

HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY

MINUTES OF THE JANUARY 22, 2015 MEETING

(Open Session)

Attendees: Authority Board Members: Ralph Rosenberg; Dr. Charles Lingle; John Hayes; Fred Ghiglieri; Lamar Reese; Dr. Michael N. Laslie; Ferrell Moultrie; Joel Callins and Dr. Edward Vance. Legal Counsel: James E. Reynolds, Jr. Also present on behalf of Phoebe Putney Memorial Hospital, Inc. were: Joel Wernick; Kerry Loudermilk; Thomas Chambless; Joe Austin; Tom Sullivan; and Dr. Steven Kitchen. Recorder, Mary Barfield.

Absent: None

Call to Order:

The meeting was called to order by Chairman Rosenberg at 8:30 A.M. in the Willson Board Room of Phoebe's Main Campus.

Open Meeting and Establish a Quorum:

Chairman Rosenberg called the meeting to order, thanked all the Members for their attendance and participation and he established that a quorum was present, with 100% of the Members in attendance. Chairman Rosenberg also introduced and welcomed the newest Member of the Authority, Dr. Edward Vance, who succeeded Dr. Steven Kitchen as the Chief or President of the Phoebe Putney Memorial Hospital Medical Staff and therefore a Member of the Authority pursuant to the Dougherty County Commission's standing Resolution.

Approval of the Agenda:

The proposed Agenda had been previously provided to the Authority Members and a motion to adopt the Agenda for the meeting was made by Lamar Reese and seconded by Ferrell Moultrie, which motion was approved by all Authority Members in attendance.

Election of Officers for 2015:

Following discussion, and upon motion by Dr. Laslie, seconded by Lamar Reese, the Authority's 2014 Officers were re-elected for the calendar year 2015, namely: Ralph S. Rosenberg, Chairman; Dr. Charles Lingle, Vice-Chairman; Fred Ghiglieri, Secretary; and Dr. Michael Laslie, Assistant Secretary.

Approval of Minutes:

The proposed minutes of the open session of the November 13, 2014 meeting of the Authority had also been provided to Members prior to this meeting and the same was considered for approval. Fred Ghiglieri made a motion and Lamar Reese seconded the motion to approve the Minutes as previously provided. The motion passed unanimously by vote of all Members in attendance.

Interim Financial Reports for Authority; Discussion of Indigent Care Trust Funds; and Presentation Concerning Conversion of Interest Rate Period and Structure for Series 2010, 2008A and 2008B Bonds:

Kerry Loudermilk, CFO of Phoebe Putney Memorial Hospital, made a detailed presentation concerning the re-marketing of existing variable rate Bonds and especially the proposed Conversion of the Interest Rate Period/Structure for Series 2010, Series 2008A and Series 2008B Revenue Certificates previously issued by the Authority. Mr. Loudermilk stated that three lending institutions, Regions Bank, SunTrust Bank and Bank of America currently held all of the above Bonds and these proposed changes had been negotiated with the three Banks as the sole Bondholders. This re-marketing effort had been presented to nine different Banks and it has been successful in that the proposed restructure is projected to provide a net savings of approximately \$500,000 for the Hospital. Under the applicable existing Bond documents, these changes can only be made as of interest payment dates, and meeting this timing requirement necessitated the request to change the Authority meeting date to this earlier date. Mr. Loudermilk thanked the Authority for making the change to accommodate the timing requirement. A copy of portions of the analysis as presented by Mr. Loudermilk is attached. Jay Reynolds presented a proposed formal Resolution (copy attached) and reviewed it with the Authority. The proposed Resolution of the Authority would authorize the Authority's officers to execute and deliver the documents which would amend the Bond documents and would also permit the amendment of the Promissory Note of the Hospital so as to modify the rate structure and to also authorize the Authority's execution of any other approved closing documents. After discussions and questions, Dr. Lingle made a motion, seconded by Lamar Reese, to adopt the formal Resolutions as presented and approve the execution and delivery of the documents. The motion was unanimously passed by vote of all Members in attendance.

Mr. Loudermilk also discussed the purposes and history of the Indigent Care Trust Funds and the role of the Authority in securing Indigent Care Trust Funds through the Federal Matching program. This program was established in 1990 and it was tied to expanded Medicaid eligibility services. The purpose is to help offset a portion (though not nearly all) of providing for the uncompensated care of Medicaid patients. For Phoebe Putney Memorial Hospital, these funds amounted to approximately \$8,000,000 in 2012; \$11,000,000 in 2013; and, \$10,000,000 in 2014. The 2015 reimbursement will be greater due to the Hospital providing even more indigent care. The fact that the Authority owns the Hospital qualifies it for the Federal Matching program. Questions and discussions ensued.

Finally, Mr. Loudermilk also presented and reviewed the fiscal year to date (through December 2014) financial reports for the Authority, a copy of which is attached. **CEO Report:**

Mr. Wernick began by stating the Albany Herald had published a lengthy and inspiring article regarding issues concerning Phoebe Putney Memorial Hospital and he briefly reviewed it. Mr. Wernick also gave a presentation regarding the Affordable Care Act. In his presentation he pointed out the ACA has resulted in many health insurance policies being modified to have much larger deductibles than in the past. Deductibles of \$7,500 to \$10,000 are now very common. Many individuals who receive their personal bills for deductibles do not pay, even if able, and collecting or trying to collect these amounts have resulted in losses for their care. In order to make up those losses as well as other financial pressures, the Hospital continues to try to operate more efficiently, but there is a limit to what can be done from the expense side while still providing quality care.

Joe Austin presented a report on Hospital operations. Included in his report was the emphasis being placed on seeking to reduce the length of stay each patient is in the Hospital and certainly the efforts to avoid re-admittance. Mr. Austin also reviewed the current arrangements in the various intensive care units and noted the change there in terms of having physicians readily available at all times 24/7. A consolidation of the Main Campus and the North Campus intensive care units would greatly improve efficiencies in these facilities.

