

Minutes of the New Jersey Health Care Facilities Financing Authority Special Meeting held on January 10, 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, Public Member (Chairing) via telephone; Jim Foley, Designee of the Commissioner of Health; Maryann Kralik, Designee of the Commissioner of Banking and Insurance; Jessica Feehan, Designee of the Commissioner of Human Services; and, via telephone, Suzette Rodriguez, Public Member

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

Mark Hopkins, Ron Marmelstein, Frank Troy, Carole Conover, Marji McAvoy, Edwin Fuentes, Tracey Cameron, Michael Solidum and Chris Kniesler

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

Labinot Berljolli, Governor's Authorities Unit; John Kelly, Wilentz, Goldman & Spitzer; Mitch Langenohl, Assistant Treasurer, RWJBarnabas Health; Richard Slotkin, Sills Cummis and Gross; and, via telephone, Cliff Rones, Attorney General's Office

## **CALL TO ORDER**

Dr. Kazmir called the meeting to order at 10:17 a.m. and announced that this was a Special Meeting of the Authority. 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 *Courier Post*, enough in advance to permit the publication of an announcement at least 48 hours before the meeting.

Dr. Kazmir asked for a roll call to determine attendance.

### **1. AMENDMENT TO THE BOND DOCUMENTS** **RWJBarnabas Health**

Dr. Kazmir called on Edwin Fuentes to provide the Members with the details of the RWJBarnabas Health amendments.

Mr. Fuentes began by introducing Mitch Langenohl, Assistant Treasurer from RWJBarnabas Health. Mr. Fuentes then told the Members that they were being asked to approve two resolutions.

Mr. Fuentes said that the first resolution is a "Resolution of New Jersey Health Care Facilities Financing Authority Authorizing Certain Amendments to the Documentation Relating to its Variable Rate Revenue Bonds, RWJHealth Care Corp at Hamilton Obligated Group Issue, Series 2002, Its Revenue and Refunding Bonds, Barnabas Health Issue, Series 2011B, and its Revenue Bonds, Robert Wood Johnson University Hospital Issue, Series 2014B and Other Incidental

Actions Related Thereto (the “Amending Resolution”).” The second resolution is a “Resolution Authorizing the Issuance of New Jersey Health Care Facilities Financing Authority Refunding Bonds, RWJBarnabas Health Obligated Group Issue, Series 2017A and Series 2017B (the “Reissuance Resolution”).”

Mr. Fuentes stated that RWJBarnabas Health is a New Jersey not for profit healthcare system, formed in March 2016 by the merger of Barnabas Health and Robert Wood Johnson University Hospital. In support of the merger, RWJBarnabas Health established a new Master Trust Indenture. 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, RWJBarnabas Health issued, through the Authority, tax-exempt bonds in the amount of \$679,135,000 (the “Series 2016A Tax-Exempt Bonds”) in November 2016. The Borrower simultaneously issued taxable bonds in the amount of \$494,952,000 (the “2016 Taxable Bonds” and, together with the 2016 Tax-Exempt Bonds, the “2016 Bonds”). The proceeds of the 2016 Bonds were used to refund, redeem, or restructure most of the outstanding debt obligations of the legacy organizations. RWJBarnabas Health did not desire to change the financing terms of certain transactions and elected to amend or reissue those financings. The financings that were not affected by the 2016 Bonds are: Barnabas Health Series 2011B, RWJ at Hamilton Series 2002, Robert Wood Johnson University Hospital Series 2014B, and Children’s Specialized Hospital Series 2013A and 2013B (the “Remaining Outstanding Bonds”).

According to Mr. Fuentes, the remaining outstanding bonds were subject to restructuring agreements, the purpose of which was to recognize the issuance of promissory notes under the new Master Trust Indenture and conform to the financial covenants to mirror those utilized in the recently closed Series 2016A tax-exempt transaction. The parties to the restructuring agreements agreed that any necessary amendments and modifications were to be completed by January 31, 2017.

Mr. Fuentes concluded by saying that he, Mr. Kelly and Mr. Langenohl would address any issues or questions the Members may have.

Mr. Fuentes then introduced John Kelly of Wilentz, Goldman, and Spitzer, the Bond Counsel, to present the Amending Resolution, followed by the Reissuance Resolution.

## **BOND RESOLUTION**

John Kelly of Wilentz, Goldman & Spitzer, P.A., the Bond Counsel, stated that the Bond Resolution is in support of the merger, RWJBarnabas Health established a new Master Trust Indenture. This was done in order to move all debt obligations of the legacy organizations under one security agreement. Pursuant to the establishment of the new Master Trust Indenture, RWJBarnabas Health issued, through this Authority, tax-exempt bonds in the amount of \$679,135,000 (the “2016 Tax-Exempt Bonds”). The Borrower simultaneously issued taxable bonds in the amount of \$494,952,000 (the “2016 Taxable Bonds” and, together with the 2016 Tax-Exempt Bonds, the “2016 Bonds”). The proceeds of the 2016 Bonds were used to refund, redeem, or restructure most of the outstanding debt obligations of the legacy organizations. RWJBarnabas Health did not desire to change the financing terms of certain transactions, and

elected to amend or reissue those financings. The financings not affected by the 2016 Bonds, and their outstanding principal amounts, are: Children’s Specialized Hospital Series 2013A (\$9,214,279.86) and 2013B (\$4,724,997.37), Barnabas Health Series 2011B (\$28,110,000), RWJ at Hamilton Series 2002 (\$19,845,000), and Robert Wood Johnson University Series 2014B (\$30,000,000) (the “Remaining Outstanding Bonds”).

