

North Oaks Health System
Board of Commissioners Monthly Meeting
May 24, 2017
Minutes

The Board of Commissioners of Hospital Service District No. 1 of Tangipahoa Parish met on Wednesday, May 24, 2017 at 5:00 p.m. in the North Oaks Board Room. Chairman Blake Daniels called the meeting to order.

Members Present:

Blake Daniels, Chairman
Ann Carruth, DNS, RN, Vice Chairman
Robert Barsley, DDS, JD
Joycelyn Lee, R.Ph.
Ron Macaluso

Others Present:

Michele K. Sutton, FACHE, President/Chief Executive Officer
Julie Bruhn, Senior Executive Assistant
John Derenbecker, Chief Legal/Mission Integration Officer
Shirley Hsing, Chief Financial Officer
Sybil Paulson, North Oaks Rehabilitation Hospital Administrator
Robert Peltier, MD, Chief Medical Officer
A. Gayden Robert, MD, Chief of Staff/NOMC
Julie Larson, MD, Chief of Staff/NORH
Michael Watkins, Chief Operations Officer
Shelly Welch, Chief Nursing Officer
Herbert Robinson, MD, Chief Health Informatics Officer
Jeff Jarreau, Chief Human Resources Officer
Percival Kane, Chief Ambulatory Officer
Larry Daigle, Vice President/Performance Management
Tracy Randazzo, Vice President/Strategy Outreach
Trey Holmes, Tulane Administrative Intern
Reed Dufour, Tulane Administrative Intern

Meeting Minutes Approved

The following meeting minutes were submitted for approval:

North Oaks Health System Board of Commissioners, April 10, 2017
Building Committee, April 10, 2017
Finance Committee, April 10, 2017
Quality Council, March 16, 2017

A motion was made by Ron Macaluso, seconded by Robert Barsley, and unanimously passed to accept the minutes as written.

Management Reports

Written management reports were submitted and reviewed in advance of the meeting. No further discussion was necessary.

Medical Staff Report

North Oaks Rehabilitation Hospital – Sybil Paulson

Quality Update – Submitted in written Management Report.

Medical Staff Applications - Sybil Paulson presented the following medical staff applications as recommended by the North Oaks Rehabilitation Hospital Medical Executive Committee and North Oaks Rehabilitation Hospital Board of Managers:

Djorđe Boskov, MD/Telemedicine/Teleradiology
Michelle Goni, MD/Telemedicine/Teleradiology
Harmanjot Grewal, MD/Telemedicine/Rheumatology
Harisha Kommana, MD/Telemedicine/Teleradiology
Diego Lara, MD/Telemedicine/Teleradiology
Pramod Menon, MD/Consulting/Cardiology
Patricia Morgan, MD/Consulting/Neurology
Robert Morley, DO/Telemedicine/Teleradiology
Linda Petrovich, MD/Telemedicine/Teleradiology
Kamill Del Toro, MD/Telemedicine/Teleradiology
Kurtis Tedesco, MD/Telemedicine/Teleradiology

A motion was made by Robert Barsley, seconded by Ron Macaluso, and unanimously passed to approve Medical Staff applications as recommended by the North Oaks Rehabilitation Hospital Medical Executive Committee and Board of Managers.

Advanced Practitioner Applications - Sybil Paulson presented the following advanced practitioner applications as recommended by the North Oaks Rehabilitation Hospital Medical Executive Committee and North Oaks Rehabilitation Hospital Board of Managers:

Charlene Borne, NP/Kidney & Hypertension Associates
Jessica Bosch, NP/Pontchartrain Oncology
Nicole Pinchon, NP/Louisiana Heart Center

A motion was made by Robert Barsley, seconded by Ron Macaluso, and unanimously passed to approve advanced practitioner applications as recommended by the North Oaks Rehabilitation Hospital Medical Executive Committee and Board of Managers.

North Oaks Medical Center – A. Gayden Robert, MD

Quality Update – Dr. Robert gave report on the progress of several quality teams and committees.

Medical Staff Applications – Dr. Robert presented the following medical staff applications as recommended by the North Oaks Medical Center Medical Executive Committee:

William Benton, MD/Active/Neonatology
Jeffrey Witty, MD/Active/Orthopedics
Teas Gray, MD/Active/Internal Medicine (Hospital Medicine)
Zachary Liner, MD/Active/Radiology

A motion was made by Joycelyn Lee, seconded by Robert Barsley, and unanimously passed to approve Medical Staff applications as recommended by the North Oaks Medical Center Medical Executive Committee.

Advanced Practitioner Applications – Dr. Robert presented the following advanced practitioner applications as recommended by the North Oaks Medical Center Medical Executive Committee:

Erin Gill, NP/North Oaks Emergency Department
Carla Graves, NP/North Oaks Orthopedic Clinic
Maci Matherne, FA/North Oaks Medical Center

A motion was made by Ron Macaluso, seconded by Robert Barsley, and unanimously passed to approve advanced practitioner applications as recommended by the North Oaks Medical Center Medical Executive Committee.