Mr. Austin presented Dr. Steven Kitchen as the new Chief Medical Director for Phoebe Putney Memorial Hospital and Jessica Castle, the new Marketing Director for Phoebe Putney Memorial Hospital, Inc..

Closing of the Meeting:

A motion was made by Dr. Laslie and seconded by Fred Ghiglieri to close the meeting in order to consult with legal counsel pertaining to pending or potential claims and litigation and to discuss potentially commercially valuable plans or strategies that may be of competitive advantage in the operation of the Hospital or its medical facilities, to discuss information pertaining to peer review and to discuss the possible purchase, sale or lease of real property.

Mr. Rosenberg polled each individual Authority Member with respect to his vote on the motion and each of the Members shown below voted to close the meeting, with no Member opposing:

Ralph Rosenberg
Dr. Charles Lingle
Fred Ghiglieri
Ferrell Moultrie
Lamar Reese
John Hayes
Dr. Michael Laslie
Joel Callins

The motion having passed, the meeting closed.

Open Session Reconvened:

Following unanimous vote of all Members in attendance, the meeting reopened at approximately 9:55 A.M. No further official action was taken, other than adjournment.

Adjournment:

The meeting was adjourned at approximately 10:00 A.M.



Mary Barfield, Recorder

AGENDA

HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA

(OPEN SESSION)
Meeting of January 22, 2015
(Willson Board Room)

- | | | |
|-------|---|-----------------------------------|
| I. | Open meeting and establish quorum and welcome new member, Dr. Edward Vance | Ralph Rosenberg |
| II. | Consider Approval of Agenda | Ralph Rosenberg |
| III. | Election of Authority Officers for 2015 (Chair, Vice-Chair, Secretary-Treasurer and Assistant Secretary) | Ralph Rosenberg |
| IV. | Consideration of Open Session Minutes of November 13, 2014 meeting (draft previously provided to Members) | Chairman |
| V. | Interim Financial Reports for the Authority; presentation concerning Conversion of Interest Rate Period/Structure for Series 2010A, Series 2008A and Series 2008B Certificates; and consideration of adoption and approval of Authority Resolutions authorizing the Authority's execution and delivery of necessary documentation, including but not limited to Amended/ Supplemental Indentures, Approval and Assignment of the amended promissory note of the Hospital and related closing documents; Indigent Trust Fund monies | Kerry Loudermilk/
Jay Reynolds |
| VI. | Phoebe Putney Memorial Hospital, Inc. CEO and Operational Reports | Joel Wernick/Joe Austin |
| VII. | Consideration of vote to close meeting for purposes of:
(i) engaging in privileged consultation with legal counsel;
(ii) to discuss potentially valuable commercial plans, proposals or strategy that may be of competitive advantage in the operation of Phoebe Putney Memorial Hospital or its medical facilities, (iii) to discuss confidential matters or information pertaining to peer review or provided by a review organization as defined in O.C.G.A §31-7-131, and (iv) to discuss possible purchase, sale or lease of real property | Chairman |
| VIII. | Additional Business, if any | Chairman |
| IX. | Adjournment | Chairman |

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF FIRST AMENDMENTS TO INDENTURES OF TRUST IN CONNECTION WITH REFUNDING REVENUE ANTICIPATION CERTIFICATES (PHOEBE PUTNEY MEMORIAL HOSPITAL) SERIES 2008A IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$54,225,000 AND REFUNDING REVENUE ANTICIPATION CERTIFICATES (PHOEBE PUTNEY MEMORIAL HOSPITAL) SERIES 2008B IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$54,100,000 PREVIOUSLY ISSUED BY THE HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA; AUTHORIZING EXECUTION AND DELIVERY OF CERTAIN OTHER INSTRUMENTS, DOCUMENTS AND CERTIFICATES CONTEMPLATED TO BE EXECUTED AND DELIVERED IN CONNECTION WITH THE PROPOSED CONVERSION OF THE INTEREST PERIOD FOR THE SERIES 2008 CERTIFICATES TO A NEW BANK RATE PERIOD, AND CERTAIN RELATED MATTERS.

WHEREAS, pursuant to the Hospital Authorities Law (O.C.G.A. Section 31-7-70, et seq., as amended) (the "Act"), the Hospital Authority of Albany-Dougherty County, Georgia (the "Authority") is authorized to issue its revenue anticipation certificates for the purposes provided in the Act, and the Authority has determined that it is necessary and in the public interest for it to issue a series of revenue anticipation certificates for such purposes;

WHEREAS, the Authority has previously issued its Refunding Revenue Anticipation Certificates (Phoebe Putney Memorial Hospital) Series 2008A in the original aggregate principal amount of \$54,225,000 and currently outstanding in the aggregate principal amount of \$45,380,000 (the "Series 2008A Certificates") and its Refunding Revenue Anticipation Certificates (Phoebe Putney Memorial Hospital) Series 2008B in the original aggregate principal amount of \$54,100,000 and currently outstanding in the aggregate principal amount of \$45,300,000 (the "Series 2008B Certificates" and together with the Series 2008A Certificates, the "Series 2008 Certificates"), each pursuant to a separate Indenture of Trust dated as of October 1, 2008, as amended and restated pursuant to a separate Amended and Restated Indenture of Trust dated as of November 15, 2012 (each an "Original Indenture" and collectively, the "Original Indentures") between the Authority and Regions Bank, as trustee (the "Trustee");

WHEREAS, the Authority has previously loaned the proceeds of the Series 2008A Certificates and the Series 2008B Certificates to Phoebe Putney Memorial Hospital, Inc. (the "Hospital") pursuant to separate Loan Agreements dated as of October 1, 2008, as amended and restated pursuant to separate Amended and Restated Loan Agreements dated as of November 15, 2012;

