

NEW JERSEY HEALTH CARE FACILITIES
FINANCING AUTHORITY

MEETING MINUTES

June 22, 2017

Certified:



Carole A. Conover
Assistant Secretary

Minutes of the New Jersey Health Care Facilities Financing Authority meeting held on June 22, 2017 on the fourth floor of Building #4, Station Plaza, 22 South Clinton Avenue, Trenton, NJ.

*The following **Authority Members** were in attendance:*

Dr. Munr Kazmir, Vice Chair (Chairing); Alison Gibson, Designee of the Commissioner of Health; Jessica Feehan, Designee of the Commissioner of Human Services; Maryann Kralik, Designee of the Department of Banking and Insurance; and, via telephone, Suzette Rodriguez, Public Member.

*The following **Authority staff members** were in attendance:*

Mark Hopkins, Frank Troy, Carole Conover, Bill McLaughlin, Marji McAvoy, Edwin Fuentes, Taryn Rommell, Jessica Lucas, Ellen Lieber, Neetu “Nikki” Thukral, John Johnson, Bernie Miller and Chris Kniesler.

*The following **representatives from the State and/or the public** were in attendance:*

Cliff Rones, Attorney General’s Office; Nicholas Kant and Labinot Berljajoli, Governor’s Authorities Unit; John Kelly of Wilentz, Goldman, and Spitzer;

CALL TO ORDER

Dr. Kazmir called the meeting to order at 10:02 a.m. and announced that this a regular meeting of the Authority, held in accordance with the schedule adopted at the May 25, 2017 Authority meeting. Complying with the Open Public Meetings Act and the Authority's By-laws, notice of this meeting was delivered to all newspapers with mailboxes at the Statehouse, including *The Star-Ledger* and the *Courier Post*, enough in advance to permit the publication of an announcement at least 48 hours before the meeting.

1. APPROVAL OF MINUTES

May 25, 2017 Authority Meeting

Minutes for the Authority’s May 25, 2017 Authority meeting were distributed for review and approval prior to the meeting. Dr. Kazmir asked for a motion to approve the minutes. Ms. Gibson made the motion. Ms. Feehan seconded. Dr. Kazmir asked if the Members had any questions on the motion. There were no questions. All Members voted in the affirmative and the minutes were approved.

2. AMENDMENT TO THE BOND DOCUMENTS

Inspira Health Network and Hackensack Meridian Health

Dr. Kazmir announced that Inspira Health Network has requested amendments to the documents for the Authority-issued Series 2017A and Series 2017B bonds. Dr. Kazmir then asked Edwin Fuentes to explain the reasons for the amendments to the Members.

Mr. Fuentes informed the Members that they were being asked to approve two items on behalf of Inspira Health: the First Supplement to the Series Resolution pertaining to the Inspira Health 2017A bonds and the Resolution Amending the Bond Resolution, pertaining to the Inspira Health 2017B bonds.

Mr. Fuentes reminded the Members that they approved both the contingent sale of the publicly offered Inspira 2017A bonds and the privately placed Inspira 2017B bonds at the April 2017 meeting. The 2017A Series Resolution and the 2017B Bond Resolution for the 2017B bonds contain a parameter that requires the execution of the 2017A Bond Purchase Contract and the 2017B Direct Purchase Contract to occur prior to July 26, 2017.

According to Mr. Fuentes, the 2017A Series Resolution and 2017B Bond Resolution each contain a special contingency that prevents the posting, mailing or other distribution of the 2017A Preliminary Official Statement and the Closing of the 2017B transaction until Inspira Health received all DEP approvals necessary to begin construction of the hospital. In addition, Inspira had to wait until any applicable appeal periods had lapsed with any appeals or issues resolved. Inspira received its DEP approval in late May, with the appeal period for said approval expiring on July 7, 2017. The Harrison Township Joint Land Use Board approved Inspira's site plan on June 7, 2017.

Mr. Fuentes reported that the statutory 45-day appeal period would not expire until July 23, 2017. Therefore, the two resolutions presented today allow for a 3-month extension of the date for signing the Bond Purchase Contract and Direct Purchase Contract to October 25, 2017.

Mr. Fuentes then introduced John Kelly of Wilentz Goldman and Spitzer, Bond Counsel, to present the First Supplement to the Series Resolution pertaining to the 2017A Series, followed by the Resolution Amending the Bond Resolution pertaining to the 2017B Series.

Following Mr. Kelly's presentation, Mr. Fuentes said that he and Mr. Kelly would answer any questions from the Members.

SERIES 2017A – FIRST SUPPLEMENT TO SERIES RESOLUTION

John Kelly of Wilentz, Goldman & Spitzer, P.A., Bond Counsel, stated that, in order to effectuate the changes to the documents which have been previously described, the First Supplement to the Series Resolution approves the amending of Section 2.2(b) of the Original Series Resolution, extending the date the Bond Purchase Contract be executed by to October 25, 2017. The First Supplement to the Series Resolution also authorizes the Authorized Officers of the Authority to execute and deliver such other documents and to take such other action as may be necessary or appropriate to effectuate the execution and delivery of the First Supplement to the Series Resolution.

SERIES 2017B – RESOLUTION AMENDING THE BOND RESOLUTION

John Kelly of Wilentz, Goldman & Spitzer, P.A., Bond Counsel, stated that, in order to effectuate the changes to the documents which have been previously described, the Resolution Amending the Bond Resolution Authorizing the Issuance of New Jersey Health Care Facilities Financing Authority Revenue Bonds, Inspira Health Obligated Group Issue, Series 2017B (the “2017B Amending Resolution”), approves the amending of Section 2(f) of the Bond Resolution, extending the date the Direct Purchase Contract be executed by to October 25, 2017. The 2017B Amending Resolution also authorizes the Authorized Officers of the Authority to execute and deliver such other documents and to take such other action as may be necessary or appropriate to effectuate the execution and delivery of the 2017B Amending Resolution.

Dr. Kazmir asked for a motion to approve the resolution amending the Inspira Health Network Series 2017A bonds. Ms. Gibson made the motion. Ms. Kralik seconded. Dr. Kazmir asked if the Members had any questions on the motion. There were no questions. All Members voted in the affirmative and the resolution was approved.

AB RESOLUTION NO. RR-08

**“FIRST SUPPLEMENT TO THE SERIES RESOLUTION
AUTHORIZING THE ISSUANCE OF NEW JERSEY
HEALTH CARE FACILITIES FINANCING AUTHORITY
REVENUE BONDS, INSPIRA HEALTH OBLIGATED
GROUP ISSUE, SERIES 2017A.”**

(attached)

Dr. Kazmir asked for a motion to approve the resolution amending the Inspira Health Networks Series 2017B bonds. Ms. Gibson made the motion. Ms. Feehan seconded. Dr. Kazmir asked if the Members had any questions on the motion. There were no questions. All Members voted in the affirmative and the resolution was approved.

AB RESOLUTION NO. RR-09

**“A RESOLUTION AMENDING THE BOND RESOLUTION
AUTHORIZING THE ISSUANCE OF NEW JERSEY
HEALTH CARE FACILITIES FINANCING AUTHORITY
REVENUE BONDS, INSPIRA HEALTH OBLIGATED
GROUP ISSUE, SERIES 2017B.”**

(attached)

Dr. Kazmir informed the Members that Hackensack Meridian Health has requested amendments to the documents for several series of bonds previously issued by the Authority on behalf of several legacy organizations of Hackensack Meridian Health. Dr. Kazmir then asked Edwin Fuentes to explain the reasons for the amendments to the Members.

Mr. Fuentes advised the Members that they were being asked to approve a Resolution of the New Jersey Health Care Facilities Financing Authority Authorizing Certain Amendments to the Documentation Relating to Various Series of its Outstanding Bonds Issued for the Benefit of Various Affiliates of Hackensack Meridian Health, Inc. and Other Incidental Actions Related Thereto.

Mr. Fuentes stated that Hackensack Meridian Health is a New Jersey not for profit healthcare system, formed by the merger of Hackensack University Health Network and Meridian Health System Inc. during July of 2016. As a result of the merger, Hackensack Meridian Health established a new Master Trust Indenture in April 2017. This was done in order to move all of the debt obligations of the legacy organizations under one security agreement. Pursuant to the establishment of the new Master Trust Indenture, Hackensack Meridian Health issued, through this Authority, tax-exempt bonds in the amount of \$588,790,000 (the "Series 2017 tax-exempt bonds") in April 2017. The proceeds of the Series 2017 tax-exempt bonds were used to refund, redeem, or restructure most of the outstanding debt obligations of the legacy organizations. The financings that were not refunded by the Series 2017 tax-exempt Bonds, for which promissory notes were substituted, are: Meridian Health Series 2011; Meridian Health Series 2013A; Hackensack UMC Series 2015A; Meridian Health Series 2003A; Meridian Nursing Series 2004A3; Meridian Nursing Series 2006A3; Meridian Health Series 2016A; Southern Ocean Series 2006; MHAC I Series 2006A4; MHAC I Series 2006A5; Meridian Nursing CAP Loan 2007 and Meridian Health Series 2015A (the "Remaining Outstanding Financings".)

