act, all of the proceeds of such indebtedness made available to the Corporation and the Users were expended to pay, or refinance indebtedness the proceeds of which were expended to pay, a portion of the cost of a "project" (as defined in the Act) owned or operated by the Corporation and the Users, such refinancing is in the public interest, alleviates a financial hardship of the Corporation and the Users and is permitted and authorized under the Act; and

(f) The Series 2016 Bonds are being issued for a valid purpose under and in accordance with the provisions of the Act.

Section 2. *Series 2016 Bonds*. In order to obtain the funds to loan to the Corporation to be used for the Financing Purposes aforesaid, the Authority hereby authorizes the issuance of the Series 2016 Bonds. The Series 2016 Bonds shall be issued under and secured by and shall have the terms and provisions set forth in the Bond Indentures in an aggregate principal amount not exceeding $530,000,000, excluding original issue discount or premium, if any. The Series 2016 Bonds may be issued in one or more series, of which any such series may be issued in one or more subseries, with such additional series or subseries designated in such manner as approved by the Authorized Officer (as defined herein) of the Authority, which approval shall be evidenced by such officer's execution and delivery of the Bond Indentures.

The Variable Rate Bonds shall mature not later than 40 years from the date of their issuance, and shall have maturities or mandatory bond sinking fund redemption as provided in the Variable Rate Bond Indenture. The Variable Rate Bonds shall bear interest at rates established under the Variable Rate Bond Indenture with initial rates not exceeding 5% per annum and a maximum interest rate not exceeding 25% per annum, and shall be subject to purchase and tender and to optional, extraordinary and mandatory bond sinking fund redemption and be payable all as provided in the Variable Rate Bond Indenture.

The Taxable Bonds shall mature not later than 40 years from the date of their issuance, and shall have maturities or mandatory bond sinking fund redemption as provided in the Taxable Bond Indenture. The Taxable Bonds shall bear interest at rates established under the Taxable Bond Indenture with initial rates not exceeding 5% per annum and a maximum interest rate not exceeding 25% per annum, and shall be subject to purchase and tender and to optional, extraordinary and mandatory bond sinking fund redemption and be payable all as provided in the Taxable Bond Indenture.

The Series 2016 Bonds shall be issued only as fully registered bonds without coupons. The Series 2016 Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of its Chairperson, its Vice Chairperson or its Executive Director and attested by the manual or facsimile signature of its Secretary or any Assistant Secretary, or any person duly appointed by the members of the Authority to serve in such office on an interim basis, and may have the corporate seal of the Authority impressed manually or printed by facsimile thereon.

The Series 2016 Bonds shall be issued and sold by the Authority and purchased by the Purchasers at a purchase price of not less than 99% of the principal amount of such Series 2016 Bonds.

The Series 2016 Bonds and the interest thereon shall be limited obligations of the Authority, payable solely from the income and revenues to be delivered by the Authority pursuant to the Loan Agreements (except such income and revenues as may be derived by the Authority pursuant to the Unassigned Rights (as defined in the Bond Indentures)). The Series 2016 Bonds and the interest thereon shall never constitute a general obligation or commitment by the Authority to expend any of its funds other than (i) proceeds of the sale of the Series 2016 Bonds, (ii) the income and revenues derived by the Authority pursuant to the Loan Agreements and the Series 2016 Obligations and other amounts available under the Bond Indentures and (iii) any money arising out of the investment or reinvestment of said proceeds, income, revenue or receipts.

The Authority hereby delegates to the Chairperson, Vice Chairperson, Executive Director or General Counsel, or any person duly appointment by the members to serve in such offices on an interim basis (each an "*Authorized Officer*"), the power and duty to make final determinations as to the Series 2013 Bonds to be refunded, the principal amount, number of series or subseries of Series 2016 Bonds and any names or other designations therefor, dated date, maturities, purchase price, any mandatory sinking fund redemption dates and amounts, optional and extraordinary redemption provisions, the Purchasers of the Series 2016 Bonds, the Bond Trustee for the Series 2016 Bonds, the interest rates of each series of the Series 2016 Bonds, and to approve the final forms of any of the Authority Documents, all within the parameters set forth herein.

Section 3. Authority Documents. The Authority does hereby authorize and approve the execution (by manual or facsimile signature) by an Authorized Officer, and the delivery and use, of the Authority Documents. The Secretary or any Assistant Secretary of the Authority is hereby authorized to attest and to affix the official seal of the Authority to any Authority Document. The Authority Documents shall be substantially in the forms previously provided to and on file with the Authority and hereby approved, or with such changes therein as shall be approved by the Authorized Officer of the Authority executing the same, with such execution to constitute conclusive evidence of such person's approval and the Authority's approval of the terms of the Series 2016 Bonds and the purchase thereof.

Section 4. Additional Transaction Documents. The Authority does hereby approve the execution and delivery of the Additional Transaction Documents. The final forms of the Additional Transaction Documents shall be approved by the Authorized Officer of the Authority executing the Bond Indentures, with such execution to constitute conclusive evidence of such person's approval and the Authority's approval of the final forms of the Additional Transaction Documents.

Section 5. Authorization and Ratification of Subsequent Acts. The members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents (including without limitation the execution and delivery of one or more tax exemption agreements, supplemental bond indentures, escrow agreements, supplemental indenture or other agreements providing for the payment of the Series 2013 Bonds and any additional documents that may be necessary to provide for one or more additional series or subseries of Series 2016 Bonds and the acceptance of any continuing disclosure agreement of the Corporation pursuant to Rule 15c2-12 of the Securities Exchange Act of 1934, as amended) as may be necessary to carry out and comply with the provisions of these resolutions, the Authority Documents and the Additional Transaction Documents, and all of the acts and doings of the members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of these resolutions and within the parameters set forth herein, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved. Unless otherwise provided therein, wherever in the Authority Documents or any other document executed pursuant hereto it is provided that an action shall be taken by the Authority, such action shall be taken by an Authorized Officer of the Authority, or in the event of the unavailability, inability or refusal of an Authorized Officer to take such action, by any two members of the Authority, each of whom is hereby authorized, empowered, and delegated the power and duty and directed to take such action on behalf of the Authority, all within the parameters set forth herein and in the Bond Indenture.

Section 6. *Severability*. The provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

Section 7. *Conflict*. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 8. *Effective Date*. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

Approved and effective this 24th day of May, 2016.

ILLINOIS FINANCE AUTHORITY

By_______________________________________
Executive Director

ATTEST:

____
Assistant Secretary

[SEAL]