WHEREAS, the Hospital has requested the Authority and the Trustee to make certain modifications to each of the Original Indentures as described in the form of a separate First Amendment to Amended and Restated Indenture of Trust between the Authority and the Trustee (each a "First Amendment to Indenture" and collectively, the "First Amendments to Indentures") presented to the Authority on the date hereof;

WHEREAS, pursuant to Section 11.02 of the Original Indentures, the Authority and the Trustee may enter into supplemental indentures for the purpose of modifying, altering, amending, adding to or rescinding any of the terms or provisions contained in the Original Indentures, subject to certain limitations, with the consent of the Owners of not less than a majority in aggregate principal amount of the related series of Outstanding Series 2008 Certificates;

WHEREAS, the Hospital expects that Banc of America Public Capital Corp, as the Owner of all of the outstanding Series 2008 Certificates, will consent to the execution and delivery of First Amendments to Indentures prior to the execution and delivery of the First Amendments to Indentures;

WHEREAS, the Hospital has informed the Authority that it exercised its option to direct a change in the Interest Period for the Series 2008 Certificates from a Bank Rate Period to a new Bank Rate Period effective as of February 2, 2015 (the "Mandatory Purchase Date") (as such terms are defined in the Amended and Restated Indentures) by delivering written directions to deliver notice of mandatory tender (the "Direction to Deliver Notice of Mandatory Tender") to the Trustee in the forms presented to the Authority on the date hereof;

WHEREAS, upon the conversion of the Interest Period for the Series 2008 Certificates to a new Bank Rate Period effective on the Mandatory Purchase Date, the Authority expects that (1) Banc of America Public Capital Corp (the "2008A Purchaser") will purchase the Series 2008A Certificates for a purchase price equal to the principal amount thereof and (2) Regions Capital Advantage, Inc. (the "2008B Purchaser") will purchase the Series 2008B Certificates for a purchase price equal to the principal amount thereof;

WHEREAS, in connection with the purchase of the Series 2008A Certificates by the 2008A Purchaser and Series 2008B Certificates by the 2008B Purchaser on the Mandatory Purchase Date, the Hospital will request the Authority to execute new Series 2008 Certificates in the form attached as Exhibit A-2 to each of the Amended and Restated Indentures, as amended and supplemented by the First Amendments to Indentures;

WHEREAS, there has been presented to the Authority the following documents (collectively, the "Authority Documents"), copies of which have been made available to the Authority, which when executed will provide for the amendment of the Original Indentures:

- (1) the form of the First Amendment to Indenture relating to the Series 2008A Certificates; and
- (2) the form of the First Amendment to Indenture relating to the Series 2008B Certificates.

WHEREAS, it appears that each of the Authority Documents is appropriate for the purposes intended;

NOW, THEREFORE, BE IT RESOLVED BY THE HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA AS FOLLOWS :

Section 1. *Receipt of the Instruments.* The Authority hereby acknowledges receiving the Authority Documents.

Section 2. *Approval, Execution and Delivery of the Authority Documents.* In order to provide for the amendment to each of the Original Indentures as permitted by the terms of the Original Indentures, the execution and delivery of the Authority Documents are hereby authorized, subject to receipt of the consent thereto of the owners of the Series 2008 Certificates. The forms of the Authority Documents as submitted to the Authority at this meeting of the Authority are hereby approved, subject to such changes, insertions and deletions as may be approved and made in such form of the Authority Documents by the Chairman or Vice Chairman and Secretary or Assistant Secretary of the Authority executing the same, such execution to be conclusive evidence of such approval.

Section 3. *Authorization and Execution of Series 2008 Certificates.* Upon the receipt of written direction from the Hospital in connection with the proposed conversion of the Interest Period for the Series 2008 Certificates from a Bank Rate Period to a new Bank Rate Period as permitted by the Amended and Restated Indentures, the execution of new Series 2008 Certificates in the form attached as Exhibit A-2 to each of the Amended and Restated Indentures, as amended and supplemented by the First Amendments to Indentures, the delivery of such Series 2008 Certificates to the Trustee for proper authentication and delivery to the 2008A Purchaser and the 2008B Purchaser, respectively as provided in the Amended and Restated Indentures are hereby authorized. The Chairman or Vice-Chairman of the Authority hereby is authorized to execute the new Series 2008 Certificates and the Secretary or any Assistant Secretary of the Authority hereby is authorized to attest the new Series 2008 Certificates upon the conversion of the Series 2008 Certificates to a new Bank Rate Period.

Section 4. *Non-Arbitrage Certification.* The Chairman or Vice-Chairman of the Authority hereby is authorized to execute a non-arbitrage certification in order to comply with Section 103(c) of the Internal Revenue Code of 1986, as amended, and the applicable income tax regulations thereunder, in connection with the proposed conversion of the Interest Period for the Series 2008 Certificates from a Bank Rate Period to a new Bank Rate Period.

Section 5. *Authorization to Carry Out Intent of Resolution.* The appropriate officers and agents of the Authority are hereby authorized, empowered and directed to execute such other documents, instruments, contracts and certificates, whether or not expressly contemplated hereby, and to do all acts and things, in each case, as may be necessary to carry out and comply with the provisions of this Resolution, the Series 2008 Certificates and the Authority Documents for the full, punctual and complete performance of all terms, covenants, provisions and agreements herein and therein contained, and as otherwise may be necessary or desirable to effectuate the purpose and intent of this Resolution and the proposed conversion of the Interest Period for the Series 2008 Certificates to a new Bank Rate Period.

Section 6. *No Personal Liability.* No stipulation, obligation or agreement herein contained or contained in the Authority Documents will be deemed to be a stipulation, obligation or agreement of any officer, commissioner, director, employee or agent of the Authority in his or her individual capacity, and no such officer, commissioner, director, employee or agent will be personally liable on the Series 2008 Certificates or be subject to personal liability or accountability by reason of the issuance thereof.