According to Mr. Fuentes, the Remaining Outstanding Financings require amendments to the respective loan documents in order to recognize the issuance of promissory notes under the new Master Trust Indenture and to conform financial covenants to mirror those utilized in the loan agreement for the Series 2017A tax-exempt Bonds. Last month, the Authority approved a resolution to make the aforementioned amendments to the Meridian Health Series 2011 and Meridian Health Series 2013A bonds. Mr. Fuentes then recommended the approval of the resolution in order to amend the remaining series of bonds mentioned earlier.

Mr. Fuentes then asked John Kelly of Wilentz Goldman and Spitzer, Bond Counsel, to present the Bond Resolution. Following Mr. Kelly's presentation, Mr. Fuentes said that he and Mr. Kelly would answer any questions from the Members.

BOND RESOLUTION

John Kelly of Wilentz, Goldman, & Spitzer, the Bond Counsel, stated that, in order to effectuate the changes to the documents which have been previously described, the Resolution provides for the adoption and approval by the Authority of a separate First Supplemental Trust Agreement pursuant to which each of the nine affected series of Bonds was issued. The Resolution also

approves the form of a separate Amended and Restated Loan Agreement relating to each such series of Bonds and authorizes the execution and delivery thereof by an Authorized Officer of the Authority. In addition, the Resolution also authorizes the Authorized Officers of the Authority to execute and deliver such other documents and to take such other action as may be necessary or appropriate to effectuate the execution and delivery of the Amended and Restated Loan Agreements.

Dr. Kazmir asked for a motion to approve the resolution amending the documents for the Hackensack Meridian Health Series 2017 bonds. Ms. Feehan made the motion. Ms. Gibson seconded. Dr. Kazmir asked if the Members had any questions on the motion. There were no questions. All Members voted in the affirmative and the resolution was approved.

AB RESOLUTION NO. RR-10

“RESOLUTION OF THE NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTHORITY AUTHORIZING CERTAIN AMENDMENTS TO THE DOCUMENTATION RELATING TO VARIOUS SERIES OF ITS OUTSTANDING BONDS ISSUED FOR THE BENEFIT OF VARIOUS AFFILIATES OF HACKENSACK MERIDIAN HEALTH, INC. AND OTHER INCIDENTAL ACTIONS RELATED THERETO.”

(attached)

3. APPROVAL OF EXPENSES

Dr. Kazmir referenced a summary of Authority expenses and invoices provided to the Members. Dr. Kazmir asked for a motion to approve the expenses. Ms. Gibson offered a motion to approve the bills and to authorize their payment. Ms. Kalik seconded the motion. Dr. Kazmir asked if the Members had any questions on the motion. There were no questions. The vote was unanimous and the motion carried.

AB RESOLUTION NO. RR-11

WHEREAS, the Members of the Authority have reviewed the memoranda dated June 14, 2017 summarizing expenses incurred by the Authority in connection with Trustee/Escrow Agent/Paying Agent fees and general operating expenses in the amounts of \$9,154.80 and \$15,426.82 respectively, and have found such expenses to be appropriate;

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby approve all expenses as submitted, and authorize the execution of checks representing the payment thereof.

4. STAFF REPORTS

Dr. Kazmir thanked Staff for the Project Development Summary, Cash Reconciliation Report, and Legislative Advisory reports.

Dr. Kazmir asked Executive Director Hopkins to present his Executive Director's report,

Mr. Hopkins presented the following items to Members:

1. The New Jersey Department of Health received accreditation from the Public Health Accreditation Board, a nonprofit organization that assesses public health entities. The accreditation is a prestigious recognition that helps organizations to better focus their mission, build stronger alliances with public and private partners, helps keep stakeholders engaged and may be leveraged to help secure outside funding. The Department has worked with PHAB over the last three years to achieve the high standards required for accreditation and joins 25 other states and 162 local health boards to achieve accreditation.
2. Commissioner Bennett hosted the second annual Population Health Summit on June 7 at Rider University. The event was sponsored by the New Jersey Innovation Institute. The event noted that efforts to improve New Jersey's public health through a greater focus on local prevention programs, more effective clinical care and better-coordinated state policies have shown promising results. Population health has been a focus of Commissioner Bennett's tenure at the Department. She was joined by the leaders of the Departments of Agriculture, Children and Families, Community Affairs, Environmental Protection, Human Services and Transportation as well as a number of other speakers.
3. Hospital & Other News
 - a. Capital Health is partnering with the Rothman Institute, the area's largest provider of orthopaedic services. Rothman Institute surgeons will be able to practice at Capital Health's Hopewell and Trenton campuses and will develop an orthopaedic center of excellence at Capital.
 - b. Englewood Hospital and Medical Center has renovated 13,000 square feet on its third floor to turn 14 semi-private rooms and 8 private rooms into 20 private rooms for cardiopulmonary patients.
 - c. Hackensack Meridian Health was in the news during the last month for (i) sponsoring some local farmers markets around the state and providing health education at some farmers markets, (ii) partnering with the Army Reserve to provide medical training for service members at no cost to the government and (iii) performing its 100th blood stem cell transplant at Hackensack's John Theurer Cancer Center's in collaboration with MedStar Georgetown University Hospital.

- d. Inspira Health Network broke ground on its new Mullica Hill hospital, which will be financed by Authority bonds, it also launched an innovation center to invest \$1 million in the development and implementation of patient-focused products and technologies, and received a \$1 million donation from an 86 year-old Inspira physician which it plans to use to pay off student loans of doctors who commit to working at Inspira's Vineland facility for at least four years.
- e. Kennedy Health held the ribbon cutting for its first phase of construction at its Cherry Hill campus, consisting of an atrium lobby and a medical office building. The second phase will be a new patient tower that is expected to be financed by the Authority.
- f. RWJBarnabas announced that John Gantner will be the new CEO and President of Robert Wood Johnson University Hospital in New Brunswick and Anthony Cava will be the Chief Administrative Officer at RWJUH Somerset. Mr. Gantner had previously worked as Executive Vice President and Chief Integration Officer at RWJBarnabas and, prior to his positions as a financial executive at Baycare Health System and Meridian Health System, served fourteen years as Executive Vice President and Treasurer of Robert Wood Johnson University Hospital in New Brunswick. RWJUH Somerset also announced that it is offering pediatric telemedicine through the Bristol-Myers Squibb Children's Hospital at RWJUH in New Brunswick using real-time video conferencing.
- g. St. Joseph's Healthcare System is garnering recognition for its pioneering program to prevent opioid abuse by providing alternatives to opioids for reducing pain. In 2016, the first year of the program, St. Joseph's reduced opioid prescriptions by 58%.
- h. St. Luke's University Health Network has achieved the highest recognition for electronic medical record adoption, including its Warren campus, which is the first hospital in New Jersey to achieve the status.
- i. St. Peter's University Hospital was one of the successful litigants in the Supreme Court case decided on June 5 that found that church affiliated hospitals are not required to adhere to ERISA funding and reporting requirements for their pension plans that were set up by the church or an affiliate of a church. St. Peters also earned a "Get with the Guidelines-Stroke Gold Plus Quality Achievement Award" from the American Heart Association and the American Stroke Association.
- j. Virtua Health System is investing in primary care and outpatient services to deal with the number of high-need, high-cost patients in its service area. As a result of its recent community needs assessment, Virtua will develop one of its campuses into a behavioral health-centered location and will invest in its primary care facility in Camden.

- k. Prime Healthcare Services is taking steps because of its recent S & P ratings downgrade to “B-.” In addition to Prime’s nonprofit foundation backing out of acquiring Memorial Hospital of Salem County, it is downgrading its St. Clare’s Sussex campus from a satellite emergency department to an urgent care center, with fewer hours. It is also selling certain assets of its St. Clare’s home care business to the Visiting Nurse Association of Northern New Jersey.
- l. The New Jersey Hospital Association released its annual report called “N.J. Hospitals Caring for Communities” which estimates New Jersey hospitals provided \$2.75 billion in community benefit in 2015, which includes free and discounted healthcare services, community health improvement programs, education, research and other benefits.
- m. Other articles on New Jersey health care provided today include:
 - i. The Press of Atlantic City’s article “Are hospital mergers the new normal for the health care industry?” which discusses AtlantiCare’s merger with Geisinger;
 - ii. NJ Spotlight’s article on proposed New Jersey laws and regulations on telemedicine, which is gaining steam in New Jersey and across the country;
 - iii. NJBiz’s article on the creation of an organization to give doctors an increased say in legislation being proposed to regulate out-of-network billing for healthcare services;
 - iv. NJBiz’s article on the declining interest in high-deductible health plans that previously seemed to be gaining in popularity among employers;
 - v. NJBiz’s article on FAIR Health, which is an independent organization that collects claims data to help providers and insurers determine a fair reimbursement for medical services or procedures;
 - vi. NJ Spotlight’s opinion piece by Joel Cantor, the Director of Rutgers Center for State Health Policy, which emphasizes the need to consider factors in neighborhoods and communities that can contribute to achieving and maintaining good health for its residents, including the availability of healthy food choices, exercise and health-related educational information;
 - vii. NJ Spotlight’s article on the racial disparity in infant mortality, with black infants three times more likely than white infants to die;
 - viii. NJBiz’s article on Governor Christie’s nomination of former New Jersey Economic Development Authority CEO Michele Brown to replace former