Additional Privileges – Dr. Robert presented for approval the addition of Alcohol Septal Ablation privileges for Niksad Abraham, MD as recommended by the North Oaks Medical Center Medical Executive Committee

A motion was made by Ann Carruth, seconded by Joycelyn Lee, and unanimously passed to approve the addition of Alcohol Septal Ablation privileges for Niksad Abraham, MD as recommended by the North Oaks Medical Center Medical Executive Committee.

Bronchoscopy Privileges – Dr. Robert explained that Bronchoscopy core privileges were revised, reviewed and approved by the North Oaks Medical Center Medical Executive Committee.

A motion was made by Robert Barsley, seconded by Joycelyn Lee, and unanimously passed to approve the Bronchoscopy privileges as recommended by the North Oaks Medical Center Medical Executive Committee.

Community Forum

Ron Macaluso wanted to compliment Michele Sutton and her staff on the success of the first Community Forum. He felt it went extremely well, and there was good attendance. Michele stated that we hope to hold another one October 26th at the same time. The Board was in agreement.

Old Business

None

New Business

Bond Resolution

Shirley Hsing presented a bond resolution for approval to favorably amend certain covenants of the Series 2011 Bonds.

A motion was made by Robert Barsley, seconded by Ron Macaluso, approved by Blake Daniels, Ann Carruth, and Joycelyn Lee for a bond resolution to amend the Series 2011 Bond covenants as presented.

2018 Budget

Shirley Hsing requested approval of the Fiscal Year 2018 budget as presented in the Finance Committee meeting.

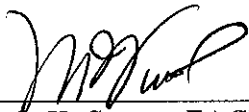
A motion was made by Robert Barsley, seconded by Joycelyn Lee, and unanimously passed to approve the Fiscal Year 2018 budget as presented in the Finance Committee.

Executive Session

A motion was made by Robert Barsley, seconded by Joycelyn Lee, and unanimously passed to convene in Executive Session.

Adjournment

With no further business, the meeting was adjourned.



Michele K. Sutton, FACHE
President/Chief Executive Officer
Secretary

The following resolution was offered by Robert Barsley and seconded by Ron Macaluso:

RESOLUTION

A resolution amending a resolution adopted on October 26, 2011, entitled: "A resolution supplementing the Amended and Restated 2009 Series Resolution adopted on August 26, 2009, as supplemented, by Hospital Service District No. 1 of the Parish of Tangipahoa, State of Louisiana, authorizing the issuance of its Twenty-Five Million Dollars (\$25,000,000) Hospital Revenue Bonds (North Oaks Health System Project) Series 2011; fixing certain details of such Bonds; awarding the Bonds to GE Government Finance, Inc.; approving the form and authorizing the execution and delivery of the Bond Purchase Agreement for such Bonds; authorizing the execution of a Certificate of Determination; authorizing the execution of a supplement to the mortgage on a portion of the hospital's facilities in order to secure the Bonds therewith; and providing for other matters in connection therewith" in order to amend certain details of the Series 2011 Bonds.

WHEREAS, Hospital Service District No. 1 of the Parish of Tangipahoa, State of Louisiana (hereinafter referred to as the "District"), is a body corporate and a political subdivision of the State of Louisiana created and existing pursuant to the laws of such State; and

WHEREAS, the District owns and operates certain acute care hospital and related healthcare facilities commonly known as the North Oaks Health System (collectively, the "Hospital"); and

WHEREAS, on October 26, 2011, in connection with the District's \$25,000,000 original principal amount of Hospital Revenue Bonds (North Oaks Health System Project) Series 2011, \$19,275,000 of which are still outstanding (the "Series 2011 Bonds"), the Board of Commissioners of the District adopted a resolution entitled: "A resolution supplementing the Amended and Restated 2009 Series Resolution adopted on August 26, 2009, as supplemented, by Hospital Service District No. 1 of the Parish of Tangipahoa, State of Louisiana, authorizing the issuance of its Twenty-Five Million Dollars (\$25,000,000) Hospital Revenue Bonds (North Oaks Health System Project) Series 2011; fixing certain details of such Bonds; awarding the Bonds to GE Government Finance, Inc.; approving the form and authorizing the execution and delivery of the Bond Purchase Agreement for such Bonds; authorizing the execution of a Certificate of Determination; authorizing the execution of a supplement to the mortgage on a portion of the hospital's facilities in order to secure the Bonds therewith; and providing for other matters in connection therewith" (the "Original Resolution"); and

WHEREAS, the Series 2011 Bonds were sold to GE Government Finance, Inc. (the "Original Purchaser") pursuant to a Bond Purchase Agreement dated November 3, 2011, between the District and the Original Purchaser; and