Section 7. *Severability.* If any one or more of the covenants, agreements or provisions of this Resolution, or any of the documents contemplated hereby is held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or for any reason whatsoever is held invalid, then such covenants, agreements or provisions will be null and void and will be deemed separate from the remaining covenants, agreements, or provisions of this Resolution or of such documents and will in no way effect the validity of any of the other agreements and provisions of this Resolution or of the Series 2008 Certificates.

Section 8. *Governing Law.* The Resolution is adopted and the Authority Documents will be executed with the intent that the laws of the State of Georgia will govern their construction.

Section 9. *Approval of All Acts.* All acts and deeds of the officers and agents of the Authority which are in conformity with the purposes and intent of this Resolution and in furtherance of the execution and delivery of the Authority Documents and the conversion of the Interest Period for the Series 2008 Certificates to a new Bank Rate Period and all other instruments, documents and certificates necessary to authorize the conversion of the Interest Period for the Series 2008 Certificates to a new Bank Rate Period are in all respects approved and confirmed.

Section 10. *Effective Date; Repealer.* This Resolution will become effective immediately upon its adoption and all resolutions in conflict herewith are to the extent of such conflict hereby repealed.

[SIGNATURES ON FOLLOWING PAGE]

PASSED, ADOPTED AND APPROVED 22nd day of January, 2015.

HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY
COUNTY, GEORGIA

(SEAL)

By: 
Chairman

SECRETARY'S CERTIFICATE

The undersigned Secretary of the Hospital Authority of Albany-Dougherty County, Georgia DOES HEREBY CERTIFY that the foregoing pages of typewritten matter constitute a true and correct copy of a resolution unanimously adopted on January 22, 2015, by the board of directors of the Authority in a meeting duly called and assembled, which was open to the public and at which a quorum was present and acting throughout, and that the original of said resolution appears of record in the minute books of the Authority which is in my custody and control.

Given under my hand and seal of the Authority, this 22nd day of January, 2015.

By Fred J. Shyheri
Secretary

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED INDENTURE OF TRUST IN CONNECTION WITH REVENUE ANTICIPATION CERTIFICATES (PHOEBE PUTNEY MEMORIAL HOSPITAL) SERIES 2010A IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$99,000,000 PREVIOUSLY ISSUED BY THE HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA; AUTHORIZING EXECUTION AND DELIVERY OF CERTAIN OTHER INSTRUMENTS, DOCUMENTS AND CERTIFICATES CONTEMPLATED TO BE EXECUTED AND DELIVERED IN CONNECTION WITH THE PROPOSED CONVERSION OF THE INTEREST PERIOD FOR THE SERIES 2010A CERTIFICATES TO A NEW BANK RATE PERIOD, AND CERTAIN RELATED MATTERS.

WHEREAS, pursuant to the Hospital Authorities Law (O.C.G.A. Section 31-7-70, et seq., as amended) (the "Act"), the Hospital Authority of Albany-Dougherty County, Georgia (the "Authority") is authorized to issue its revenue anticipation certificates for the purposes provided in the Act, and the Authority has determined that it is necessary and in the public interest for it to issue a series of revenue anticipation certificates for such purposes;

WHEREAS, the Authority has previously issued its Revenue Anticipation Certificates (Phoebe Putney Memorial Hospital) Series 2010A in the original aggregate principal amount of \$99,000,000 and currently outstanding in the aggregate principal amount of \$97,190,000 (the "Series 2010A Certificates") pursuant to an Indenture of Trust dated as of July 1, 2010 (the "Original Indenture") between the Authority and U.S. Bank National Association, as trustee (the "Trustee");

WHEREAS, the Authority has previously loaned the proceeds of the Series 2010A Certificates to Phoebe Putney Memorial Hospital, Inc. (the "Hospital") pursuant to a Loan Agreement dated as of July 1, 2010;

WHEREAS, the Hospital desires to request the Authority and the Trustee to make certain modifications to each of the Original Indenture as described in the form of an Amended and Restated Indenture of Trust (the "Amended and Restated Indenture") presented to the Authority on the date hereof;

WHEREAS, pursuant to Section 11.02 of the Original Indenture, the Authority and the Trustee may enter into supplemental indentures for the purpose of modifying, altering, amending, adding to or rescinding any of the terms or provisions contained in the Original Indenture, subject to certain limitations, with the consent of the Owners of not less than a majority in aggregate principal amount of the related series of Outstanding Series 2010A Certificates;

WHEREAS, the Hospital expects that JP Morgan Chase Bank, N.A., as the Owner of all of the outstanding Series 2010A Certificates, will consent to the execution and delivery of Amended and Restated Indenture prior to the execution and delivery of the Amended and Restated Indenture;

WHEREAS, as security for the payment of the Series 2010A Certificates and pursuant to an Amended and Restated Series 2010A Supplement to Master Indenture dated as of February 2, 2015 (the "Amended and Restated Series 2010A Supplement") among the Hospital, Phoebe Putney Health System, Inc. and U.S. Bank National Association, National Association, as Master Trustee (the "Master Trustee"), supplementing the Master Trust Indenture dated as of March 1, 2002, as amended (the "Master Indenture") between the Hospital and the Master Trustee, the Hospital will execute and deliver to the Authority a certain amended and restated promissory note in a principal amount equal to the principal amount of the Series 2010A Certificates issued pursuant to the Master Indenture (the "Amended and

Restated Series 2010A Obligation”), and the Authority will assign the Amended and Restated Series 2010A Obligation to the Trustee pursuant to the Amended and Restated Indenture;

WHEREAS, the Hospital has informed the Authority that it exercised its option to direct a change in the Interest Period for the Series 2010A Certificates from a Bank Rate Period to a new Bank Rate Period effective as of February 2, 2015 (the “Mandatory Purchase Date”) (as such terms are defined in the Original Indenture) by delivering a written direction to deliver notice of mandatory tender (the “Direction to Deliver Notice of Mandatory Tender”) to the Trustee in the form presented to the Authority on the date hereof;

