

NORTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES

**The North Carolina Medical Care Commission
809 Ruggles Drive
Raleigh, North Carolina 27603**

MINUTES

**CALLED MEETING OF THE NORTH CAROLINA MEDICAL CARE COMMISSION
TELEPHONE MEETING ORIGINATING
FROM THE COMMISSION'S OFFICE**

February 18, 2014

2:00 P.M.

Members of the Commission Present:

Members of the Commission Absent:

Members of Staff Present:

Others Present:

1. Purpose of Meeting

To authorize and approve the execution and delivery by the North Carolina Medical Care Commission (the “Commission”) of an Amendment Agreement, by and between Catholic Health East and the Commission, amending certain Loan Agreements by and between Catholic Health East and the Commission, as more particularly described herein.

2. Resolution of the North Carolina Medical Care Commission Authorizing the Execution and Delivery by the Commission of an Amendment Agreement, by and between Catholic Health East and the Commission, Amending the Loan Agreement dated as of April 1, 2008, the Loan Agreement dated as of February 1, 2010 and the Loan Agreement dated as of June 1, 2012, each by and between Catholic Health East and the Commission..

Commission Action:

WHEREAS, the Commission has been created and established as a commission of the Department of Health and Human Services of the State of North Carolina under the Act for the purpose of assisting health care and continuing care facilities; and

WHEREAS, the Commission is authorized and empowered under the Act, inter alia, to undertake projects, to acquire, construct, extend, enlarge, operate, lease, as lessee or lessor, and mortgage projects, and to refinance the existing indebtedness of health care and continuing care facilities, and to borrow money and issue bonds, notes, bond anticipation notes and other obligations of the Commission for any of its corporate purposes, and to fund or refund the same, and to lend the proceeds thereof to health care and continuing care facilities, all in accordance with agreements between the Commission and such institutions; and

WHEREAS, Catholic Health East (the “Institution”) is a private, not-for-profit and charitable corporation organized and existing under the laws of the Commonwealth of Pennsylvania, which is the sole member of Saint Joseph of the Pines, Inc. (the “Project User”), an entity that owns and operates continuing care facilities and has been formed for the purpose of owning and operating continuing care facilities in Southern Pines, North Carolina; and

WHEREAS, the Commission has heretofore provided financing and refinancing for the Institution and the Project User of certain continuing care facilities of the Project User through the issuance under the Act of the Commission’s Health System Revenue Bonds, Catholic Health East Issue, Series 2008, Health System Revenue Bonds, Catholic Health East Issue, Series 2010 and Health System Revenue Bonds, Catholic Health East Issue, Series 2012A (collectively referred to herein as the “Bonds”); and

WHEREAS, the Commission has heretofore loaned the proceeds of the Bonds to the Institution under and pursuant to three separate Loan Agreements, dated as of April 1, 2008, February 1, 2010 and June 1, 2012, respectively, each by and between the Commission and the Institution (collectively referred to herein as the “Loan Agreements”); and

WHEREAS, effective May 1, 2013, CHE Trinity Inc. (“CHE Trinity”), an Indiana nonprofit corporation, became the sole member of the Institution and of Trinity Health

Corporation (“Trinity Health”), an Indiana nonprofit corporation, creating a single combined health system, and it is further expected that on or about July 1, 2014, CHE Trinity and the Institution will each merge into Trinity Health, with Trinity Health being the surviving corporation; and

WHEREAS, effective October 3, 2013, the Institution, CHE Trinity and Trinity Health became members of a newly created, unified credit group under and pursuant to the Master Trust Indenture, dated as of October 3, 2013, by and among the Institution, CHE Trinity and Trinity Health, as Members of the Obligated Group thereunder (hereinafter the “CHE Trinity Obligated Group”), and The Bank of New York Mellon Trust Company, N.A., as the same shall be amended and supplemented from time to time (the “CHE Trinity Master Indenture”); and

WHEREAS, the CHE Trinity Master Indenture served to amend, restate and replace in its entirety the Amended and Restated Master Trust Indenture (Security Agreement), dated as of January 1, 1998, and amended and restated as of September 30, 2006, and as further amended and supplemented, by and among CHE and the other members of the obligated group identified therein, and The Bank of New York Mellon Trust Company, N.A., as master trustee thereunder (hereinafter referred to as the “Original CHE Master Indenture”); and

WHEREAS, in connection with amendment, restatement and replacement of the Original CHE Master Indenture with the CHE Trinity Master Indenture, the CHE Trinity Obligated Group has issued certain Obligations under the CHE Trinity Master Indenture to secure the Bonds and the Loan Agreements; and

WHEREAS, pursuant to Section 9.06 of each of the Bond Indentures relating to the Bonds (hereinafter, collectively, the “Bond Indentures”), the Institution has requested the Commission to make certain amendments to the Loan Agreements as set forth in the Amendment Agreement, dated February 14, 2014 (the “Amendment Agreement”) to conform certain provisions of the Loan Agreements to the CHE Trinity Master Indenture and to reflect certain matters with respect to the CHE Trinity Obligated Group structure, all as more particularly set forth herein.

NOW, THEREFORE, THE NORTH CAROLINA MEDICAL CARE COMMISSION DOES HEREBY RESOLVE, as follows:

Section 1. Capitalized words and terms used in this Resolution and not defined herein shall have the same meanings in this Resolution as such words and terms are given in the Master Indenture, the Bond Indentures, the Loan Agreements and in the Amendment Agreement.

Section 2. The Commission hereby approves and authorizes the execution and delivery by the Commission of the Amendment Agreement, in substantially the form thereof as presented at this meeting, with such changes, modifications and deletions as the Assistant Secretary, with the advice of bond counsel, may deem appropriate or necessary, and upon receipt of all opinions of counsel as are required by the Bond Indentures and Loan Agreements in connection with the amendments to the Loan Agreements. .

Section 3. The Chairman, Vice Chairman, Secretary, and any Assistant Secretary of the Commission (or any member of the Commission designated by the Chairman) are each

Section 4. This Resolution shall take effect immediately upon its passage.

3. Adjournment

There being no further business, the meeting was adjourned at _____.

Respectfully submitted,

Christopher B. Taylor, CPA
Assistant Secretary