

Minutes of the New Jersey Health Care Facilities Financing Authority meeting held on April 23, 2009 on the fourth floor of Building #4, Station Plaza, 22 South Clinton Avenue, Trenton, New Jersey.

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

Gus Escher, Public Member (chairing the meeting); Ulysses Lee, Public Member (via telephone); William Conroy, Designee of the Commissioner of Health and Senior Services; Eileen Stokley, Designee of the Commissioner of Human Services (via telephone); and, Crosby Sherman, Designee of the Commissioner of Banking and Insurance.

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

Mark Hopkins, Dennis Hancock, Steve Fillebrown, Suzanne Walton, Lou George, Carole Conover, Marji McAvoy, Michael Ittleson, and Stephanie Bilovsky.

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

Jim Fearon, Gluck Walrath; David DeSimone, AtlantiCare Regional Medical Center; Dominic Colaizzo, Aon Risk Services; and, Clifford T. Roncs, Office of the Attorney General.

CALL TO ORDER

Gus Escher called the meeting to order at 10:04 a.m. and announced that this was a regular meeting of the Authority, held in accordance with the schedule adopted at the May 22, 2008 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.

APPROVAL OF MINUTES

March 26, 2009 Authority Meeting

Minutes from the Authority's March 26, 2009 meeting were presented for approval. Mr. Conroy made a motion to approve the minutes; Mr. Escher seconded. Mr. Escher voted yes, Mr. Conroy voted yes, Ms. Stokley voted yes, and Mr. Sherman voted yes. The minutes were approved.

AMENDMENT TO THE LOAN AGREEMENTS

AtlantiCare Regional Medical Center

Suzanne Walton began by introducing David DeSimone, Vice President and General Counsel for AtlantiCare Regional Medical Center, and Dominic Colaizzo of Aon Risk Services. She then noted that AtlantiCare Health System ("AtlantiCare") includes AtlantiCare Regional Medical Center with divisions in Atlantic City and Pomona, as well as AtlantiCare Behavioral Health, AtlantiCare Foundation, AtlantiCare Health Plans and InfoShare. Currently, AtlantiCare has four series of bonds outstanding: AtlantiCare Regional Medical Center Issue, Series 2002;

two variable rate COMP financings (Series 2005A and Series 2006A); and, AtlantiCare Regional Medical Center Issue, Series 2007.

At this point, Mr. Lee joined the meeting via telephone.

In 2008, AtlantiCare obtained the Authority's approval to form a captive insurance company, domiciled in Bermuda, to provide general and hospital professional liability insurance for its affiliate member hospitals. As a condition to approving their request to insure through this captive vehicle, AtlantiCare was required to comply with the Authority's reporting requirements for captive insurance programs, including the obligation to maintain a Qualified Insurance Rating annually.

Ms. Walton reported that AtlantiCare requests an amendment to the insurance covenant sections contained in the existing Loan Agreements to adopt the Authority's revised policy whereby the insurance covenant provides for either a Qualified Insurance Rating or a series of professional certifications that the Authority can rely upon, indicating that the captive cells are sufficiently funded and compliant with laws and regulations for captive insurance companies.

AtlantiCare submitted all certifications required for compliance under the new policy in advance of this meeting. Bond Counsel Maryann Kicenuik from Windels, Marx, Lane, and Mittendorf reviewed each of these series of documents and will provide, along with the proposed amendments, an opinion that states that the amendments are permitted and do not materially adversely affect the rights of bondholders, nor will the amendment adversely affect the tax exempt nature of the bonds. Staff has also received written consent from the Bond Trustee (Bank of New York Mellon) and Letter of Credit Providers (Wachovia Bank and JPMorgan Bank) as required by the documents.

Ms. Walton then stated that, after having reviewed the request and materials, staff recommends the Authority's consideration of the four separate resolutions approving the amendments to the Insurance Covenant as proposed.

Mr. Colaizzo added that AtlantiCare's coverage had been improved significantly and the captive is now funded in excess of the minimum, increasing from \$15 to \$35 million, all with A.M. Best rated carriers. The increases provided significant savings to AtlantiCare, which is a benefit for both the organization and the Authority. Mr. Escher lauded the funding improvements.