WHEREAS, upon the conversion of the Interest Period for the Series 2010A Certificates to a new Bank Rate Period effective on the Mandatory Purchase Date, the Authority expects that (1) STI Institutional & Government, Inc. (the “2010A-1 Purchaser”) will purchase the Series 2010A-1 Bonds (as defined in the Amended and Restated Indenture) for a purchase price equal to the principal amount thereof and (2) Regions Capital Advantage, Inc. (the “2010A-2 Purchaser”) will purchase the Series 2010A-2 Bonds (as defined in the Amended and Restated Indenture) for a purchase price equal to the principal amount thereof;

WHEREAS, in connection with the purchase of the Series 2010A-1 Bonds by the 2010A-1 Purchaser and the Series 2010A-2 Bonds by the 2010A-2 Purchaser on the Mandatory Purchase Date, the Hospital will request the Authority to execute new Series 2010A Certificates in the form attached as Exhibit B to the Amended and Restated Indenture;

WHEREAS, there has been presented to the Authority the following documents (collectively, the “Authority Documents”), copies of which have been made available to the Authority, which when executed will provide for the amendment of the Original Indenture:

- (1) the form of the Amended and Restated Indenture; and
- (2) the form of the Amended and Restated Series 2010A Obligation.

WHEREAS, it appears that each of the Authority Documents is appropriate for the purposes intended;

NOW, THEREFORE, BE IT RESOLVED BY THE HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA AS FOLLOWS :

Section 1. *Receipt of the Instruments.* The Authority hereby acknowledges receiving the Authority Documents.

Section 2. *Approval, Execution and Delivery of the Authority Documents.* In order to provide for the amendment to each of the Original Indentures as permitted by the terms of the Original Indentures, the execution and delivery of the Authority Documents are hereby authorized, subject to receipt of the consent thereto of the owners of the Series 2010A Certificates. The forms of the Authority Documents as submitted to the Authority at this meeting of the Authority are hereby approved, subject to such changes, insertions and deletions as may be approved and made in such form of the Authority Documents by the Chairman or Vice Chairman and Secretary or Assistant Secretary of the Authority executing the same, such execution to be conclusive evidence of such approval.

Section 3. *Authorization and Execution of Series 2010A Certificates.* Upon the receipt of written direction from the Hospital in connection with the proposed conversion of the Interest Period for the Series 2010A Certificates from a Bank Rate Period to a new Bank Rate Period as permitted by the

Amended and Restated Indenture, the execution of new Series 2010A Certificates in the form attached as Exhibit B to the Amended and Restated Indenture, the delivery of such Series 2010A Certificates to the Trustee for proper authentication and delivery to the 2010A-1 Purchaser and the 2010A-2 Purchaser, respectively, as provided in the Amended and Restated Indenture are hereby authorized. The Chairman or Vice-Chairman of the Authority hereby is authorized to execute the new Series 2010A Certificates and the Secretary or any Assistant Secretary of the Authority hereby is authorized to attest the new Series 2010A Certificates upon the conversion of the Series 2010A Certificates to a new Bank Rate Period.

Section 4. *Non-Arbitrage Certification.* The Chairman or Vice-Chairman of the Authority hereby is authorized to execute a non-arbitrage certification in order to comply with Section 103(c) of the Internal Revenue Code of 1986, as amended, and the applicable income tax regulations thereunder, in connection with the proposed conversion of the Interest Period for the Series 2010A Certificates from a Bank Rate Period to a new Bank Rate Period.

Section 5. *Authorization to Carry Out Intent of Resolution.* The appropriate officers and agents of the Authority are hereby authorized, empowered and directed to execute such other documents, instruments, contracts and certificates, whether or not expressly contemplated hereby, and to do all acts and things, in each case, as may be necessary to carry out and comply with the provisions of this Resolution, the Series 2010A Certificates and the Authority Documents for the full, punctual and complete performance of all terms, covenants, provisions and agreements herein and therein contained, and as otherwise may be necessary or desirable to effectuate the purpose and intent of this Resolution and the proposed conversion of the Interest Period for the Series 2010A Certificates to a new Bank Rate Period.

Section 6. *No Personal Liability.* No stipulation, obligation or agreement herein contained or contained in the Authority Documents will be deemed to be a stipulation, obligation or agreement of any officer, commissioner, director, employee or agent of the Authority in his or her individual capacity, and no such officer, commissioner, director, employee or agent will be personally liable on the Series 2010A Certificates or be subject to personal liability or accountability by reason of the issuance thereof.

Section 7. *Severability.* If any one or more of the covenants, agreements or provisions of this Resolution, or any of the documents contemplated hereby is held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or for any reason whatsoever is held invalid, then such covenants, agreements or provisions will be null and void and will be deemed separate from the remaining covenants, agreements, or provisions of this Resolution or of such documents and will in no way effect the validity of any of the other agreements and provisions of this Resolution or of the Series 2010A Certificates.

Section 8. *Governing Law.* The Resolution is adopted and the Authority Documents will be executed with the intent that the laws of the State of Georgia will govern their construction.

Section 9. *Approval of All Acts.* All acts and deeds of the officers and agents of the Authority which are in conformity with the purposes and intent of this Resolution and in furtherance of the execution and delivery of the Authority Documents and the conversion of the Interest Period for the Series 2010A Certificates to a new Bank Rate Period and all other instruments, documents and certificates necessary to authorize the conversion of the Interest Period for the Series 2010A Certificates to a new Bank Rate Period are in all respects approved and confirmed.

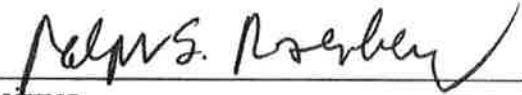
Section 10. *Effective Date; Repealer.* This Resolution will become effective immediately upon its adoption and all resolutions in conflict herewith are to the extent of such conflict hereby repealed.