WHEREAS, the Original Resolution and the Certificate of Determination set forth certain details of the Series 2011 Bonds; and

WHEREAS, the Original Purchaser has assigned to GE Capital Preferred Asset Corporation (the "Purchaser") all of the Original Purchaser's rights, title and interests in the Series 2011 Bonds; and

WHEREAS, the Purchaser has agreed to a reduction in the interest rate on the outstanding Series 2011 Bonds, in accordance with the Rate Reduction Agreement attached hereto as Exhibit A; and

WHEREAS, the District proposes by this resolution to amend the provisions of the Original Resolution and the Certificate of Determination to, among other things, consummate the transactions contemplated by the Rate Reduction Agreement; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners (the "Board of Commissioners" or the "Governing Authority") of Hospital Service District No. 1 of the Parish of Tangipahoa, State of Louisiana, that:

ARTICLE I

DEFINITIONS; AUTHORITY FOR RESOLUTION

ACCEPTANCE OF COMMITMENT LETTER

Section 1.01. Definitions. Capitalized terms used herein and not specifically defined herein shall have the meanings assigned thereto in the General Bond Resolution adopted by this Board of Commissioners on July 17, 1990, as amended and supplemented to the date hereof, and particularly by the Original Resolution. In addition, the following term shall have the following meaning:

"Rate Reduction Agreement" means the Rate Reduction Agreement dated _____, 2017, attached hereto as Exhibit A.

Section 1.02. Authority for the Resolution. This resolution is supplemental to and is adopted in accordance with Section 201 of the Amended and Restated 2009 Series Resolution adopted on August 26, 2009 and Section 4.03 of the Original Resolution, with the consent of the Purchaser, who is the owner of 100% of the Bonds.

Section 1.03. Acceptance of Rate Reduction Agreement. This Board of Commissioners hereby accepts the terms of the Rate Reduction Agreement. The execution of the Rate Reduction Agreement by the Chief Financial Officer of the Hospital is hereby further authorized and approved.

ARTICLE II

AMENDMENTS TO ORIGINAL RESOLUTION

AND CERTIFICATE OF DETERMINATION

Section 2.01. Reduction of Interest Rate on the Series 2011 Bonds. The Certificate of Determination which was authorized in the Original Resolution and which was executed on November 3, 2011 (the "Certificate of Determination") is hereby amended to reflect a reduction of the interest rate on the Series 2011 Bonds from four and thirty-six hundredths per centum (4.36%) per annum to three and eighty-six hundredths per centum (3.86%) per annum, as set forth in the Rate Reduction Agreement, effective July 1, 2017.

Section 2.02. Waiver of Redemption Premium. Section 202 of the Original Resolution and the optional redemption provision contained in the Certificate of Determination are each hereby amended in their entirety as follows:

"The Series 2011 Bonds are callable for optional redemption at any time prior to their stated maturities at the option of the District, in whole but not in part, at the principal amount thereof plus accrued interest to the redemption date."

Section 2.03. Amendment to Section 4.03 of Original Resolution. The paragraph in Section 4.03 entitled "Cash on Hand" is hereby amended in its entirety as follows:

"Cash on Hand. The District shall maintain Cash on Hand equal to sixty (60) days of Average Daily Expenses, as calculated on each June 30 and December 30 (each, a "Liquidity Testing Date"). If on any Liquidity Testing Date, the District is not in compliance with the Cash on Hand requirement, the District shall employ an Independent Consultant within sixty (60) days from the Liquidity Testing Date to make recommendations. Copies of the recommendations of the Independent Consultant shall be filed with the Trustee and the owners of the Series 2011 Bonds no later than sixty (60) days following the date of engagement. Within sixty (60) days of receipt of such Independent Consultant's report the District shall deliver to the Trustee and owners of the Series 2011 Bonds (i) a certified copy of a resolution adopted by the Board of Commissioners of the District accepting such report, (ii) a report setting forth in detail the proposed steps the District intends to take in order to implement such recommendations, and (iii) quarterly reports demonstrating the progress made by the District in maintaining the recommendations. The District shall substantially comply with the Independent Consultant's recommendations subject to applicable Restrictions. So long as the District is complying with the provisions set forth above, an automatic Event of Default will be triggered only upon (i) the failure to retain an Independent Consultant, or (ii) failure to maintain Cash on Hand equal to at least fifty-five (55) days of Average Daily Expenses."

ARTICLE III

MISCELLANEOUS

Section 3.01. Authorization; Execution of Documents. The Chairman or Vice Chairman and/or the Secretary of the Board of Commissioners of the District and/or the Chief Financial Officer of the Hospital are each authorized to execute and deliver any and all instruments or documents and to carry out and consummate the transactions contemplated by this resolution (the signatures of said officer or officers on such documents to constitute conclusive evidence of such approval of any changes and modifications). The execution and delivery of all tax certificates and Internal Revenue Service forms by such Chairman or Vice Chairman and/or Secretary and/or Chief Financial Officer is hereby authorized and approved. The signatures of officers on such documents shall be due evidence of the authority vested in them hereunder

Section 3.02. Amendments and Supplements. The Purchaser's prior written consent is required with respect to any amendments or supplements to this resolution.