Mr. Escher asked if staff anticipates getting more requests such as this, to which Ms. Walton replied that having adopted the changes in 2008, staff does not anticipate any further requests such as this. This particular AtlantiCare captive was initially approved at the same meeting that the changes were made to the policy.

Mr. Conroy made a motion to amend the AtlantiCare Regional Medical Center Loan Agreements to update the self-insurance covenant to the Authority's new guidelines. Mr. Sherman seconded. The vote was unanimous and the motion carried.

AB RESOLUTION NO. II-70

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby amends the AtlantiCare Regional Medical Center Loan Agreements through four resolutions (as attached) titled:

- "Resolution Authorizing An Amendment To The Loan Agreement Relating To \$115,875,000 New Jersey Health Care Facilities Financing Authority Revenue Bonds Atlantic City Medical Center Issue, Series 2002";

- “Resolution Authorizing An Amendment To The Loan Agreement Relating To The New Jersey Health Care Facilities Financing Authority \$25,000,000 Revenue Bonds, (Variable Rate Composite Program – AtlantiCare Regional Medical Center Project) Series 2005a-1”;
- “Resolution Authorizing An Amendment To The Loan Agreement Relating To The New Jersey Health Care Facilities Financing Authority \$25,000,000 Revenue Bonds, (Variable Rate Composite Program – AtlantiCare Regional Medical Center Project) Series 2006a”;
- and,
- “Resolution Authorizing An Amendment To The Loan Agreement Relating To \$113,420,000 New Jersey Health Care Facilities Financing Authority Revenue Bonds AtlantiCare Regional Medical Center Issue, Series 2007.”

AUTHORITY EXPENSES

Ms. Stokley made a motion to approve the referenced summary of Authority expenses and invoices; Mr. Conroy seconded. The vote was unanimous and the motion carried.

AB RESOLUTION NO. II-71

WHEREAS, the Authority has reviewed memoranda dated April 16, 2009, summarizing all expenses incurred by the Authority in connection with FHA Mortgage Servicing, Trustee/Escrow Agent/Paying Agent fees, and general operating expenses in the amounts of \$198,186.00, \$28,829.16 and \$183,213.95 respectively, and has found such expenses to be appropriate;

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

STAFF REPORTS

Mr. Escher thanked staff for their preparation of staff reports, including the Project Development Summary, Cash Flow Statement, First Quarter Budget Report, and Legislative Advisory. Mr. Hopkins then offered the following items in his Executive Director’s Report:

1. Authority Members and Senior Staff are required to file Financial Disclosure Statements with the State Ethics Commission by no later than May 15, 2009. Filings must be made electronically through the State Ethics Commission website. Late filers will be subject to a fine of up to \$50 per day. Authority Members are required to file the somewhat less onerous disclosure for Public Officers (not Public Employees).
2. Next month’s meeting is the Authority’s annual meeting, at which Authority Members are expected to elect officers and schedule the meetings for the next year. Included in the packets for this meeting was a blank slate of officers and a proposed schedule for meetings for the next year.

3. Now that the Governor has delivered his budget address and the State's disclosure for Official Statements is ready, staff is finalizing the documents and structure and expects to market the Hospital Asset Transformation Bonds for Solaris within a month.
4. In hospital news, a \$12 million CAP loan was closed on behalf of **South Jersey Hospital**. The proceeds were used for equipment and minor renovations at the Elmer campus.

St. Mary's Hospital, which filed for Chapter 11 bankruptcy on March 9, 2009, has retained Drinker Biddle as its new bankruptcy counsel after the court disqualified McCarter & English as a result of its previous representation of St. Joseph's Regional Medical Center. Additionally, the court approved temporary reductions in union pay and benefits that will help St. Mary's continue operations through July 3rd. The Authority staff and the Attorney General's office are actively involved in the proceeding, which will be discussed in further detail during executive session.
5. In Authority news, numerous candidates were interviewed for the position of Compliance Manager for a one year assignment to fill some of the responsibilities handled by Susan Tonry. Two highly qualified candidates have been asked to return for second interviews. This position is expected to be filled by mid to late May.