According to Mr. Kelly, the Remaining Outstanding Bonds were subject to Restructuring Agreements, the purpose of which was to recognize the issuance of promissory notes under the new Master Trust Indenture, and conform to the financial covenants to mirror those utilized in the recently closed transaction. The parties to the Restructuring Agreements agreed that any necessary amendments and modifications were to be completed by January 31, 2017.

Mr. Kelly stated that approval of the attached “Resolution of New Jersey Health Care Facilities Financing Authority Authorizing Certain Amendments to the Documentation Relating to Its Variable Rate Revenue Bonds, RWJ Health Care Corp. at Hamilton Obligated Group Issue, Series 2002, Its Revenue and Refunding Bonds, Barnabas Health Issue, Series 2011B, and Its Revenue Bonds, Robert Wood Johnson University Hospital Issue, Series 2014B and Other Incidental Actions Related Thereto (the “Amending Resolution”)” will allow for the execution of the First Supplemental Trust Agreement, and the Amended and Restated Loan Agreement for each of the Remaining Outstanding Bonds, except Children’s Specialized Hospital Series 2013A and 2013B. Further, it provides for an Authorized Officer of the Authority to take such action necessary to execute and deliver the amended documents.

In addition, Mr. Kelly said that, the attached “Resolution Authorizing the Issuance of New Jersey Health Care Facilities Financing Authority Refunding Bonds, RWJBarnabas Health Obligated Group Issue, Series 2017A and Series 2017B (the “Reissuance Resolution”)” pertains to the Children’s Specialized Hospital Series 2013A and Series 2013B bond issues. Bond Counsel determined that due to the complexity of the existing Loan and Trust Agreement and its supplements, a reissuance of these Series would be optimal. The new RWJBarnabas Health Obligated Group Issue, Series 2017A and Series 2017B Bonds will share the same maturity dates, principal amounts, redemption provisions, and will bear interest in the same fashion as the 2013A and 2013B Series respectively. This Reissuance Resolution will authorize the issuance of the new Series of Bonds related to Children’s Specialized Hospital, and will approve the form of the Trust Agreement, Loan Agreement, Calculation Agent Agreement, and Bond Exchange Agreement, and provides for an Authorized Officer of the Authority to take such action necessary to execute and deliver the 2017A and 2017B Bonds to the Purchaser.

Dr. Kazmir asked for a motion to approve the amendment of the bond documents for RWJBarnabas Health. Mr. Foley made the motion. Ms. Feehan seconded. Dr. Kazmir asked if the Members had any questions on the motion. There were no questions. He then called for a vote. All Members voted in the affirmative and the resolution was approved.

**AB RESOLUTION NO. QQ-51**

**NOW, THEREFORE, BE IT RESOLVED,** that the Authority hereby approves the Resolution entitled “**RESOLUTION OF NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTHORITY AUTHORIZING CERTAIN AMENDMENTS TO THE DOCUMENTATION RELATING TO ITS VARIABLE RATE REVENUE BONDS, RWJ HEALTH CARE CORP. AT HAMILTON OBLIGATED GROUP ISSUE, SERIES 2002, ITS REVENUE AND REFUNDING BONDS, BARNABAS HEALTH ISSUE, SERIES 2011B, AND ITS REVENUE BONDS, ROBERT WOOD JOHNSON UNIVERSITY HOSPITAL ISSUE, SERIES 2014B AND OTHER INCIDENTAL ACTIONS RELATED THERETO.**”

*(attached)*

Dr. Kazmir then asked for a motion to approve the reissuance resolution for RWJBarnabas Health. Mr. Foley made the motion. Ms. Rodriguez seconded. Dr. Kazmir asked if the Members had any questions on the motion. There were no questions. He then called for a vote. All Members voted in the affirmative and the resolution was approved.

**AB RESOLUTION NO. QQ-51**

**NOW, THEREFORE, BE IT RESOLVED,** that the Authority hereby approves the Resolution entitled, **A RESOLUTION AUTHORIZING THE ISSUANCE OF NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTHORITY REFUNDING BONDS, RWJBARNABAS HEALTH OBLIGATED GROUP ISSUE, SERIES 2017A AND SERIES 2017B.**”

*(attached)*

Hearing no further business, following a motion by Ms. Feehan and a second by Mr. Foley, the Members voted unanimously to adjourn the meeting at 10:28 a.m.

I HEREBY CERTIFY THAT THE FOREGOING  
IS A TRUE COPY OF MINUTES OF THE NEW  
JERSEY HEALTH CARE FACILITIES  
FINANCING AUTHORITY SPECIAL MEETING  
HELD JANUARY 10, 2017.

---

Carole A. Conover, Assistant Secretary