Health Commissioner Mary O'Dowd as the gubernatorial appointee on the Horizon Blue Cross Blue Shield board;

- ix. NJ.com's article noting that New Jersey's Medicaid expenses would increase by \$810 million per year to cover the current Medicaid population if the House version of the American Health Care Act were to take effect, and if the State were not to cover those costs, 374,000 of the 560,000 New Jersey residents currently on Medicaid would lose coverage; and
 - x. NJBiz published an editorial and article on Senator Sarlo's legislative proposal to impose a community service fee on nonprofit hospitals of \$2.50 per bed per day and \$250 per day for each satellite emergency department in lieu of property taxes, which are currently subject to litigation between 41 hospitals and their host municipalities around the State. At the last minute Senator Sarlo pulled the bill before it came up for a vote on Monday, June 19. The Sarlo bill also contains a provision that allows hospitals that are struggling financially to apply for an exemption from the fee. It also proposes that the Authority be the entity to approve those exemptions.
- n. Other articles about national health care issues include:
- i. The Commonwealth Fund's report on the "Economic and Employment Consequences for States" under the House's version of the American Health Care Act, which found that, despite some initial gains, 924,000 jobs would be lost, gross state products would decline by \$93 billion and business output would decline by \$148 billion through 2026 (note that the Senate version is expected to be made public today and scored by the CBO next week in hopes the Senate will be able to vote on it before the summer recess at the end of next week);
 - ii. Modern Healthcare also provided 15 quick facts from the CBO report on the American Health Care Act, which includes reducing the federal deficit by \$119 billion and increasing the number of uninsured by 23 million by 2026. In addition, there is a proposed reduction in Medicaid that may be accomplished by reducing the federal reimbursement rate back to the pre-ACA level as well as adjusting the requirements to qualify;
 - iii. Healthcare Dive reports that healthcare cost increases have stabilized at between 6% and 7% per year, but that it continues to increase more rapidly than inflation;
 - iv. Becker's Hospital Review reports on a study by the National Institute on Aging which found there was no significant quality or patient experience

improvements at hospitals participating in the Medicare Hospital Value-Based Purchasing Program;


- v. Fierce Healthcare reports on a Cedars-Sinai Medical Center study that showed that quality improvements are reducing readmissions but don't appear to be saving hospitals money;
 - vi. Modern Healthcare reports that more hospitals are investing in outpatient facilities as a result of patient preferences;
 - vii. Fierce Healthcare reports that business is booming at elite concierge health care practices that do not take insurance but charge a substantial annual fee;
 - viii. articles from Healthcare Dive and Fierce Healthcare discuss wildly varying prices and price gouging at hospital emergency rooms;
 - ix. Becker's Hospital Review reports in separate articles that CMS will not update its overall hospital star rating system and that the American Hospital Association has asked CMS to suspend the overall hospital star rating system because it is "deeply flawed"; and
 - x. Becker's Hospital Review also reported on a RAND Health report finding that 41% of health care spending is attributable to 12% of Americans.
- o. In regulatory and tax news, articles are being provided on:
- i. the Federal Open Markets Committee last Wednesday raised the fed funds target rate by 25 basis points to between 1% and 1.25%;
 - ii. The MSRB has agreed to a limited exception to its prior proposal requiring that CUSIP numbers be assigned for private placement bonds; the exception would not require CUSIPs when bonds are sold to a bank and it is reasonably believed "that the purchasing bank is likely to hold the securities to maturity or limit the resale of the municipal security to another bank";
 - iii. *The Bond Buyer* reports that municipal bond analysts find that disclosure varies significantly by sector, with hospitals providing about the best level of disclosure;
 - iv. *The Bond Buyer* also reports that the Bond Dealers Association is asking IRS regulators to ease regulations so tax exempt bonds may be used for infrastructure and that the Treasury Department is recommending that certain high-grade municipal bonds be considered high quality liquid assets, which would allow banks to purchase a certain amount of them as

qualifying collateral (it is unlikely hospital revenue bonds would fall into the category of high-grade but the delineation is not yet clear);

- v. *The Bond Buyer* reports in two separate articles that Treasury Secretary Mnuchin told the Senate Finance Committee and White House Director of Urban Affairs and Revitalization Policy told the Municipal Bonds for America Coalition that the administration wants to preserve the municipal bond tax exemption;
- vi. *The Bond Buyer* also reported that, despite support for continued tax-exemption of municipal bonds, other tax reform proposals could indirectly hurt the municipal bond market, such as corporate and individual income tax rate reductions.

As there was no further business, following a motion by Ms. Gibson and a second by Ms. Feehan, the Members voted unanimously to adjourn the meeting at 10:33 a.m.

I HEREBY CERTIFY THAT THE FOREGOING
IS A TRUE COPY OF MINUTES OF THE
NEW JERSEY HEALTH CARE FACILITIES
FINANCING AUTHORITY MEETING HELD
JUNE 22, 2017.


Carole A. Conover, Assistant Secretary

**NEW JERSEY HEALTH CARE FACILITIES
FINANCING AUTHORITY**

**FIRST SUPPLEMENT TO THE
SERIES RESOLUTION**

**New Jersey Health Care Facilities Financing Authority
Revenue Bonds,
Inspira Health Obligated Group Issue,
Series 2017A**

Adopted June 22, 2017

**FIRST SUPPLEMENT TO THE SERIES RESOLUTION
AUTHORIZING THE ISSUANCE OF NEW JERSEY HEALTH
CARE FACILITIES FINANCING AUTHORITY REVENUE BONDS,
INSPIRA HEALTH OBLIGATED GROUP ISSUE, SERIES 2017A**

WHEREAS, the New Jersey Health Care Facilities Financing Authority (the “**Authority**”) was duly created and now exists under the New Jersey Health Care Facilities Financing Authority Law, P.L. 1972, c. 29, N.J.S.A. 26:2I-1, et seq., as amended (the “**Act**”), for the purpose of ensuring that all health care institutions have access to financial resources to improve the health and welfare of the citizens of the State of New Jersey; and

WHEREAS, the Authority duly adopted on October 29, 1992 its General Health Care Facilities Registered Bond Resolution (the “**General Resolution**”); and

WHEREAS, the General Resolution authorizes the issuance by the Authority, from time to time, of its revenue bonds, in one or more series, for the authorized purposes of the Authority; and

WHEREAS, the General Resolution provides that bonds of the Authority shall be issued pursuant to a series resolution; and

WHEREAS, on April 27, 2017, the Authority adopted a series resolution (the “**Original Series Resolution**”) authorizing the issuance of its Revenue Bonds, Inspira Health Obligated Group Issue, Series 2017A, in an aggregate principal amount not to exceed \$315,000,000 (the “**Series 2017A Bonds**”); and

WHEREAS, Section 2.2 of the Original Series Resolution provides that the Bond Purchase Contract (as defined in the Original Series Resolution) relating to the Series 2017A Bonds shall be executed prior to the close of business on July 26, 2017; and

WHEREAS, the Bond Purchase Contract for the Series 2017A Bonds has not been executed as of the date hereof and, due to the occurrence of unanticipated and unforeseen events, it may not be possible for the Bond Purchase Contract for the Series 2017A Bonds to be executed prior to the close of business on July 26, 2017; and

WHEREAS, the Authority has determined to amend the Original Series Resolution to provide that the Bond Purchase Contract for the Series 2017A Bonds shall be executed prior to the close of business on October 25, 2017.

NOW, THEREFORE, BE IT RESOLVED by the Authority, as follows:

NEW JERSEY STATE LIBRARY

ARTICLE I
DEFINITIONS AND AUTHORITY FOR
THIS FIRST SUPPLEMENT TO THE SERIES RESOLUTION

Section 1.1 Definitions.

(a) As used in this First Supplement to the Series Resolution, unless the context otherwise requires, all words and terms that are defined in Section 1.01 of the General Resolution or Section 1.1 of the Original Series Resolution shall have the same meaning in this First Supplement to the Series Resolution as are given to such words and terms by Section 1.01 of the General Resolution and Section 1.1 of the Original Series Resolution, as the case may be, unless such words or terms are otherwise defined in this Section 1.1.

(b) The following terms shall have the meanings specified in the recitals to this First Supplement to the Series Resolution:

“Act”
“Authority”
“General Resolution”
“Original Series Resolution”
“Series 2017A Bonds”

Section 1.2 Authority for this First Supplement to the Series Resolution.