Also, the Authority has mailed the promotional pieces provided to each of the Authority Members at today's meeting. The pieces inform our borrowers and their banks of the additional opportunities for low cost financing provided by the recent federal stimulus changes for bank qualified bonds and alternative minimum tax bonds.

In February, Carole Conover, the Authority's Office Manager and Executive Assistant, celebrated her 10th anniversary at the Authority, and this month, the Authority's Office Management Assistant, Evelynne Burroughs, celebrates her 35th anniversary at the Authority.

This concluded the Executive Director's report.

EXECUTIVE SESSION

Mr. Escher asked the Members to meet in Executive Session, as permitted by the Open Public Meetings Act and the Authority's By-Laws, to discuss contractual negotiations regarding St. Mary's Hospital of Passaic and Catholic Health East, to discuss litigation regarding St. Mary's Hospital of Passaic, to receive advice from the Attorney General's office, and to discuss matters related to personnel. Ms. Stokley offered a motion to meet in Executive Session; Mr. Conroy seconded the motion. The vote was unanimous and the motion carried. Mr. Escher noted that the results of this discussion will be made public when the need for confidentiality no longer exists.

AB RESOLUTION NO. II-72

NOW, THEREFORE, BE IT RESOLVED, that, as permitted by the Open Public Meetings Act and the Authority's By-Laws, the

Authority meet in Executive Session to discuss contractual negotiations regarding St. Mary's Hospital of Passaic and Catholic Health East, to discuss litigation regarding St. Mary's Hospital of Passaic, to receive advice from the Attorney General's office, and to discuss matters related to personnel;

BE IT FURTHER RESOLVED, that the results of discussions may be made known at such time as the need for confidentiality no longer exists.

Public session reconvened. The Members agreed that, as a result of other plans, an afternoon meeting starting at 3 p.m. would be preferable for the May meeting.

As there was no further business to be addressed, following a motion by Mr. Lee and a second by Mr. Conroy, the Members voted unanimously to adjourn the meeting at 11:05 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 ON APRIL 23, 2009.

Dennis Hancock
Assistant Secretary

**RESOLUTION AUTHORIZING AN AMENDMENT
TO THE LOAN AGREEMENT RELATING TO
\$115,875,000
NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTHORITY
REVENUE BONDS
ATLANTIC CITY MEDICAL CENTER ISSUE,
SERIES 2002**

(Adopted: April 2, 2009)

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 (the “**Act**”) for the purpose of ensuring that all health care institutions have access to financial resources to improve the health and welfare of citizens of the State of New Jersey;

WHEREAS, AtlantiCare Regional Medical Center, Inc. (the “**Institution**”) (f/k/a Atlantic City Medical Center) obtained a loan from the Authority, the proceeds of which were used, together with other available moneys, for (i) the current refunding of the Bonds to be Refunded (as such term is defined in the Series 2002 Resolution, hereinafter defined); (ii) the current refunding of the Series 1998 A-1 Bonds (as such term is defined in the Series 2002 Resolution); (iii) the payment of costs of renovations to the 3 Michigan-Wing at the Atlantic City campus and infrastructure construction and renovations at the Galloway Township campus; (iv) the payment of costs of acquisition of certain capital equipment for use in buildings owned by the Institution, (v) reimbursement to the Institution for costs of various construction and renovation projects and the acquisition of various capital equipment; (vi) the funding of a debt service reserve fund relating to the Series 2002 Bonds; (vii) the payment of capitalized interest on a portion of the Series 2002 Bonds; and (viii) the payment of the costs of issuance of the Series 2002 Bonds.;

WHEREAS, the Authority to accomplish the purposes of the Act, has provided funds to the Institution for the Project;

WHEREAS, the Authority and the Institution have entered into a Loan Agreement dated as of April 1, 2002 (the “**Original Agreement**”) in connection with the Series 2002 Bonds (as hereinafter defined) wherein the Authority has loaned the proceeds of the Series 2002 Bonds to the Institution and wherein the Institution has agreed to, among other things, make certain loan payments to the Authority, all as set forth in the Original Agreement;