Section 3.03. Publication of Resolution. This Resolution shall be published immediately after its adoption in the official journal of the District.

Section 3.04. Form of Bond Rider. The form of the rider to the Series 2011 Bond in substantially the form attached hereto as Exhibit B, together with the revised payment schedule attached thereto, is hereby approved.

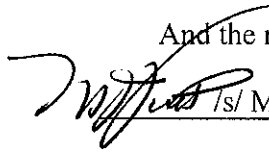
Section 3.05. Employment of Bond Counsel. This Governing Authority finds and determines that a real necessity exists for the employment of special counsel to render the opinion in connection with the provisions hereof and the tax reissuance of the Series 2011 Bonds, and accordingly, Foley & Judell, L.L.P., of New Orleans, Louisiana, as Bond Counsel, is hereby employed to do and perform work of a traditional legal nature as bond counsel with respect to the matters set forth herein. Said Bond Counsel shall prepare and submit to this Governing Authority for adoption all of the proceedings incidental to the reissuance of the Series 2011 Bonds and advise this Governing Authority as to the reissuance thereof and shall furnish its opinion covering the same. The fee of Bond Counsel shall be fixed at a sum not exceeding 80% of the fee allowed by the Attorney General's fee guidelines for such bond counsel work in connection with the issuance of revenue bonds applied to the remaining principal amount of the Series 2011 Bonds, plus "out-of-pocket" expenses, said fees to be contingent upon the reissuance of the Series 2011 Bonds. The Chief Financial Officer of the Hospital is hereby authorized and directed to execute, and this Governing Authority hereby agrees to and accepts the terms of, the engagement letter of Bond Counsel appended hereto. A certified copy of this resolution shall be submitted to the Attorney General of the State of Louisiana for his written approval of said employment and of the fees herein designated, and the Chief Financial Officer is hereby empowered and directed to provide for payment of the work herein specified upon completion thereof and under the conditions herein enumerated.

Section 3.06. Intent of this Resolution. The sole intent of this resolution is to provide for the amendments set forth herein. Except as herein expressly provided, all provisions of the Original Resolution shall remain in full force and effect.

This resolution having been submitted to a vote, the vote thereon was as follows:

<u>Member</u>	<u>Yea</u>	<u>Nay</u>	<u>Absent</u>	<u>Abstaining</u>
Robert Barsley, DDS, JD	<input checked="" type="checkbox"/>			
Ann Carruth, DNS, RN	<input checked="" type="checkbox"/>			
Blake Daniels	<input checked="" type="checkbox"/>			
Joycelyn Lee, R.Ph.	<input checked="" type="checkbox"/>			
Ron Macaluso	<input checked="" type="checkbox"/>			

And the resolution was declared adopted on this 24th day of May, 2017.

 /s/ Michele K. Sutton
Secretary

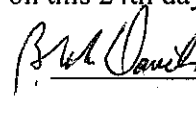
 /s/ Blake Daniels
Chairman

EXHIBIT A

AMENDED AND RESTATED RATE REDUCTION AGREEMENT

THIS AMENDED AND RESTATED RATE REDUCTION AGREEMENT (this "Agreement") dated as of May 5, 2017 is by and among Hospital Service District No. 1 of the Parish of Tangipahoa, State of Louisiana (d/b/a North Oaks Health System) ("Customer"), GE HFS, LLC ("GEHFS"), and GE Government Finance, Inc. ("GEGF") (Customer, GEHFS and GEGF are sometimes referred to herein individually as a "Party" and collectively as the "Parties") and amends and restates in its entirety the Rate Reduction Agreement dated as of March 31, 2017 by and among the Parties (the "Original Agreement").