This First Supplement to the Series Resolution is adopted by the Authority pursuant to and in accordance with the provisions of the Act and Article X of the General Resolution for the purpose of amending and supplementing the Original Series Resolution. The Original Series Resolution and this First Supplement to the Series Resolution shall be read, deemed and construed to be one and the same instrument for all purposes of the Series 2017A Bonds and for so long as the Series 2017A Bonds remain Outstanding. To the extent that the provisions of this First Supplement to the Series Resolution are inconsistent with the provisions of the General Resolution or the Original Series Resolution, the provisions of this First Supplement to the Series Resolution shall control.

ARTICLE II
AMENDMENTS TO THE ORIGINAL SERIES RESOLUTION

Section 2.1 Amendment to Section 2.2(b) of the Original Series Resolution.

Section 2.2(b) of the Original Series Resolution is hereby amended to read in its entirety as follows:

“(b) Any Authorized Officer of the Authority is hereby authorized to execute and deliver on behalf of the Authority the Bond Purchase Contract with the Underwriter in substantially the form presented to the meeting at which this Series Resolution is adopted (with such appropriate insertions and changes as Counsel may advise and the Authorized Officer executing the same may approve, such approval to be evidenced by such Authorized Officer’s execution thereof) for the purchase of the Series 2017A Bonds at the price or prices to be agreed upon for the Series 2017A Bonds, such Bond Purchase Contract to be executed prior to the close of business on October 25, 2017, provided that such price shall reflect an underwriter’s discount (including counsel fees) not in excess of \$6.25 per \$1,000 of Series 2017A Bonds; and provided, however, that said Authorized Officer shall not execute and deliver the Bond Purchase Contract unless the Borrower has received and has provided to an Authorized Officer of the Authority a privity letter or letters from the Borrower’s auditor regarding the audited financial statements of the Borrower contained in the Official Statement in form and substance satisfactory to said Authorized Officer. A copy of the Bond Purchase Contract as executed shall be filed with the records of the Authority.”

ARTICLE III MISCELLANEOUS

Section 3.1 Incidental Action.

The Authorized Officers of the Authority are hereby authorized and directed to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order to effectuate the provisions of this First Supplement to the Series Resolution.

Section 3.2 Prior Resolutions.

Except for the Original Series Resolution, as amended and supplemented by this First Supplement to the Series Resolution, all prior resolutions of the Authority or portions thereof inconsistent herewith are hereby amended to conform to the provisions of this First Supplement to the Series Resolution to the extent of any such inconsistency.

Section 3.3 Amendments.

This First Supplement to the Series Resolution may be amended and supplemented by a Supplemental Resolution adopted pursuant to the provisions of the General Resolution.

Section 3.4 Effective Date.

This First Supplement to the Series Resolution shall take effect ten (10) days, exclusive of Saturdays, Sundays and public holidays, after delivery to the Governor of the State of New Jersey of the minutes of the meeting of the Authority at which this First Supplement to the Series Resolution is adopted or at such earlier time as the Governor of the State of New Jersey signs a statement of approval, all in accordance with subsection (i) of Section 4 of the Act.

**A RESOLUTION AMENDING THE BOND RESOLUTION
AUTHORIZING THE ISSUANCE OF NEW JERSEY HEALTH
CARE FACILITIES FINANCING AUTHORITY REVENUE BONDS,
INSPIRA HEALTH OBLIGATED GROUP ISSUE, SERIES 2017B**

June 22, 2017

WHEREAS, the New Jersey Health Care Facilities Financing Authority (the “**Authority**”) was duly created and now exists under the New Jersey Health Care Facilities Financing Authority Law, P.L. 1972, c.29, as amended (N.J.S.A. 26:2I-1, *et seq.*) (the “**Act**”), for the purpose of ensuring that all health care institutions have access to financial resources to improve the health and welfare of the citizens of the State of New Jersey; and

WHEREAS, the Authority is authorized under the Act to make loans to “health care organizations” for the construction of “projects” (as such terms are defined in the Act) and to issue its bonds for the purpose of carrying out its powers under the Act; and

WHEREAS, on April 27, 2017, the Authority adopted a resolution entitled “A Resolution Authorizing the Issuance of New Jersey Health Care Facilities Financing Authority Revenue Bonds, Inspira Health Obligated Group Issue, Series 2017B” (the “**Bond Resolution**”), which authorizes the issuance of its Revenue Bonds, Inspira Health Obligated Group Issue, Series 2017B, in an aggregate principal amount not to exceed \$60,000,000 (the “**Series 2017B Bonds**”); and

WHEREAS, Section 2(f) of the Bond Resolution provides that the Direct Bond Purchase Agreement (as defined in the Bond Resolution) relating to the Series 2017B Bonds shall be executed prior to 5:00 p.m. (local New Jersey prevailing time) on July 26, 2017; and

WHEREAS, the Direct Bond Purchase Agreement for the Series 2017B Bonds has not been executed as of the date hereof and, due to the occurrence of unanticipated and unforeseen events, it may not be possible for the Direct Bond Purchase Agreement for the Series 2017B Bonds to be executed prior to 5:00 p.m. (local New Jersey prevailing time) on July 26, 2017; and

WHEREAS, the Authority has determined to amend the Bond Resolution to provide that the Direct Bond Purchase Agreement for the Series 2017B Bonds shall be executed prior to 5:00 p.m. (local New Jersey prevailing time) on October 25, 2017.

NOW THEREFORE BE IT RESOLVED, by the Authority, as follows:

Section 1. Definitions. As used in this Resolution, unless the context otherwise requires, all words and terms that are defined in the Bond Resolution shall have the same meaning in this Resolution as are given to such words and terms in the Bond Resolution, unless such words or terms are otherwise defined herein. The following terms shall have the meanings specified in the recitals to this Resolution:

“Act”
“Authority”
“Bond Resolution”
“Series 2017B Bonds”

Section 2. Authority for this Resolution. This Resolution is adopted by the Authority pursuant to and in accordance with the provisions of the Act for the purpose of amending the Bond Resolution. The Bond Resolution and this Resolution shall be read, deemed and construed to be one and the same instrument for all purposes of the Series 2017B Bonds and for so long as the Series 2017B Bonds remain outstanding. To the extent that the provisions of this Resolution are inconsistent with the provisions of the Bond Resolution, the provisions of this Resolution shall control.

Section 3. Amendment to Section 2(f) of the Bond Resolution. Section 2(f) of the Bond Resolution is hereby amended to read in its entirety as follows:

“(f) The Chairman, Vice Chairman, Secretary, Assistant Secretary, Treasurer, Assistant Treasurer, Executive Director or Deputy Executive Director of the Authority (each an “Authorized Officer”) are each hereby authorized to execute and deliver on behalf of the Authority, subject to the provisions of the following sentence, a direct bond purchase agreement relating to the Series 2017B Bonds (the “Direct Bond Purchase Agreement”), by and among the Authority, the Purchaser and the Borrower in the form presented to this meeting with such appropriate insertions and changes as counsel may advise and the Authorized Officer executing the same may approve, such approval to be evidenced by such Authorized Officer’s execution thereof; *provided, however*, that the Direct Bond Purchase Agreement shall be executed prior to 5:00 p.m. (local New Jersey prevailing time) on October 25, 2017. The Direct Bond Purchase Agreement executed and delivered by such Authorized Officer shall provide for the issuance and sale of all, but not less than all, of the Series 2017B Bonds to the Purchaser at a price equal to 100% of the principal amount thereof on such terms and conditions as may be set forth therein. A copy of the Direct Bond Purchase Agreement in the form presented to this meeting shall be filed with the records of the Authority.”

Section 4. Incidental Action. The Authorized Officers of the Authority are hereby authorized to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order to effectuate the provisions of this Resolution.

Section 5. Prior Resolutions. Except for the Bond Resolution, as amended by this Resolution, all prior resolutions of the Authority or portions thereof inconsistent herewith are hereby amended to conform to the provisions of this Resolution to the extent of any such inconsistency.

Section 6. Effective Date. This Resolution shall take effect ten (10) days, exclusive of Saturdays, Sundays and public holidays, after delivery (and not including the day of delivery) to the Governor of the minutes of the meeting of the Authority at which this Resolution is adopted or such earlier time as the Governor signs a statement of approval, all in accordance with the subsection (i) of Section 4 of the Act.