WHEREAS, the Authority has issued its \$115,875,000 New Jersey Health Care Facilities Financing Authority Revenue and Refunding Bonds, Atlantic City Medical Center Issue, Series 2002 (the “**Series 2002 Bonds**”) of which \$61,380,000 is presently outstanding, under and pursuant to the Authority’s General Health Care Facilities Registered Bond Resolution adopted by the Authority on October 29, 1992 (the “**General Resolution**”) and by the Series Resolution adopted March 12, 2002, (the “**2002 Series Resolution**”) (collectively, the “**2002 Series Resolution**”, and the “**General Resolution**” are referred to hereinafter as, the “**Resolutions**”);

WHEREAS, the Institution has requested that the Authority amend certain paragraphs of Section 6.9 of the Original Agreement, which relate, among other things, to the requirements imposed by the Authority in connection with the establishment by the Institution of any captive insurance or self-insurance programs, through execution by the parties of this Amendment to the Original Agreement;

WHEREAS, the Institution has established a captive insurance company program and the Authority has previously approved the form of such program (the “**Accepted Plan**”) subject to the receipt by the Authority, on an annual basis, of certain items, including receipt of, among other things, a Qualified Insurance Rating (as defined in the Original Agreement) from an Insurance Rating Agency (as defined in the Original Agreement);

WHEREAS, the Authority desires to amend the Original Agreement to incorporate its new policy which allows for other items to be provided by the Institution if it so wishes, in lieu of a Qualified Insurance Rating;

WHEREAS, Section 8.03 of the Original Agreement permits the Institution and the Authority to amend the Original Agreement if the rights of the holders of the Series 2002 Bonds are not adversely affected; and

WHEREAS, the Authority has obtained the opinion of Windels Marx Lane & Mittendorf LLP, bond counsel, that the Amendment will not, in and of itself, adversely affect the rights of the holders of the Series 2002 Bonds.

NOW, THEREFORE BE IT RESOLVED by the New Jersey Health Care Facilities Financing Authority as follows:

Section 1. Amendment to Original Agreement.

The Authorized Officers (as defined in the Original Agreement) of the Authority are hereby authorized to execute an Amendment to the Original Agreement, in substantially the form attached hereto, with such changes therein as counsel may advise and the officers executing the same may approve, such approval to be evidenced by such officers' execution thereof.

Section 2. 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 intent of this Resolution.

Section 3. Prior Resolutions.

All prior resolutions of the Authority or portions thereof inconsistent herewith are hereby repealed.

Section 4. Effective Date.

This Resolution shall take effect ten (10) days exclusive of Saturdays, Sundays and public holidays, after delivery to the Governor of the minutes of the meeting of the Authority at which this Resolution is adopted.

**RESOLUTION AUTHORIZING AN AMENDMENT
TO THE LOAN AGREEMENT RELATING TO
THE NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTHORITY
\$25,000,000 REVENUE BONDS,
(VARIABLE RATE COMPOSITE PROGRAM – ATLANTICARE REGIONAL MEDICAL CENTER
PROJECT)
SERIES 2005A-1**

(Adopted: April 23, 2009)

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 citizens of the State of New Jersey;

WHEREAS, AtlantiCare Regional Medical Center, Inc. (the “**Hospital**”) has obtained financial assistance from the Authority to fund the costs relating to the constructing and equipping of a seven-story 240,570 square foot addition and 23,166 square foot renovation at the AtlantiCare Regional Medical Center’s City Division Facility located in Atlantic City, consisting of the expansion and relocation of the Emergency Department, Radiology Department, 26 new ICU/CCU beds, two new medical/surgical nursing units with 40 beds each, two shelled floors, a roof-top helipad with trauma stabilization rooms; (ii) the renovation of 23,166 square feet of space at the existing facility at the above location related to four floors of connection to the existing hospital and a 190 foot-long bridge over Michigan Avenue at the second level connecting to Bally’s parking garage; (iii) capitalized interest on all or a portion of the Bonds; and (iv) the cost of issuing the hereinafter defined Bonds (the “**Project**”).