1. Rate Reduction. (a) Reference is hereby made to the outstanding Hospital Revenue Bonds (North Oaks Health System Project) Series 2011 of Hospital Service District No. 1 of the Parish of Tangipahoa, State of Louisiana (the "2011 Bonds"). In reliance on Customer's representations, warranties, covenants and acknowledgements herein made, the Parties hereby agree that if Customer, by no later than June 30, 2017 (the "Expiration Date"), (i) leases from GEHFS the equipment manufactured by GE Healthcare, a division of General Electric Company ("GEHC"), and listed and described on Exhibit A hereto (the "Initial Equipment") pursuant to one or more lease(s) and such other documentation as may be required by GEHFS which are all in form and substance satisfactory to GEHFS, and the term(s) of which lease(s) has/have commenced, (ii) enters into and executes one or more binding and non-cancellable equipment quotations, in form and substance satisfactory to GEHC, for the acquisition by Customer from GEHC of the equipment listed and described on Exhibit B hereto (the "Other Equipment"), (iii) enters into and executes one or more binding and non-cancellable lease(s) and other documentation as may be required by GEHFS, which are all in form and substance satisfactory to GEHFS, pursuant to which Customer agrees to lease from GEHFS the Other Equipment, and (iv) enters into and executes one or more binding and non-cancellable service agreement(s) with GEHC relating to the servicing of the Initial Equipment and the Other Equipment and which agreement(s) is/are in form and substance satisfactory to GEHC (the date upon which the conditions described in the preceding clauses (i) through and including (iv) are satisfied is referred to herein as the "Trigger Date"), GEGF shall consent to the reduction, on a go-forward basis, of the interest rate in respect of the 2011 Bonds by 0.5% (the "Rate Reduction"), it being understood, for the avoidance of doubt, that if the Trigger Date does not occur by the Expiration Date, regardless of the reason(s) therefor, or if any of the representations and warranties of Customer set forth herein are not true on and as of the Trigger Date, the Rate Reduction shall not occur and this Agreement shall thereupon become void and no longer enforceable or in effect. If the conditions to the Rate Reduction herein are satisfied on or prior to the Expiration Date, the Rate Reduction shall be evidenced by documentation in form and substance satisfactory to GEGF.

(b) Customer hereby represents to each of GEHFS and GEGF, as of the date hereof and on the Trigger Date, that the proceeds of the 2011 Bonds have been used solely for items and services for which Customer's Medicare reimbursement will be under the same Medicare payment methodology that will apply to the Initial Equipment and the Other Equipment, which representation Customer hereby warrants shall be true at all times that the Rate Reduction is in effect.

(c) Customer acknowledges that the Rate Reduction is intended to qualify as a discount within the discount safe harbor at 42 C.F.R. Section 1001.952(h) to the federal Anti-Kickback Statute, 42 U.S.C. Section 1320a-7b(b), and Customer represents and warrants that Customer will take all necessary measures to comply with the requirements of that safe harbor (as such may be amended from time to time), including (without limitation) taking measures (1) to fully and accurately account for, and report in any cost reports, if applicable, or otherwise fully disclose to government program payers as required the Rate Reduction, and accurately reflect where and as appropriate to the applicable payment methodology, the Rate Reduction, and (2) to provide information upon request by federal or state agencies concerning the Rate Reduction in compliance with all applicable laws, including, without limitation, the federal Social Security Act and implementing regulations relating to Medicare, Medicaid, and other federal and state health care programs.

2. Counterparts. This Agreement may be executed in any number of counterparts by the Parties. Each counterpart shall be treated as an original, and all such counterparts shall constitute but one and the same instrument.

3. Binding Effect. The covenants, agreements, rights and options contained in this Agreement shall be binding upon and shall inure to the benefit of the respective heirs, executors, successors and permitted assigns of the Parties and no other parties. No Party may assign any of its rights or obligations under this Agreement without the prior written consent of each of the other Parties.

4. Entire Agreement. This Agreement constitutes the sole and entire agreement of the Parties with respect to the subject matter of this Agreement, and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to the subject matter hereof.

5. Governing Law. This Agreement shall be construed in accordance with the laws of the State of Louisiana.

6. Time. Time is of the essence of this Agreement and each of its provisions.

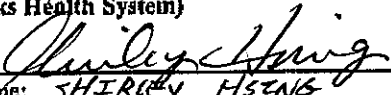
7. Jury Trial Waiver. EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY AND INTELLIGENTLY WAIVES ANY AND ALL RIGHTS THAT SUCH PARTY MAY NOW OR HEREAFTER HAVE UNDER THE LAWS OF THE UNITED STATES OF AMERICA OR ANY STATE TO A TRIAL BY JURY OF ANY AND ALL ISSUES ARISING DIRECTLY OR INDIRECTLY IN ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR RELATED HERETO. IT IS INTENDED THAT THIS WAIVER SHALL APPLY TO ANY AND ALL DEFENSES, RIGHTS, CLAIMS AND/OR COUNTERCLAIMS IN ANY SUCH ACTION OR PROCEEDING.

8. Amendment and Restatement; No Novation. This Agreement constitutes an amendment and restatement of the Original Agreement. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby are not intended by the Parties to be, and shall not constitute, a novation or an accord and satisfaction of the rights or obligations under the Original Agreement, all of which shall continue in full force and effect as modified hereby.

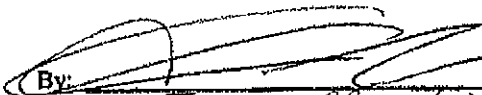
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EXECUTION PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned Parties have executed and delivered this Amended and Restated Rate Reduction Agreement as of the date first set forth above.