[SIGNATURES ON FOLLOWING PAGE]

PASSED, ADOPTED AND APPROVED 22nd day of January, 2015.

HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY
COUNTY, GEORGIA

(SEAL)

By: 
Chairman

SECRETARY'S CERTIFICATE

The undersigned Secretary of the Hospital Authority of Albany-Dougherty County, Georgia DOES HEREBY CERTIFY that the foregoing pages of typewritten matter constitute a true and correct copy of a resolution unanimously adopted on January 22, 2015, by the board of directors of the Authority in a meeting duly called and assembled, which was open to the public and at which a quorum was present and acting throughout, and that the original of said resolution appears of record in the minute books of the Authority which is in my custody and control.

Given under my hand and seal of the Authority, this 22nd day of January, 2015.

By

Secretary



Documents Presented

Indenture (with forms of Series 2010 Certificates attached)

Loan Agreement

Master Trust Indenture

Series 2010 Supplement to Master Indenture (with form of Series 2010 Obligation attached)

IN RE: HOSPITAL AUTHORITY OF ALBANY -DOUGHERTY COUNTY
OPEN SESSION MINUTES OF JANUARY 22, 2015
DUE TO THE LARGE SIZE OF THE ATTACHMENTS
TO THE BOND RESOLUTIONS THEY ARE OMITTED HERE,
BUT ARE AVAILABLE UPON REQUEST



Hospital Authority
of Albany/Dougherty County

Financial Report

Kerry Loudermilk, CFO

FINANCIAL HIGHLIGHTS

HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GA

FISCAL YEAR ENDING JULY 31, 2015

	December 31, 2014
Operating Summary	Year-to-Date
	Actual
Revenues	<u>\$41,665</u>
Net Operating Revenue	<u>\$41,665</u>
Expenses	<u>374,759</u>
Operating Income (Loss)	<u>(\$333,094)</u>
Operating Income (Loss)	<u>(\$333,094)</u>
Non-Operating Income	<u>250,000</u>
Investment Income	<u>0</u>
Interest Expense	<u>0</u>
Net Investment Income (Loss)	<u>0</u>
Net Income	<u>(\$83,094)</u>

**Hospital Authority of
Albany-Dougherty County
(Phoebe Putney Memorial Hospital)**

**Remarketing of the
Variable Rate Direct Placements
2008's and 2010 issues**

Variable Rate Remarketing Process

- Request proposals to reduce the interest rate spread 20 – 30 BP(Basis Points), or more to realize debt cost savings given the current prevailing market rates.
- Request Proposals from lenders to structure the term of the variable direct placements over a 3,5,7 or 10 year time frame depending on rates and opportunity to “ladder” debt when possible.
- 9 banks contacted regarding the Request for Proposal process.

2008's A and B Bond Issues

Bond Series	Bond Type	Current Holder of Bonds	Outstanding	
			Debt Balance	Remaining Term
As of 11/30/2014 of Current Direct Placement				
2008A	Refunding Revenue Anticipation Certificates	Bank of America	\$ 45,380,000	7 Years (2022)
2008B	Refunding Revenue Anticipation Certificates	Bank of America	\$ 45,300,000	7 Years (2022)
			<u>\$ 90,680,000</u>	

Summary on use of funds :

Restructuring of Series 1991, 1996 and 2002	
Main Campus Expansions	\$33M
Various Nursing Floor Renovations	\$15M
Parking Decks	\$11M
Energy Plant Expansion	\$5M

2010 Bond Issue

		Outstanding	
Bond Series	Bond Type	Debt Balance	Remaining Term
		As of 11/30/2014 of Current Direct Placement	
	Revenue Anticipation		
2010	Certificates	\$ 97,190,000	3 Years (2017)

Summary on use of funds :

Medical Tower Two	\$48M
Meredyth Outpatient Center	\$34M
Wilson Hospice House	\$10M
Family Tree Expansion	\$6M

Current Debt to be Remarketed

Outstanding

Bond Series	Bond Type	Current Holder of Bonds	As of 11/30/2014	of Current Direct Placement	Variable Interest Rate	Remaining Term	Current Interest Rate
Refunding Revenue							
2008A	Anticipation Certificates	Bank of America	\$ 45,380,000	7 Years (2022)	(67% of 1 month Libor)+95bps		(.67 x .16)+.95= 1.057%
Refunding Revenue							
2008B	Anticipation Certificates	Bank of America	\$ 45,300,000	7 Years (2022)	(67% of 1 month Libor)+95bps		(.67 x .16)+.95= 1.057%
Revenue Anticipation							
2010	Certificates	JPMorganChase	\$ 97,190,000	3 Years (2017)	67%(1 month Libor+125bps)		.67 (.1525+1.25)= .9396%

Bond Series	Outstanding Debt Balance As of 11/30/2014	Variable Interest Rate	Current Interest Rate Based on 12/30/2014 rates	Credit Rate Spread Improvement		
				BPS	BPS	BPS

2008A and B	\$ 90,680,000 (67% of 1 month Libor)+95bps		(.67 x .16)+.95= 1.057%	10	20	30	0.96%	0.86%	0.76%	0.66%
	Annual Current Interest	\$ 958,487.60		\$ 867,808	\$ 777,128	\$ 686,448				\$ 595,768
	Estimated Annual Interest Savings	\$		\$ 90,680	\$ 181,360	\$ 272,040				\$ 362,720
	5-Year Estimated Interest Savings	\$		\$ 453,400	\$ 906,800	\$ 1,360,200				\$ 1,813,600

Credit Rate Spread Improvement		
BPS	BPS	BPS
10	20	30

2010	\$ 97,190,000 (67%(1 month Libor+125bps)		.67(.1525+1.25)= .9396%	10	20	30	0.84%	0.74%	0.64%	0.54%
	Annual Current Interest	\$ 913,197.24		\$ 816,007	\$ 718,817	\$ 621,627				\$ 524,437
	Estimated Annual Interest Savings	\$		\$ 97,190	\$ 194,380	\$ 291,570				\$ 388,760
	5-Year Estimated Interest Savings	\$		\$ 485,950	\$ 971,900	\$ 1,457,850				\$ 1,943,800