WHEREAS, the Authority to accomplish the purposes of the Act, has provided funds to the Hospital for the Project;

WHEREAS, the Authority and the Hospital have entered into a Loan Agreement dated as of December 1, 2005 (the “**Original Agreement**”) in connection with the Bonds wherein the Authority has loaned the proceeds of the Bonds to the Hospital and wherein the Hospital has agreed to, among other things, make certain loan payments to the Authority, all as set forth in the Original Agreement;

WHEREAS, the Authority has issued its \$25,000,000 New Jersey Health Care Facilities Financing Authority Revenue Bonds (Variable Rate Composite Program - AtlantiCare Regional Medical Center Project), Series 2005A-1 (the “**Bonds**”) under and pursuant to a trust indenture dated as of December 1, 2005 by and between the Authority and The Bank of New York (now known as The Bank of New York Mellon), as bond trustee (the “**Trust Indenture**”);

WHEREAS, the Hospital has requested that the Authority amend Section 5.7 of the Original Agreement, which section relates to the requirements imposed by the Authority in connection with the establishment by the Hospital of any captive insurance or self-insurance programs, through execution by the parties of an amendment to the Original Agreement (the “**Amendment**”);

WHEREAS, the Hospital has established a captive insurance company program and the Authority has previously approved the form of such program (the “**Accepted Plan**”) subject to the receipt by the Authority, on an annual basis, of certain items including receipt of, among other things, a Qualified Insurance Rating (as defined in the Original Agreement) from an Insurance Rating Agency (as defined in the Original Agreement);

WHEREAS, the Authority desires to amend the Original Agreement to incorporate its new policy which allows for other items to be provided by the Hospital if it so wishes, in lieu of a Qualified Insurance Rating;

WHEREAS, Sections 9.06 and 9.09 of the Trust Indenture and Section 8.5 of the Original Agreement permits the Hospital and the Authority to amend the Original Agreement with the prior written consent of The Bank of New York Mellon (the “**Bond Trustee**”) and the prior written consent of Wachovia Bank, National Association (the “**Bank**”), the issuer of the letter of credit securing the Bonds;

WHEREAS, the Bond Trustee and the Bank have each provided their written consent to the Amendment;

WHEREAS, the Authority and the Bond Trustee are in receipt of the opinion of Windels Marx Lane & Mittendorf LLP, bond counsel, required by Section 9.06 of the Trust Indenture, that the Amendment is authorized or permitted by the Trust Indenture and the Act, and the Amendment, in and of itself, will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

NOW, THEREFORE BE IT RESOLVED by the New Jersey Health Care Facilities Financing Authority as follows:

Section 1. Amendment to Original Agreement.

The Authorized Representatives (as defined in the Original Agreement) of the Authority are hereby authorized to execute an Amendment to the Original Agreement, in substantially the form attached hereto, with such changes therein as counsel may advise and the officers executing the same may approve, such approval to be evidenced by such officers' execution thereof.

Section 2. Incidental Action.

The Authorized Representatives 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 intent of this Resolution.

Section 3. Prior Resolutions.

All prior resolutions of the Authority or portions thereof inconsistent herewith are hereby repeated.

Section 4. Effective Date.

This Resolution shall take effect ten (10) days exclusive of Saturdays, Sundays and public holidays, after delivery to the Governor of the minutes of the meeting of the Authority at which this Resolution is adopted.

**RESOLUTION AUTHORIZING AN AMENDMENT
TO THE LOAN AGREEMENT RELATING TO
THE NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTHORITY
\$25,000,000 REVENUE BONDS,
(VARIABLE RATE COMPOSITE PROGRAM – ATLANTICARE REGIONAL MEDICAL CENTER
PROJECT)
SERIES 2006A**

(Adopted: April 23, 2009)

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. 26:21-1, 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 citizens of the State of New Jersey;