**RESOLUTION OF THE NEW JERSEY HEALTH CARE FACILITIES
FINANCING AUTHORITY AUTHORIZING CERTAIN AMENDMENTS
TO THE DOCUMENTATION RELATING TO VARIOUS SERIES OF ITS
OUTSTANDING BONDS ISSUED FOR THE BENEFIT OF VARIOUS
AFFILIATES OF HACKENSACK MERIDIAN HEALTH, INC. AND
OTHER INCIDENTAL ACTIONS RELATED THERETO**

June 22, 2017

WHEREAS, the New Jersey Health Care Facilities Financing Authority (the “**Authority**”) has previously issued and currently has outstanding \$60,000,000 aggregate principal amount of its Variable Rate Revenue Bonds, Meridian Health System Obligated Group Issue, Series 2003A (the “**Series 2003A Bonds**”);

WHEREAS, the Series 2003A Bonds were issued by the Authority under and pursuant to (i) the New Jersey Health Care Facilities Financing Authority Law, P.L. 1972, c.29, as amended (N.J.S.A. 26:2I-1, *et seq.*) (the “**Act**”), and (ii) a Trust Agreement, dated as of February 1, 2003 (the “**Original Series 2003A Trust Agreement**”), by and between the Authority and The Bank of New York Mellon (f/k/a The Bank of New York), as Bond Trustee (the “**Series 2003A Trustee**”);

WHEREAS, Meridian Hospitals Corporation, a nonprofit corporation organized and existing under the laws of the State of New Jersey and a health care organization within the meaning of the Act (“**MHC**”), and Hackensack Meridian Nursing and Rehabilitation, Inc. (f/k/a Meridian Nursing and Rehabilitation at Brick, Inc.), a nonprofit corporation organized and existing under the laws of the State of New Jersey and a health care organization within the meaning of the Act (“**HMNR**” and, together with MHC, the “**Series 2003A Borrower**”), and the Authority have entered into a Loan Agreement, dated as of February 1, 2003 (the “**Original Series 2003A Loan Agreement**”), pursuant to which the proceeds from the sale of the Series 2003A Bonds were lent by the Authority to the Series 2003A Borrower and used by the Series 2003A Borrower for the purposes set forth in the Original Series 2003A Loan Agreement;

WHEREAS, in order to evidence and secure its obligations under the Original Series 2003A Loan Agreement, simultaneously with the issuance of the Series 2003A Bonds, the Series 2003A Borrower executed and delivered to the Authority a promissory note dated February 20, 2003 having a principal amount equal to the original aggregate principal amount of the Series 2003A Bonds (the “**Original Series 2003A Note**”);

WHEREAS, simultaneously with the issuance of the Series 2003A Bonds, the Authority assigned all of its right, title and interest (subject to the reservation of certain rights) in the Original Series 2003A Loan Agreement and the Original Series 2003A Note to the Series 2003A Trustee;

WHEREAS, as credit enhancement for the Series 2003A Bonds, JPMorgan Chase Bank (the “**Series 2003A LOC Bank**”) has issued its irrevocable direct pay letter of credit in favor of

the Series 2003A Trustee, which letter of credit is drawn on by the Series 2003A Trustee to pay the principal or redemption price of and interest on the Series 2003A Bonds, when due;

WHEREAS, on April 20, 2017, simultaneously with the issuance by the Authority of its Revenue and Refunding Bonds, Hackensack Meridian Health Obligated Group Issue, Series 2017A (the “**Series 2017A Bonds**”) and as permitted by the terms of the Series 2003A Bonds, Hackensack Meridian Health, Inc., a New Jersey non-profit corporation and an affiliate of the Series 2003A Borrower (“**HMH**”), issued its Obligated Group Promissory Note relating to the Series 2003A Bonds (the “**New Series 2003A Note**”) to the Authority, which, in turn, assigned all of its right, title and interest (subject to the reservation of certain rights) in the New Series 2003A Note to the Series 2003A Trustee, in exchange and substitution for the Original Series 2003A Note, which was cancelled;

WHEREAS, the New Series 2003A Note now evidences and secures all of the obligations of the Series 2003A Borrower under the Original Series 2003A Loan Agreement;

WHEREAS, the New Series 2003A Note was issued by HMH under and pursuant to the Master Trust Indenture, dated as of April 1, 2017, as amended and supplemented (the “**New Master Trust Indenture**”), by and between HMH, on behalf of itself and any future members of the Obligated Group, and The Bank of New York Mellon, as Master Trustee;

WHEREAS, the Series 2003A Borrower and the Authority have now agreed that certain covenants of the Series 2003A Borrower contained in the Original Series 2003A Loan Agreement should be modified and/or amended to be substantially consistent with the corresponding covenants set forth in the New Master Trust Indenture and the Loan Agreement, dated as of April 1, 2017 (the “**Series 2017A Loan Agreement**”), by and between the Authority and HMH, relating to the Series 2017A Bonds (such modifications and/or amendments to the covenants contained in the Original Series 2003A Loan Agreement being hereinafter collectively referred to as the “**Series 2003A Covenant Modifications**”);

WHEREAS, the Authority, the Series 2003A Borrower and the Series 2003A Trustee now desire to supplement, amend and/or restate the Original Series 2003A Trust Agreement and the Original Series 2003A Loan Agreement to reflect the Series 2003A Covenant Modifications and the fact that the New Series 2003A Note now evidences and secures all of the obligations of the Series 2003A Borrower under the Original Series 2003A Loan Agreement;

WHEREAS, in order to reflect the transactions agreed to by the Authority, the Series 2003A Borrower and the Series 2003A Trustee, the Authority has determined to (i) amend the Original Series 2003A Trust Agreement by entering into a First Supplemental Trust Agreement, dated the date of execution thereof (or such other date as shall be acceptable to the Authority and the Series 2003A Trustee) (the “**Series 2003A First Supplemental Trust Agreement**”), by and between the Authority and the Series 2003A Trustee, and (ii) amend the Original Series 2003A Loan Agreement by entering into an Amended and Restated Loan Agreement, dated the date of execution thereof (or such other date as shall be acceptable to the Authority and the Series 2003A Borrower) (the “**Amended and Restated Series 2003A Loan Agreement**”), by and between the Authority and the Series 2003A Borrower;

WHEREAS, the Authority has previously issued and currently has outstanding \$10,735,000 aggregate principal amount of its Revenue Bonds (Variable Rate Composite Program – Meridian Nursing and Rehabilitation at Red Bank, Inc. Project), Series 2004A-3 (the “**Series 2004A-3 Bonds**”);

WHEREAS, the Series 2004A-3 Bonds were issued by the Authority under and pursuant to (i) the Act, and (ii) a Trust Indenture, dated as of June 1, 2004, by and between the Authority and TD Bank, National Association (as successor to Commerce Bank, National Association), as Trustee (the “**Series 2004A-3 Trustee**”)

WHEREAS, HMNR (f/k/a Meridian Nursing and Rehabilitation at Red Bank, Inc.) (the “**Series 2004A-3 Borrower**”), and the Authority have entered into a Loan Agreement, dated as of June 1, 2004 (the “**Original Series 2004A-3 Loan Agreement**”), pursuant to which the proceeds from the sale of the Series 2004A-3 Bonds were lent by the Authority to the Series 2004A-3 Borrower and used by the Series 2004A-3 Borrower for the purposes set forth in the Original Series 2004A-3 Loan Agreement;

WHEREAS, simultaneously with the issuance of the Series 2004A-3 Bonds, the Authority assigned all of its right, title and interest (subject to the reservation of certain rights) in the Original Series 2004A-3 Loan Agreement to the Series 2004A-3 Trustee;

WHEREAS, as credit enhancement for the Series 2004A-3 Bonds, Wells Fargo Bank, National Association (as successor by merger to Wachovia Bank, National Association) (the “**Series 2004A-3 LOC Bank**”) has issued its irrevocable direct pay letter of credit in favor of the Series 2004A-3 Trustee, which letter of credit is drawn on by the Series 2004A-3 Trustee to pay the principal or redemption price of and interest on the Series 2004A-3 Bonds, when due;

WHEREAS, the Series 2004A-3 Borrower and the Authority have now agreed that certain covenants of the Series 2004A-3 Borrower contained in the Original Series 2004A-3 Loan Agreement should be modified and/or amended to be substantially consistent with the corresponding covenants set forth in the New Master Trust Indenture and the Series 2017A Loan Agreement (such modifications and/or amendments to the covenants contained in the Original Series 2004A-3 Loan Agreement being hereinafter collectively referred to as the “**Series 2004A-3 Covenant Modifications**”);

WHEREAS, the Authority, the Series 2004A-3 Borrower and the Series 2004A-3 Trustee now desire to supplement, amend and/or restate the Original Series 2004A-3 Loan Agreement to reflect the Series 2004A-3 Covenant Modifications;

WHEREAS, in order to reflect the transactions agreed to by the Authority, the Series 2004A-3 Borrower and the Series 2004A-3 Trustee, the Authority has determined to amend the Original Series 2004A-3 Loan Agreement by entering into a First Amendment to the Original Series 2004A-3 Loan Agreement, dated the date of execution thereof (or such other date as shall be acceptable to the Authority and the Series 2004A-3 Borrower) (the “**First Amendment to the Series 2004A-3 Loan Agreement**”), by and between the Authority and the Series 2004A-3 Borrower;

WHEREAS, the Authority has previously issued and currently has outstanding \$3,500,000 aggregate principal amount of its Revenue Bonds (Variable Rate Composite Program – Meridian Nursing and Rehabilitation, Inc. Project), Series 2006A-3 (the “**Series 2006A-3 Bonds**”);