2008's and 2010	Total 5-Year Est Interest Savings	\$ 939,350	\$ 1,878,700	\$ 2,818,050	\$ 3,757,400
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GEORGIA INDIGENT CARE TRUST FUND UPDATE

Hospital Authority of Albany Dougherty County
Board Meeting
1-22-15

Indigent Care Trust Fund

- The State of Georgia established the indigent care trust fund, or ICTF, in 1990 for the following reasons to:
 - * To expand Medicaid eligibility and services
 - * To support rural and other care providers who serve medically indigent
 - * To support primary health care programs for medically indigent Georgians

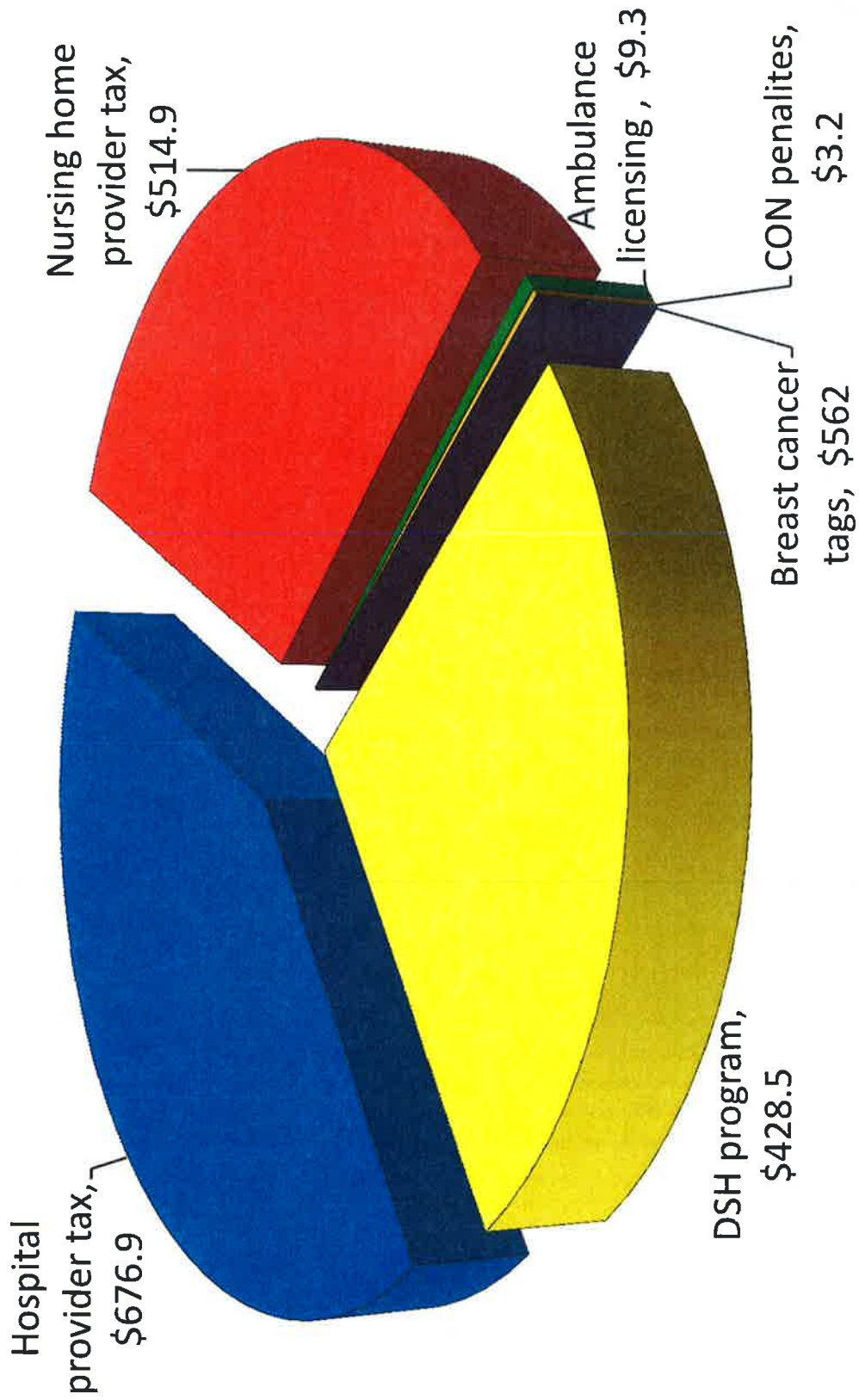
Indigent Care Trust Fund

- The ICTF is funded through a variety of mechanisms:
 - * State appropriations
 - * Hospital provider tax
 - * Breast cancer automobile tag fees
 - * Hospital Intergovernmental transfers
 - * Federal funds
 - * Ambulance licensing fees
 - * Certificate of Need (CON) penalties

Indigent Care Trust Fund

- The federal funds are one of the major sources and are provided by a federal government program called the Disproportionate Share Hospital program, or DSH.
- A program that seeks to increase healthcare access for the lower income population, or indigent
- The intergovernmental transfers are amounts assessed governmental hospital units during the ICTF process that are pooled and sent to the federal government for them to “match”.
- The provide tax is assessed hospitals and nursing homes and is used to transfer to the federal government to be matched as well.