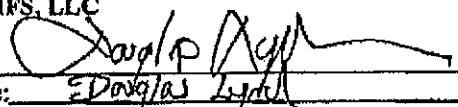
Hospital Service District No. 1 of the Parish of Tangipahoa, State of Louisiana (d/b/a North Oaks Health System)

By: 
Name: SHIRLEY HSENG
Title: CFO

GE Government Finance, Inc.

By: 
Name: Thomas Murphy
Title: Authorized Signatory

GE HFS, LLC

By: 
Name: Douglas Lynn
Title: Duly Authorized Signatory

[EXECUTION PAGE TO RATE REDUCTION AGREEMENT]

EXHIBIT A
To Rate Reduction Agreement

Location	New GE Technology	Net Sell Price
Hospital VCT 64-slice CT	GE Revolution 64/128	\$ 460,000.00

EXHIBIT B
To Rate Reduction Agreement

Location	New GE Technology	Net Sell Price
Hospital Lightspeed 16 CT	GE Revolution 64/128	\$ 692,700.00
ODC Lightspeed 16-slice CT	GE Revolution 64/128	\$ 544,985.69
Livingston VCT 64-slice CT	GE Revolution 32/64	\$ 402,300.00

AND

New GE Technology	Net Sell Price
GE Discovery XR656*	\$ 258,591

**X-Ray order contingent upon board approval in April 2017*

EXHIBIT B

FORM OF RIDER TO BOND

RIDER NO. 1 TO BOND NO. R-2 DATED NOVEMBER 3, 2011

UNITED STATES OF AMERICA

PARISH OF TANGIPAHOA, STATE OF LOUISIANA

**HOSPITAL SERVICE DISTRICT NO. 1 OF THE
PARISH OF TANGIPAHOA, STATE OF LOUISIANA
HOSPITAL REVENUE BOND
(NORTH OAKS HEALTH SYSTEM PROJECT) SERIES 2011**

Registered Owner: GE Capital Preferred Asset Corporation

10 Riverview Drive

Danbury, CT 06810

Maturity Date: February 1, 2027

**Outstanding
Principal Amount:** \$19,275,000

Interest Rate: 3.86%

Optional Redemption Provisions: The Bonds are callable for optional redemption at any time prior to their stated maturities at the option of the District, in whole but not in part, at the principal amount thereof plus accrued interest to the redemption date.

Effective Date: July 1, 2017

By signing below, the Registered Owner approves the attachment of this Rider to the Series 2011 Bonds.

GE CAPITAL PREFERRED ASSET
CORPORATION

By: _____

Name: _____

Title: _____

(PAYMENT SCHEDULE TO BE ATTACHED)

FOLEY & JUDELL, L.L.P.

ATTORNEYS AND COUNSELLORS AT LAW

ONE CANAL PLACE

SUITE 2600

365 CANAL STREET

NEW ORLEANS, LOUISIANA 70130-1138

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WAYNE J. NEVEU
SPECIAL COUNSEL

JOHN W. COX (RETIRED)
OF COUNSEL

DUDLEY C. FOLEY, JR.
(1910-2006)
LONNIE L. BEWLEY
(1932-2009)
HAROLD B. JUDELL
(1915-2011)
WILLIAM H. BECK, JR.
(1928-2016)

OUR FILE NO.

ENGAGEMENT LETTER

May 24, 2017

Hospital Service District No. 1 of the Parish of Tangipahoa, State of Louisiana

15790 Paul Vega, MD, Drive

Hammond, Louisiana 70403

Re: Outstanding Hospital Service District No. 1 of the Parish of Tangipahoa, State of Louisiana - Hospital Revenue Bonds (North Oaks Health System Project), Series 2011 (the "Series 2011 Bonds")

Dear Ms. Hsing:

The purpose of this engagement letter is to set forth certain matters concerning the role we will serve and the legal services we will provide as bond counsel to Hospital Service District No. 1 Parish of Tangipahoa, State of Louisiana, a body corporate and a political subdivision of the State of Louisiana (the "District" or "Issuer"), in connection with the reissuance of the Series 2011 Bonds to reflect the amended interest rate, redemption provisions and covenant change (the "Amendment"), which Series 2011 Bonds are limited obligations of the District, payable solely from a pledge of the Revenues of the Hospital (each as defined in the resolution adopted by the Board of Commissioners of the District (the "Board") on July 17, 1990, as amended and supplemented to the date hereof (collectively, the "Resolution").

As bond counsel, we will prepare and submit to the Board for adoption all of the legal proceedings required in connection with the Amendment and provide advice of a traditional legal nature as to the Amendment. Our job is principally to render an opinion to the District that the Amendment in and of itself will not adversely affect the exclusion of interest on the Series 2011 Bonds from gross income for federal income tax purposes. The bond counsel opinion will be based on facts existing as of its date. In rendering such opinion, we will rely upon the certified proceedings and other certifications of public officials, the District and the Hospital's officers, and other persons furnished to us without undertaking to verify the same by independent investigation, and we will assume continuing compliance by the District and the Hospital with applicable laws relating to the Series 2011 Bonds. During the course of this engagement, we will rely on the District to provide us with complete and timely information on all developments pertaining to any aspect of the Series 2011 Bonds.