WHEREAS, AtlantiCare Regional Medical Center, Inc. (the “**Hospital**”) has obtained financial assistance from the Authority to fund the costs relating to (i) the constructing and equipping of a seven-story 240,570 square foot addition and 23,166 square foot renovation at the AtlantiCare Regional Medical Center’s City Division Facility located in Atlantic City, consisting of the expansion and relocation of the Emergency Department, Radiology Department, 26 new ICU/CCU beds, two new medical/surgical nursing units with 40 beds each, two shelled floors, a roof-top helipad with trauma stabilization rooms and mechanical area; the renovation of 23,166 square feet of space at the existing facility at the above location related to four floors of connection to the existing hospital and a 190 foot-long bridge over Michigan Avenue at the second level connecting to Bally’s parking garage (collectively, the “**Project Facility**”)’ (ii) the acquisition and the installation of equipment to be used at the Project Facility; (iii) the funding of a debt service reserve fund; (iv) the payment of capitalized interest on all or a portion of the Bonds; and (v) the payment of a portion of the costs of issuing the hereinafter defined Bonds (the “**Project**”).

WHEREAS, the Authority to accomplish the purposes of the Act, has provided funds to the Hospital for the Project;

WHEREAS, the Authority and the Hospital have entered into a Loan Agreement dated as of November 1, 2006 (the “**Original Agreement**”) in connection with the Bonds wherein the Authority has loaned the proceeds of the Bonds to the Hospital and wherein the Hospital has agreed to, among other things, make certain loan payments to the Authority, all as set forth in the Original Agreement;

WHEREAS, the Authority has issued its \$25,000,000 New Jersey Health Care Facilities Financing Authority Revenue Bonds (Variable Rate Composite Program - AtlantiCare Regional Medical Center Project), Series 2006A (the “**Bonds**”) under and pursuant to a trust indenture dated as of November 1, 2006 by and between the Authority and The Bank of New York (now known as The Bank of New York Mellon), as bond trustee (the “**Trust Indenture**”);

WHEREAS, the Hospital has requested that the Authority amend Section 5.7 of the Original Agreement, which section relates to the requirements imposed by the Authority in connection with the establishment by the Hospital of any captive insurance or self-insurance programs, through execution by the parties of an amendment to the Original Agreement (the “**Amendment**”);

WHEREAS, the Hospital has established a captive insurance company program and the Authority has previously approved the form of such program (the “**Accepted Plan**”) subject to the receipt by the Authority, on an annual basis, of certain items including receipt of, among other things, a Qualified Insurance Rating (as defined in the Original Agreement) from an Insurance Rating Agency (as defined in the Original Agreement);

WHEREAS, the Authority desires to amend the Original Agreement to incorporate its new policy which allows for other items to be provided by the Hospital if it so wishes, in lieu of a Qualified Insurance Rating;

WHEREAS, Section 9.09 of the Trust Indenture and Section 8.5 of the Original Agreement permits the Hospital and the Authority to amend the Original Agreement with the prior written consent of The Bank of New York Mellon (the “**Bond Trustee**”) and the prior written consent of JP Morgan Chase Bank, N.A. (the “**Bank**”), the issuer of the letter of credit securing the Bonds;

WHEREAS, the Bond Trustee and the Bank have each provided their written consent to the Amendment;

WHEREAS, the Authority and the Bond Trustee are in receipt of the opinion of Windels Marx Lane & Mittendorf LLP, bond counsel, required by Section 9.06 of the Trust Indenture, that the Amendment is authorized or permitted by the Trust Indenture and the Act, and the Amendment, in and of itself, will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

NOW, THEREFORE BE IT RESOLVED by the New Jersey Health Care Facilities Financing Authority as follows:

Section 1. Amendment to Original Agreement.

The Authorized Representatives (as defined in the Original Agreement) of the Authority are hereby authorized to execute an Amendment to the Original Agreement, in substantially the form attached hereto, with such changes therein as counsel may advise and the officers executing the same may approve, such approval to be evidenced by such officers' execution thereof.

Section 2. Incidental Action.

The Authorized Representatives 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 intent of this Resolution.

Section 3. Prior Resolutions.

All prior resolutions of the Authority or portions thereof inconsistent herewith are hereby repeated.

Section 4. Effective Date.

This Resolution shall take effect ten (10) days exclusive of Saturdays Sundays and public holidays, after delivery to the Governor of the minutes of the meeting of the Authority at which this Resolution is adopted.