ICTF Funding 2013 Data*, in millions

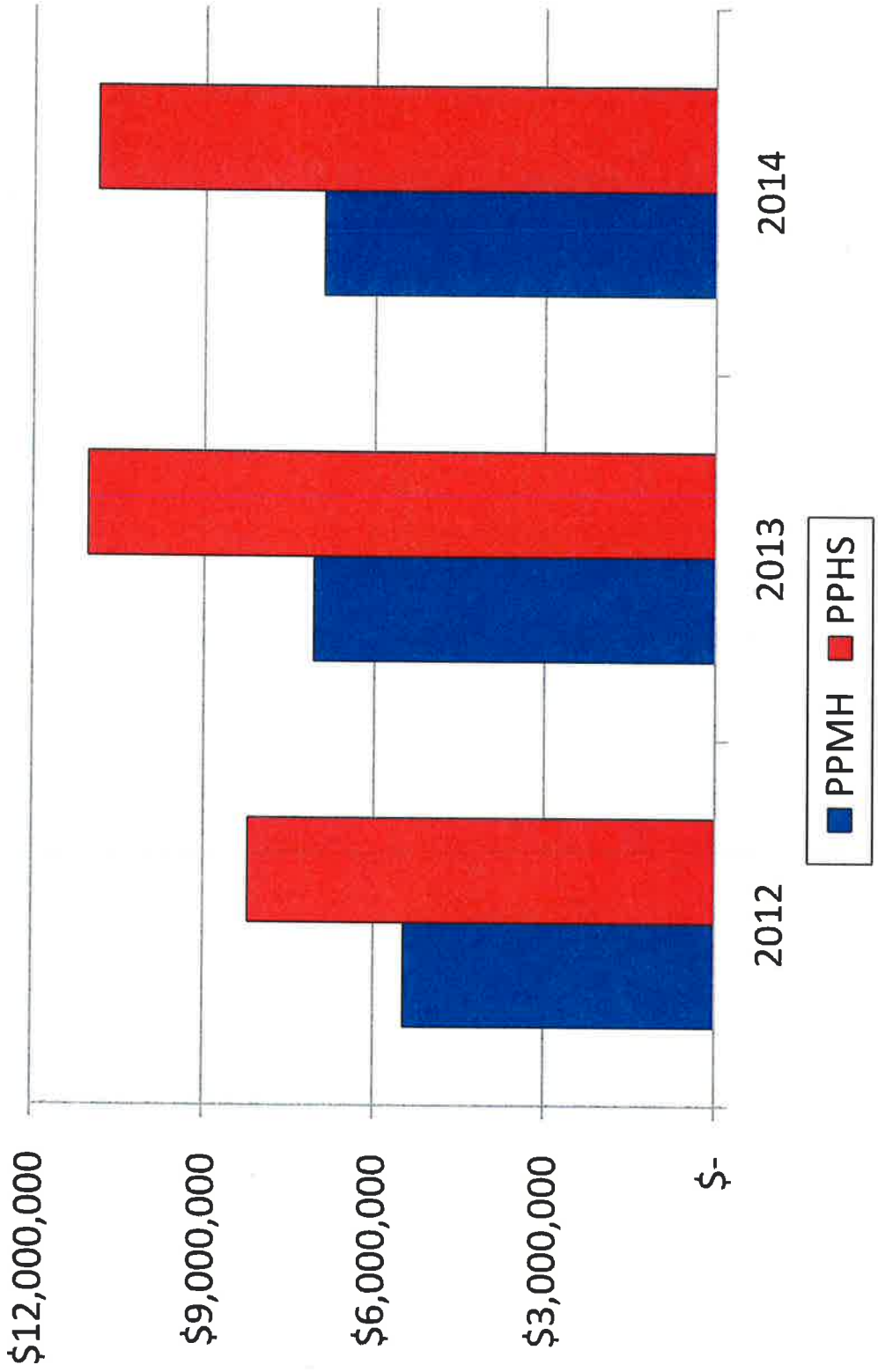


*2014 data not available at this time

Indigent Care Trust Fund

- ICTF funds are distributed to hospitals that meet certain criteria.
 - * Serving a certain percentage of Medicaid patients
 - * Being able to provide obstetrical services
- The available funds are pooled and then distributed to hospitals based on their percentage of total uncompensated care (UCC) provided to Medicaid and uninsured patients.
 - * Hospital's UCC is based on an annual survey that is completed and filed with the State
 - UCC is computed by subtracting payments received from the cost of services provided to uninsured and Medicaid patients

PPHS ICTF \$



*PPHS includes PPMH, Sumter, Worth and PNC for all years



Hospital Authority
of Albany/Dougherty County

EXECUTIVE SESSION

Ralph Rosenberg, Chair

STATE OF GEORGIA
COUNTY OF DOUGHERTY

AFFIDAVIT RELATIVE TO CLOSED MEETING

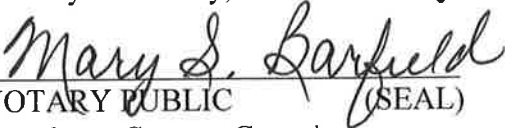
Personally appeared before the undersigned, RALPH S. ROSENBERG, who having been duly sworn, deposes and states as follows:

1. I am over the age of 18 years, I am suffering under no disabilities and I am competent to testify to the matters contained herein.
2. I am the Chairperson of the Board of the Hospital Authority of Albany-Dougherty County, Georgia (the "Authority").
3. On the 13th day of November, 2014, at a meeting of the Authority Board, a motion was duly approved in a roll call vote for the Authority Board to go into closed session for the purposes of: (i) engaging in privileged consultation with legal counsel; (ii) to discuss potentially valuable commercial plans, proposals or strategy that may be of competitive advantage in the operation of Phoebe Putney Memorial Hospital or its medical facilities; and (iii) to discuss confidential matters or information pertaining to peer review or provided by a review organization as defined in O.C.G.A §31-7-131.
4. To the best of my knowledge and belief, the business conducted during the closed portion of the meeting was devoted solely to the above matters for which the meeting was closed.

This the 22nd day of January, 2015.


Chairperson

Sworn to and subscribed before me this
22nd day of January, 2015.


NOTARY PUBLIC (SEAL)
Dougherty County, Georgia
My Commission Expires: _____