In our engagement as bond counsel, we will:

May 24, 2017

Page 2

Confer with members of the working group, including you and other officials of the Hospital and the District, counsel to the District, and the Purchaser of the Series 2011 Bonds and its counsel, and review legal issues relating to the Amendment;

Attend meetings of the Board at which the Bond Documents are adopted, including (as applicable) preparation of notices;

Prepare the application for approval of the costs of issuance for the Amendment by the State Bond Commission and attend the State Bond Commission meeting at which such approval will be considered;

Prepare the closing index and various closing certificates, including the Tax Certificate, and supervise the execution of certain closing documents by the various parties thereto;

Prepare and file Internal Revenue Service Form 8038, as required by Federal Law; Prepare the Rider to the Series 2011 Bonds and furnish same to the Purchaser;

Prepare complete transcripts of record covering the Amendment and furnish the transcripts to various parties in connection therewith; and

Submit post-closing reports to the State Bond Commission, if required.

Our duties in this engagement are limited to those expressly set forth above. Among other things, our duties do not include (i) making an investigation or expressing any view as to the creditworthiness of the District or the Series 2011 Bonds, (ii) assisting in the preparation of, or opining on, a continuing disclosure undertaking pertaining to the Series 2011 Bonds or, after closing, providing advice concerning any actions necessary to assure compliance with any continuing disclosure undertaking, and (iii) addressing any other matter not specifically set forth above that is not required to render the bond opinion.

Our fee as bond counsel will be based on a percentage of the fee permitted by guidelines set forth by the Attorney General of the State of Louisiana, applied to the remaining outstanding balance of the Series 2011 Bonds, and is subject to his approval.

Upon execution of this engagement letter, the District will be our client and an attorney-client relationship will exist between us. We understand that all parties have or will retain such counsel as they deem necessary and appropriate to represent their interests in this transaction. We assume that all parties understand that in this transaction we represent only the District, we are not counsel to any other party to this transaction, and we are not acting as an intermediary among the parties. Our services as bond counsel are limited to those contracted for herein; the District's execution of this engagement letter will constitute an acknowledgment of those limitations.

We will continue to serve as bond counsel until the effective date of the Amendment; however, the District and our firm each have the right to terminate this engagement at any time after providing reasonable advanced written notice, subject to the applicable rules of professional

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responsibility. Upon conclusion or termination of our representation of the District, papers and property furnished by the District will be returned promptly upon request.

Please note that we are not municipal advisors, and we do not render financial advice or other financial services to the Issuer; however, in the course of providing traditional legal services, we may provide factual information that is not specifically tailored to the Amendment or that does not rise to the level of a recommendation concerning a course of action. We will, however, analyze, discuss and advise the Issuer regarding the legal ramifications of the structure, timing, terms and other provisions of the Amendment, as these functions are essential to developing a plan of finance.

Applicable ethical rules in Louisiana prohibit us from undertaking this representation if we represent another party that is directly adverse to the District or if there is a significant risk that other considerations will materially limit our representation of the District. As you are aware, our firm serves as bond counsel to many political subdivisions. At this time, we do not believe any other current or past engagement of our firm adversely affects our ability to represent the District as provided in this letter; however, we invite you to discuss any concerns you have with us.

If this letter is acceptable to the District, please so indicate by executing below and returning a copy to us, retaining the original for your files. We appreciate the opportunity to serve the District and look forward to working with you.

Foley & Judell, L.L.P.

By: Meredith L. Hathorn
Meredith L. Hathorn

Accepted and Approved:

Hospital Service District No. 1 of the
Parish of Tangipahoa, State of Louisiana

By: Shirley Hsing
Shirley Hsing
Chief Financial Officer

STATE OF LOUISIANA
PARISH OF TANGIPAHOA

I, the undersigned Secretary of the Board of Commissioners of Hospital Service District No. 1 of the Parish of Tangipahoa, State of Louisiana, do hereby certify that the foregoing pages constitute a true and correct copy of a resolution adopted by said Board of Commissioners on May 24, 2017, amending a resolution adopted on October 26, 2011, entitled: "A resolution supplementing the Amended and Restated 2009 Series Resolution adopted on August 26, 2009, as supplemented, by Hospital Service District No. 1 of the Parish of Tangipahoa, State of Louisiana, authorizing the issuance of its Twenty-Five Million Dollars (\$25,000,000) Hospital Revenue Bonds (North Oaks Health System Project) Series 2011; fixing certain details of such Bonds; awarding the Bonds to GE Government Finance, Inc.; approving the form and authorizing the execution and delivery of the Bond Purchase Agreement for such Bonds; authorizing the execution of a Certificate of Determination; authorizing the execution of a supplement to the mortgage on a portion of the hospital's facilities in order to secure the Bonds therewith; and providing for other matters in connection therewith" in order to amend certain details of the Series 2011 Bonds.