WHEREAS, the Series 2006A-3 Bonds were issued by the Authority under and pursuant to (i) the Act, and (ii) a Trust Indenture, dated as of November 1, 2006, by and between the Authority and The Bank of New York Mellon (f/k/a The Bank of New York), as trustee (the “**Series 2006A-3 Trustee**”);

WHEREAS, HMNR (f/k/a Meridian Nursing and Rehabilitation, Inc.) (the “**Series 2006A-3 Borrower**”) and the Authority have entered into a Loan Agreement, dated as of November 1, 2006 (the “**Original Series 2006A-3 Loan Agreement**”), pursuant to which the proceeds from the sale of the Series 2006A-3 Bonds were lent by the Authority to the Series 2006A-3 Borrower and used by the Series 2006A-3 Borrower for the purposes set forth in the Original Series 2006A-3 Loan Agreement;

WHEREAS, simultaneously with the issuance of the Series 2006A-3 Bonds, the Authority assigned all of its right, title and interest (subject to the reservation of certain rights) in the Original Series 2006A-3 Loan Agreement to the Series 2006A-3 Trustee;

WHEREAS, as credit enhancement for the Series 2006A-3 Bonds, JPMorgan Chase Bank, N.A. (the “**Series 2006A-3 LOC Bank**”) has issued its irrevocable direct pay letter of credit in favor of the Series 2006A-3 Trustee, which letter of credit is drawn on by the Series 2006A-3 Trustee to pay the principal or redemption price of and interest on the Series 2006A-3 Bonds, when due;

WHEREAS, the Series 2006A-3 Borrower and the Authority have now agreed that certain covenants of the Series 2006A-3 Borrower contained in the Original Series 2006A-3 Loan Agreement should be modified and/or amended to be substantially consistent with the corresponding covenants set forth in the New Master Trust Indenture and the Series 2017A Loan Agreement (such modifications and/or amendments to the covenants contained in the Original Series 2006A-3 Loan Agreement being hereinafter collectively referred to as the “**Series 2006A-3 Covenant Modifications**”);

WHEREAS, the Authority, the Series 2006A-3 Borrower and the Series 2006A-3 Trustee now desire to supplement, amend and/or restate the Original Series 2006A-3 Loan Agreement to reflect the Series 2006A-3 Covenant Modifications;

WHEREAS, in order to reflect the transactions agreed to by the Authority, the Series 2006A-3 Borrower and the Series 2006A-3 Trustee, the Authority has determined to amend the Original Series 2006A-3 Loan Agreement by entering into a First Amendment to the Original Series 2006A-3 Loan Agreement, dated the date of execution thereof (or such other date as shall be acceptable to the Authority and the Series 2006A-3 Borrower) (the “**First Amendment to the Series 2006A-3 Loan Agreement**”), by and between the Authority and the Series 2006A-3 Borrower;

WHEREAS, the Authority has previously issued and currently has outstanding \$14,630,000 aggregate principal amount of its Revenue Bonds (Variable Rate Composite Program – MHAC I, LLC Project), Series 2006A-4 (the “**Series 2006A-4 Bonds**”), and \$10,915,000 aggregate principal amount of its Revenue Bonds (Variable Rate Composite Program – MHAC I, LLC Project), Series 2006A-5 (the “**Series 2006A-5 Bonds**” and, together with the Series 2006A-4 Bonds, the “**Series 2006A-4/5 Bonds**”);

WHEREAS, the Series 2006A-4/5 Bonds were issued by the Authority under and pursuant to (i) the Act, and (ii) a Trust Indenture, dated as of November 1, 2006, by and between the Authority and The Bank of New York Mellon (f/k/a The Bank of New York), as trustee (the “**Series 2006A-4/5 Trustee**”);

WHEREAS, MHAC I, LLC, an affiliate of HMH which is a nonprofit corporation organized and existing under the laws of the State of New Jersey and a health care organization within the meaning of the Act (the “**Series 2006A-4/5 Borrower**”), and the Authority have entered into (i) a Loan Agreement, dated as of November 1, 2006 (the “**Original Series 2006A-4 Loan Agreement**”), pursuant to which the proceeds from the sale of the Series 2006A-4 Bonds were lent by the Authority to the Series 2006A-4/5 Borrower and used by the Series 2006A-4/5 Borrower for the purposes set forth in the Original Series 2006A-4 Loan Agreement, and (ii) a Loan Agreement, dated as of November 1, 2006 (the “**Original Series 2006A-5 Loan Agreement**” and, together with the Original Series 2006A-4 Loan Agreement, the “**Original Series 2006A-4/5 Loan Agreements**”), pursuant to which the proceeds from the sale of the Series 2006A-5 Bonds were lent by the Authority to the Series 2006A-4/5 Borrower and used by the Series 2006A-4/5 Borrower for the purposes set forth in the Original Series 2006A-5 Loan Agreement;

WHEREAS, simultaneously with the issuance of the Series 2006A-4/5 Bonds, the Authority assigned all of its right, title and interest (subject to the reservation of certain rights) in the Original Series 2006A-4/5 Loan Agreements to the Series 2006A-4/5 Trustee;

WHEREAS, as credit enhancement for the Series 2006A-4/5 Bonds, Wells Fargo Bank, National Association (as successor by merger to Wachovia Bank, National Association) (the “**Series 2006A-4/5 LOC Bank**”) has issued its irrevocable direct pay letter of credit in favor of the Series 2006A-4/5 Trustee, which letter of credit is drawn on by the Series 2006A-4/5 Trustee to pay the principal or redemption price of and interest on the Series 2006A-4/5 Bonds, when due;

WHEREAS, the Series 2006A-4/5 Borrower and the Authority have now agreed that certain covenants of the Series 2006A-4/5 Borrower contained in the Original Series 2006A-4/5 Loan Agreements should be modified and/or amended to be substantially consistent with the corresponding covenants set forth in the New Master Trust Indenture and the Series 2017A Loan Agreement (such modifications and/or amendments to the covenants contained in the Original Series 2006A-4/5 Loan Agreements being hereinafter collectively referred to as the “**Series 2006A-4/5 Covenant Modifications**”);

WHEREAS, the Authority, the Series 2006A-4/5 Borrower and the Series 2006A-4/5 Trustee now desire to supplement, amend and/or restate the Original Series 2006A-4/5 Loan Agreements to reflect the Series 2006A-4/5 Covenant Modifications;

WHEREAS, in order to reflect the transactions agreed to by the Authority, the Series 2006A-4/5 Borrower and the Series 2006A-4/5 Trustee, the Authority has determined to (i) amend the Original Series 2006A-4 Loan Agreement by entering into a First Amendment to the Original Series 2006A-4 Loan Agreement, dated the date of execution thereof (or such other date as shall be acceptable to the Authority and the Series 2006A-4/5 Borrower) (the “**First Amendment to the Series 2006A-4 Loan Agreement**”), by and between the Authority and the Series 2006A-4/5 Borrower, and (ii) amend the Original Series 2006A-5 Loan Agreement by entering into a First Amendment to the Original Series 2006A-5 Loan Agreement, dated the date of execution thereof (or such other date as shall be acceptable to the Authority and the Series 2006A-4/5 Borrower) (the “**First Amendment to the Series 2006A-5 Loan Agreement**” and, together with the First Amendment to the Series 2003A-4 Loan Agreement, the First Amendment to the Series 2006A-3 Loan Agreement and the First Amendment to the Series 2006A-4 Loan Agreement, the “**First Amendments**”), by and between the Authority and the Series 2006A-4/5 Borrower;

WHEREAS, the Authority has previously issued and currently has outstanding \$15,385,000 aggregate principal amount of its Variable Rate Revenue Bonds, Southern Ocean County Hospital Issue, Series 2006 (the “**Series 2006 Bonds**”);

WHEREAS, the Series 2006 Bonds were issued by the Authority under and pursuant to (i) the Act, and (ii) a Trust Indenture, dated as of May 1, 2006, by and between the Authority and U.S. Bank National Association (as successor to Wachovia Bank, National Association), as Trustee (the “**Series 2006 Trustee**”);

WHEREAS, MHC (as successor by merger to Southern Ocean County Hospital) (the “**Series 2006 Borrower**”) and the Authority have entered into a Loan Agreement, dated as of May 1, 2006 (the “**Original Series 2006 Loan Agreement**”), pursuant to which the proceeds from the sale of the Series 2006 Bonds were lent by the Authority to the Series 2006 Borrower and used by the Series 2006 Borrower for the purposes set forth in the Original Series 2006 Loan Agreement;

WHEREAS, simultaneously with the issuance of the Series 2006 Bonds, the Authority assigned all of its right, title and interest (subject to the reservation of certain rights) in the Original Series 2006 Loan Agreement to the Series 2006 Trustee;

WHEREAS, as credit enhancement for the Series 2006 Bonds, Wells Fargo Bank, National Association (as successor by merger to Wachovia Bank, National Association) (the “**Series 2006 LOC Bank**”) has issued its irrevocable direct pay letter of credit in favor of the Series 2006 Trustee, which letter of credit is drawn on by the Series 2006 Trustee to pay the principal or redemption price of and interest on the Series 2006 Bonds, when due;