**RESOLUTION AUTHORIZING AN AMENDMENT
TO THE LOAN AGREEMENT RELATING TO
\$113,420,000
NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTHORITY
REVENUE BONDS
ATLANTICARE REGIONAL MEDICAL CENTER ISSUE,
SERIES 2007**

(Adopted: April 23, 2009)

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 (the “**Act**”) for the purpose of ensuring that all health care institutions have access to financial resources to improve the health and welfare of citizens of the State of New Jersey;

WHEREAS, AtlantiCare Regional Medical Center, Inc. (the “**Hospital**”) obtained a loan from the Authority, the proceeds of which were used, together with other available moneys, to (i) complete the construction and equipping of a seven-story approximately 240,570 square-foot addition to and the renovation of various areas at the Hospital’s City Division facility located in the City of Atlantic City and the construction of a 190 foot-long bridge over Michigan Avenue at the second level of the Hospital facility connecting to Caesar’s parking garage in the City of Atlantic City and the acquisition of various equipment, and certain minor renovations associated therewith, for use by the Hospital at the Mainland Division facility and City Division Facility, (ii) advance refund a portion of the Authority’s Revenue and Refunding Bonds, Atlantic City Medical Center Issue, Series 2002 (the “**Series 2002 Bonds**”) and prepay certain capital asset loans made by the Authority to the Hospital, (iii) make a deposit into the debt service reserve fund established for the benefit of the Series 2002 Bonds and any Additional Bonds, including the Series 2007 Bonds (as hereinafter defined) and (iv) pay certain costs incidental to the issuance and sale of the Series 2007 Bonds, including deposits to certain funds and accounts created under the Resolutions (as hereinafter defined) (collectively, the “**Project**”);

WHEREAS, the Authority to accomplish the purposes of the Act, has provided funds to the Institution for the Project;

WHEREAS, the Authority and the Institution have entered into a Loan Agreement dated as of June 1, 2007 (the “**Original Agreement**”) in connection with the Series 2007 Bonds (as hereinafter defined) wherein the Authority has loaned the proceeds of the Series 2007 Bonds to the Institution and wherein the Institution has agreed to, among other things, make certain loan payments to the Authority, all as set forth in the Original Agreement;

WHEREAS, the Authority has issued its \$113,420,000 New Jersey Health Care Facilities Financing Authority Revenue Bonds, AtlantiCare Regional Medical Center Issue, Series 2007 (the “**Series 2007 Bonds**”) under and pursuant to the Authority’s General Health Care Facilities Registered Bond Resolution adopted by the Authority on October 29, 1992 (the “**General Resolution**”) and by a First Supplement to the Series Resolution adopted March 12, 2002, (the “**2002 Series Resolution**”) adopted on April 26, 2007 (collectively, the “**First Supplement**”, the “**2002 Series Resolution**”, and the “**General Resolution**” are referred to as the “**Resolutions**”);

WHEREAS, the Institution has requested that the Authority amend certain paragraphs of Section 6.9 of the Original Agreement, which relate, among other things, to the requirements imposed by the Authority in connection with the establishment by the Institution of any captive insurance or self-insurance programs, through execution by the parties of this Amendment to the Original Agreement;

WHEREAS, the Institution has established a captive insurance company program and the Authority has previously approved the form of such program (the “**Accepted Plan**”) subject to the receipt by the Authority, on an annual basis, of certain items, including receipt of, among other things, a Qualified Insurance Rating (as defined in the Original Agreement) from an Insurance Rating Agency (as defined in the Original Agreement);

WHEREAS, the Authority desires to amend the Original Agreement to incorporate its new policy which allows for other items to be provided by the Institution if it so wishes, in lieu of a Qualified Insurance Rating;

WHEREAS, Section 8.3 of the Original Agreement permits the Institution and the Authority to amend the Original Agreement if the rights of the holders of the Series 2007 Bonds are not adversely affected; and

WHEREAS, the Authority has obtained the opinion of Windels Marx Lane & Mittendorf LLP, bond counsel, that the Amendment will not, in and of itself, adversely affect the rights of the holders of the Series 2007 Bonds.

NOW, THEREFORE BE IT RESOLVED by the New Jersey Health Care Facilities Financing Authority as follows:

Section 1. Amendment to Original Agreement.

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