IN FAITH WHEREOF, witness my official signature and the official seal of said Hospital Service District at Hammond, Louisiana, on this, the 24th day of May, 2017.



Secretary

[SEAL]

**North Oaks Health System
Building Committee Meeting
May 24, 2017
Minutes**

The Building Committee of North Oaks Health System met on Wednesday, May 24, 2017 in the MOB Boardroom. Chairman Ron Macaluso called the meeting to order.

Present:

Ron Macaluso, Chairman
Robert Barsley, DDS, JD
Blake Daniels
Ann Carruth, DNS, RN
Joycelyn Lee, R.Ph.
Michele K. Sutton, President/CEO
Michael Watkins, Chief Operations Officer
John Derenbecker, Chief Legal/Mission Integration Officer
Russell Hoover, Plant Operations Director
Julie Bruhn, Senior Executive Assistant

Approval of Minutes

A motion was made by Robert Barsley, seconded by Blake Daniels, and unanimously passed to accept the minutes of April 10, 2017.

In-House Projects

Russell Hoover gave status update on the In-House Project listing.

Out-Sourced Projects

Cath Lab Project – Notice to Proceed was issued for work to begin on or before May 30th. The Contractor is in process of mobilizing into laydown area and work is expected to begin on the 30th.

A quote for two cooling units for the Cath Lab equipment rooms was reviewed with a total price of \$34,776. In an effort to reduce cost, the cooling units will be purchased off of the Premier contract and for project purposes are considered Owner furnished, contractor installed.

A motion was made by Blake Daniels, seconded by Robert Barsley, and unanimously passed to purchase the two cooling units at a cost of \$34,776.

Status/Board Comments on Physical Plant

Russell Hoover reported that the vacuum system tie-ins and generator load tests were completed. Russell also reported that the Signature Building roof replacement bid

specifications were in process, and the bids for the energy management system upgrade will be opened June 5th.

Old Business

None

New Business

None

Executive Session

A motion was made by Robert Barsley, seconded by Blake Daniels, and unanimously passed to convene in Executive Session.

Adjournment

With no further business, the meeting was adjourned.

Julie Bruhn

Recording Secretary

NORTH OAKS HEALTH SYSTEM

DEPARTMENT/COMMITTEE: FINANCE COMMITTEE			DATE: May 24, 2017	
CHAIRPERSON: ANN CARRUTH, DNS, RN			MEETING PLACE: Board Room	
SECRETARY: PAMELA ANDERSON			MEETING TIME: 3:00 p.m.	
COMMITTEE MEMBERS:	PRESENT	ABSENT:	OTHERS PRESENT:	
ANN CARRUTH, DNS, RN – BOARD VICE CHAIRPERSON	X		PAMELA ANDERSON – EXECUTIVE ASSISTANT	
ROBERT BARSLEY, DDS, JD	X		JOHN DERENBECKER – CHIEF LEGAL/M.I. OFFICER	
BOARD MEMBERS:			SHIRLEY HSING – CHIEF FINANCIAL OFFICER	
BLAKE DANIELS – BOARD CHAIRPERSON	X		MICHELE SUTTON – PRESIDENT/CHIEF EXECUTIVE OFFICER	
JOYCELYN LEE	X		MICHAEL WATKINS – CHIEF OPERATIONS OFFICER	
RON MACALUSO	X			

TOPIC	DISCUSSION/FINDINGS	RECOMMENDATIONS/ACTIONS	FOLLOW-UP
MINUTE APPROVAL	The minutes from April 10, 2017 were approved as mailed.	A motion was made by Joycelyn Lee, and seconded by Ron Macaluso and passed by all to accept the minutes from April 10, 2017.	
FINANCIAL OVERVIEW	<p>Shirley reviewed and discussed the April 2017 Financial Comparative Analysis and trending graphs with committee.</p> <p>The Benchmark and Bond Compliance Summary and trending graphs for the month of April 2017 were discussed and we are in compliance with bond requirements.</p>	<p>The committee requested an additional column for Next Up Rating to be added to the Benchmark and Bond Compliance Summary.</p> <p>It was requested that this committee look at the financials on a quarterly basis to see what adjustments we need to make. The first quarter review will take place at the October 2017 Board meeting.</p> <p>A motion was made by Robert Barsley, and seconded by Blake Daniels and passed by all to accept the April 2017 financials.</p>	
2018 BUDGET REVIEW	The 2018 Budget was reviewed.		
ADJOURNMENT	With no further business to discuss, the meeting adjourned at 3:40 p.m.	A motion was made by Ron Macaluso, and seconded by Robert Barsley and passed by all to adjourn.	