WHEREAS, the Series 2006 Borrower and the Authority have now agreed that certain covenants of the Series 2006 Borrower contained in the Original Series 2006 Loan Agreement

should be modified and/or amended to be substantially consistent with the corresponding covenants set forth in the New Master Trust Indenture and the Series 2017A Loan Agreement (such modifications and/or amendments to the covenants contained in the Original Series 2006 Loan Agreement being hereinafter collectively referred to as the “**Series 2006 Covenant Modifications**”);

WHEREAS, the Authority, the Series 2006 Borrower and the Series 2006 Trustee now desire to supplement, amend and/or restate the Original Series 2006 Trust Agreement and the Original Series 2006 Loan Agreement to reflect the Series 2006 Covenant Modifications;

WHEREAS, in order to reflect the transactions agreed to by the Authority, the Series 2006 Borrower and the Series 2006 Trustee, the Authority has determined to amend the Original Series 2006 Loan Agreement by entering into an Amended and Restated Loan Agreement, dated the date of execution thereof (or such other date as shall be acceptable to the Authority and the Series 2006 Borrower) (the “**Amended and Restated Series 2006 Loan Agreement**”), by and between the Authority and the Series 2006 Borrower;

WHEREAS, the Authority has previously issued and currently has outstanding \$79,338,359 aggregate principal amount of its Revenue Bonds, Hackensack University Medical Center Obligated Group Issue, Series 2015A (the “**HUMC Series 2015A Bonds**”);

WHEREAS, the HUMC Series 2015A Bonds were issued by the Authority under and pursuant to (i) the Act, and (ii) a Trust Agreement, dated as of August 1, 2015 (the “**Original HUMC Series 2015A Trust Agreement**”), by and between the Authority and The Bank of New York Mellon, as Bond Trustee (the “**HUMC Series 2015A Trustee**”);

WHEREAS, all of the HUMC Series 2015A Bonds were issued and sold by the Authority directly to, and are currently owned by, TD Bank, N.A., as purchaser;

WHEREAS, Hackensack University Medical Center, an affiliate of HMH which is a nonprofit corporation organized and existing under the laws of the State of New Jersey and a health care organization within the meaning of the Act (“**HUMC**”), and 20 Prospect Avenue Holdings, LLC, a limited liability company organized and existing under the laws of the State of New Jersey and the sole member of which is HUMC (the “**LLC**” and, together with HUMC, the “**HUMC Series 2015A Borrower**”), and the Authority have entered into a Loan Agreement, dated as of August 1, 2015 (the “**Original HUMC Series 2015A Loan Agreement**”), pursuant to which the proceeds from the sale of the HUMC Series 2015A Bonds were lent by the Authority to the HUMC Series 2015A Borrower and used by the HUMC Series 2015A Borrower for the purposes set forth in the Original HUMC Series 2015A Loan Agreement;

WHEREAS, in order to evidence and secure its obligations under the Original HUMC Series 2015A Loan Agreement, simultaneously with the issuance of the HUMC Series 2015A Bonds, the HUMC Series 2015A Borrower executed and delivered to the Authority a promissory note dated August 12, 2015 having a principal amount equal to the original aggregate principal amount of the HUMC Series 2015A Bonds (the “**Original HUMC Series 2015A-1 Note**”);

WHEREAS, simultaneously with the issuance of the HUMC Series 2015A Bonds, the Authority assigned all of its right, title and interest (subject to the reservation of certain rights) in

the Original HUMC Series 2015A Loan Agreement and the Original HUMC Series 2015A-1 Note to the HUMC Series 2015A Trustee;

WHEREAS, on April 20, 2017, simultaneously with the issuance by the Authority of the Series 2017A Bonds and as permitted by the terms of the HUMC Series 2015A Bonds, HMH issued its Obligated Group Promissory Note relating to the HUMC Series 2015A Bonds (the “**New HUMC Series 2015A-1 Note**”) to the Authority, which, in turn, assigned all of its right, title and interest (subject to the reservation of certain rights) in the New HUMC Series 2015A-1 Note to the HUMC Series 2015A Trustee, in exchange and substitution for the Original HUMC Series 2015A-1 Note, which was cancelled;

WHEREAS, the New HUMC Series 2015A-1 Note now evidences and secures all of the obligations of the HUMC Series 2015A Borrower under the Original HUMC Series 2015A Loan Agreement;

WHEREAS, the New HUMC Series 2015A-1 Note was issued by HMH under and pursuant to the New Master Trust Indenture;

WHEREAS, the HUMC Series 2015A Borrower and the Authority have now agreed that certain covenants of the HUMC Series 2015A Borrower contained in the Original HUMC Series 2015A Loan Agreement should be modified and/or amended to be substantially consistent with the corresponding covenants set forth in the New Master Trust Indenture and the Series 2017A Loan Agreement (such modifications and/or amendments to the covenants contained in the Original HUMC Series 2015A Loan Agreement being hereinafter collectively referred to as the “**HUMC Series 2015A Covenant Modifications**”);

WHEREAS, the Authority, the HUMC Series 2015A Borrower and the HUMC Series 2015A Trustee now desire to supplement, amend and/or restate the Original HUMC Series 2015A Trust Agreement and the Original HUMC Series 2015A Loan Agreement to reflect the HUMC Series 2015A Covenant Modifications and the fact that the New HUMC Series 2015A-1 Note now evidences and secures all of the obligations of the HUMC Series 2015A Borrower under the Original HUMC Series 2015A Loan Agreement;

WHEREAS, in order to reflect the transactions agreed to by the Authority, the HUMC Series 2015A Borrower and the HUMC Series 2015A Trustee, the Authority has determined to (i) amend the Original HUMC Series 2015A Trust Agreement by entering into a First Supplemental Trust Agreement, dated the date of execution thereof (or such other date as shall be acceptable to the Authority and the HUMC Series 2015A Trustee) (the “**HUMC Series 2015A First Supplemental Trust Agreement**”), by and between the Authority and the HUMC Series 2015A Trustee, and (ii) amend the Original HUMC Series 2015A Loan Agreement by entering into an Amended and Restated Loan Agreement, dated the date of execution thereof (or such other date as shall be acceptable to the Authority and the HUMC Series 2015A Borrower) (the “**Amended and Restated HUMC Series 2015A Loan Agreement**”), by and between the Authority and the HUMC Series 2015A Borrower;

WHEREAS, the Authority has previously issued and currently has outstanding \$123,138,891 aggregate principal amount of its Revenue Bonds, Meridian Health System Obligated Group Issue, Series 2015A (the “**MHC Series 2015A Bonds**”);

WHEREAS, the MHC Series 2015A Bonds were issued by the Authority under and pursuant to (i) the Act, and (ii) a Trust Agreement, dated as of November 1, 2015 (the “**Original MHC Series 2015A Trust Agreement**”), by and between the Authority and The Bank of New York Mellon, as Bond Trustee (the “**MHC Series 2015A Trustee**”);

WHEREAS, all of the MHC Series 2015A Bonds were issued and sold by the Authority directly to, and are currently owned by, TD Bank, N.A., as purchaser;

WHEREAS, MHC (the “**MHC Series 2015A Borrower**”) and the Authority have entered into a Loan Agreement, dated as of November 1, 2015 (the “**Original MHC Series 2015A Loan Agreement**”), pursuant to which the proceeds from the sale of the MHC Series 2015A Bonds were lent by the Authority to the MHC Series 2015A Borrower and used by the MHC Series 2015A Borrower for the purposes set forth in the Original MHC Series 2015A Loan Agreement;

WHEREAS, in order to evidence and secure its obligations under the Original MHC Series 2015A Loan Agreement, simultaneously with the issuance of the MHC Series 2015A Bonds, the MHC Series 2015A Borrower executed and delivered to the Authority a promissory note dated November 2, 2015 having a principal amount equal to the original aggregate principal amount of the MHC Series 2015A Bonds (the “**Original MHC Series 2015A-1 Note**”);

WHEREAS, simultaneously with the issuance of the MHC Series 2015A Bonds, the Authority assigned all of its right, title and interest (subject to the reservation of certain rights) in the Original MHC Series 2015A Loan Agreement and the Original MHC Series 2015A-1 Note to the MHC Series 2015A Trustee;

WHEREAS, on April 20, 2017, simultaneously with the issuance by the Authority of the Series 2017A Bonds and as permitted by the terms of the MHC Series 2015A Bonds, HMH issued its Obligated Group Promissory Note relating to the MHC Series 2015A Bonds (the “**New MHC Series 2015A-1 Note**”) to the Authority, which, in turn, assigned all of its right, title and interest (subject to the reservation of certain rights) in the New MHC Series 2015A-1 Note to the MHC Series 2015A Trustee, in exchange and substitution for the Original MHC Series 2015A-1 Note, which was cancelled;

WHEREAS, the New MHC Series 2015A-1 Note now evidences and secures all of the obligations of the MHC Series 2015A Borrower under the Original MHC Series 2015A Loan Agreement;

WHEREAS, the New MHC Series 2015A-1 Note was issued by HMH under and pursuant to the New Master Trust Indenture;

WHEREAS, the MHC Series 2015A Borrower and the Authority have now agreed that certain covenants of the MHC Series 2015A Borrower contained in the Original MHC Series 2015A Loan Agreement should be modified and/or amended to be substantially consistent with

the corresponding covenants set forth in the New Master Trust Indenture and the Series 2017A Loan Agreement (such modifications and/or amendments to the covenants contained in the Original MHC Series 2015A Loan Agreement being hereinafter collectively referred to as the **“MHC Series 2015A Covenant Modifications”**);

WHEREAS, the Authority, the MHC Series 2015A Borrower and the MHC Series 2015A Trustee now desire to supplement, amend and/or restate the Original MHC Series 2015A Trust Agreement and the Original MHC Series 2015A Loan Agreement to reflect the MHC Series 2015A Covenant Modifications and the fact that the New MHC Series 2015A-1 Note now evidences and secures all of the obligations of the MHC Series 2015A Borrower under the Original MHC Series 2015A Loan Agreement;

WHEREAS, in order to reflect the transactions agreed to by the Authority, the MHC Series 2015A Borrower and the MHC Series 2015A Trustee, the Authority has determined to (i) amend the Original MHC Series 2015A Trust Agreement by entering into a First Supplemental Trust Agreement, dated the date of execution thereof (or such other date as shall be acceptable to the Authority and the MHC Series 2015A Trustee) (the **“MHC Series 2015A First Supplemental Trust Agreement”**), by and between the Authority and the MHC Series 2015A Trustee, and (ii) amend the Original MHC Series 2015A Loan Agreement by entering into an Amended and Restated Loan Agreement, dated the date of execution thereof (or such other date as shall be acceptable to the Authority and the MHC Series 2015A Borrower) (the **“Amended and Restated MHC Series 2015A Loan Agreement”**), by and between the Authority and the MHC Series 2015A Borrower;

WHEREAS, the Authority has previously issued and currently has outstanding \$128,715,000 aggregate principal amount of its Refunding Bonds, Meridian Health System Obligated Group Issue, Series 2016A (the **“Series 2016A Bonds”**);

WHEREAS, the Series 2016A Bonds were issued by the Authority under and pursuant to (i) the Act, and (ii) a Trust Agreement, dated as of March 1, 2016 (the **“Original Series 2016A Trust Agreement”**), by and between the Authority and The Bank of New York Mellon, as Bond Trustee (the **“Series 2016A Trustee”**);

WHEREAS, all of the Series 2016A Bonds were issued and sold by the Authority directly to, and are currently owned by, Banc of America Public Capital Corp, as purchaser;

WHEREAS, MHC and HMNR (collectively, the **“Series 2016A Borrower”**) and the Authority have entered into a Loan Agreement, dated as of March 1, 2016 (the **“Original Series 2016A Loan Agreement”**), pursuant to which the proceeds from the sale of the Series 2016A Bonds were lent by the Authority to the Series 2016A Borrower and used by the Series 2016A Borrower for the purposes set forth in the Original Series 2016A Loan Agreement;

WHEREAS, in order to evidence and secure its obligations under the Original Series 2016A Loan Agreement, simultaneously with the issuance of the Series 2016A Bonds, the Series 2016A Borrower executed and delivered to the Authority a promissory note dated March 16, 2016 having a principal amount equal to the original aggregate principal amount of the Series 2016A Bonds (the **“Original Series 2016A-1 Note”**);

WHEREAS, simultaneously with the issuance of the Series 2016A Bonds, the Authority assigned all of its right, title and interest (subject to the reservation of certain rights) in the Original Series 2016A Loan Agreement and the Original Series 2016A-1 Note to the Series 2016A Trustee;

WHEREAS, on April 20, 2017, simultaneously with the issuance by the Authority of the Series 2017A Bonds and as permitted by the terms of the Series 2016A Bonds, HMH issued its Obligated Group Promissory Note relating to the Series 2016A Bonds (the “**New Series 2016A-1 Note**”) to the Authority, which, in turn, assigned all of its right, title and interest (subject to the reservation of certain rights) in the New Series 2016A-1 Note to the Series 2016A Trustee, in exchange and substitution for the Original Series 2016A-1 Note, which was cancelled;

WHEREAS, the New Series 2016A-1 Note now evidences and secures all of the obligations of the Series 2016A Borrower under the Original Series 2016A Loan Agreement;

WHEREAS, the New Series 2016A-1 Note was issued by HMH under and pursuant to the New Master Trust Indenture;

WHEREAS, the Series 2016A Borrower and the Authority have now agreed that certain covenants of the Series 2016A Borrower contained in the Original Series 2016A Loan Agreement should be modified and/or amended to be substantially consistent with the corresponding covenants set forth in the New Master Trust Indenture and the Series 2017A Loan Agreement (such modifications and/or amendments to the covenants contained in the Original Series 2016A Loan Agreement being hereinafter collectively referred to as the “**Series 2016A Covenant Modifications**”);

WHEREAS, the Authority, the Series 2016A Borrower and the Series 2016A Trustee now desire to supplement, amend and/or restate the Original Series 2016A Trust Agreement and the Original Series 2016A Loan Agreement to reflect the Series 2016A Covenant Modifications and the fact that the New Series 2016A-1 Note now evidences and secures all of the obligations of the Series 2016A Borrower under the Original Series 2016A Loan Agreement;

WHEREAS, in order to reflect the transactions agreed to by the Authority, the Series 2016A Borrower and the Series 2016A Trustee, the Authority has determined to (i) amend the Original Series 2016A Trust Agreement by entering into a First Supplemental Trust Agreement, dated the date of execution thereof (or such other date as shall be acceptable to the Authority and the Series 2016A Trustee) (the “**Series 2016A First Supplemental Trust Agreement**” and, together with the Series 2003A First Supplemental Trust Agreement, the HUMC Series 2015A First Supplemental Trust Agreement and the MHC Series 2015A First Supplemental Trust Agreement, the “**First Supplemental Trust Agreements**”), by and between the Authority and the Series 2016A Trustee, and (ii) amend the Original Series 2016A Loan Agreement by entering into an Amended and Restated Loan Agreement, dated the date of execution thereof (or such other date as shall be acceptable to the Authority and the Series 2016A Borrower) (the “**Amended and Restated Series 2016A Loan Agreement**” and, together with the Amended and Restated Series 2003A Loan Agreement, the Amended and Restated Series 2006 Loan Agreement, the Amended and Restated HUMC Series 2015A Loan Agreement and the Amended

and Restated MHC Series 2015A Loan Agreement, the “**Amended and Restated Loan Agreements**”), by and between the Authority and the Series 2016A Borrower.

NOW THEREFORE BE IT RESOLVED, by the Authority, as follows:

Section 1. Approval of the First Supplemental Trust Agreements. The form of each of the First Supplemental Trust Agreements presented to this meeting (a copy of each of which shall be filed with the records of the Authority) is hereby approved and the Chairman, Vice Chairman, Secretary, Assistant Secretary, Treasurer, Assistant Treasurer, Executive Director or Deputy Executive Director of the Authority (each an “**Authorized Officer**”) are each hereby authorized to execute, acknowledge and deliver, and the Secretary or Assistant Secretary are each hereby authorized to affix and attest the seal of the Authority to, each of the First Supplemental Trust Agreements in substantially such form, with such changes therein as counsel may advise and the Authorized Officers executing the same may approve, such approval to be evidenced by their execution thereof.

Section 2. Approval of the First Amendments and the Amended and Restated Loan Agreements. The form of each of the First Amendments and the Amended and Restated Loan Agreements presented to this meeting (a copy of each of which shall be filed with the records of the Authority) is hereby approved and the Authorized Officers are each hereby authorized to execute, acknowledge and deliver, and the Secretary or Assistant Secretary are each hereby authorized to affix and attest the seal of the Authority to, each of the First Amendments and the Amended and Restated Loan Agreements in substantially such form, with such changes therein as counsel may advise and the Authorized Officers executing the same may approve, such approval to be evidenced by their execution thereof.

Section 3. Incidental Action. The Authorized Officers of the Authority are hereby authorized to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order to effectuate the execution and delivery of the First Supplemental Trust Agreements and the Amended and Restated Loan Agreements, all in accordance with the foregoing sections hereof.

Section 4. Prior Resolutions. All prior resolutions of the Authority or portions thereof inconsistent herewith are hereby amended to conform to the provisions of this Resolution to the extent of any such inconsistency.

Section 5. Effective Date. This Resolution shall take effect ten (10) days, exclusive of Saturdays, Sundays and public holidays, after delivery (and not including the day of delivery) to the Governor of the State of New Jersey of the minutes of the meeting of the Authority at which this Resolution is adopted or such earlier time as the Governor of the State of New Jersey signs a statement of approval, all in accordance with the subsection (i) of Section 4 of the Act.