DELAWARE HEALTH FACILITIES AUTHORITY
MINUTES OF MEETING OF BOND COMMITTEE ON MAY 28, 2014

BEEBE MEDICAL CENTER PROJECT, SERIES 2014A

Minutes of Meeting of Bond Committee with regard to the Beebe Medical Center, Inc. (the "Bond Committee") financing held on May 28, 2014, at the office of Ballard Spahr LLP, 919 North Market Street, 11th Floor, Wilmington, Delaware:

The Bond Committee of the Delaware Health Facilities Authority (the "Authority"), consisting of Rolf F. Eriksen, the Chairman of the Authority, Desmond Baker, the Secretary - Treasurer of the Authority, and Lisa More, a Member of the Authority, was called to meet at 1:00 p.m. on Wednesday, May 28, 2014, pursuant to notice timely given. After a short delay, Mr. Eriksen called the meeting to order at 1:55 p.m. The Bond Committee was established by Resolution of the Authority, adopted April 23, 2014 (the "Authority's Resolution"), to approve the details of a revenue bond financing for the benefit of Beebe Medical Center, Inc. (the "Hospital") as more fully described in the Authority's Resolution.

Also participating in the meeting were Chris Doyle of Public Financial Management, Inc., the Authority's Financial Advisor (by telephone); John J. Quinn, III, Esq. of Potter Anderson & Corroon LLP, the Authority's Counsel; Emilie R. Ninan, Esq. of Ballard Spahr LLP, Bond Counsel; Jeffrey M. Fried, Chief Executive Officer, and Paul Pernice, Chief Financial Officer, representing the Hospital; Michael Davidson, Esq. of Fineman, Krekstein & Harris, P.C., Borrower's Counsel; Bruce Colbourn representing PNC Bank, N.A. (the "Bond Purchaser"); and Carl H. Fridy, Esq. of Ballard Spahr LLP, Counsel to the Bond Purchaser.

Also present at the meeting was George J. Danneman, Esq., whose firm is providing title services in the proposed transaction.

The meeting was duly noticed and open to the public. No members of the public were in attendance.

The Bond Committee, as originally appointed by the Authority, consisted of Mr. Baker, Mr. Eriksen, and Howard A. Palley, Ph.D. Due to Dr. Palley's unavailability on this day, Mr. Eriksen, Chairman of the Authority, pursuant to the power granted to him by the Authority, appointed Ms. More to the Bond Committee as a substitute for Dr. Palley.

Mr. Eriksen called the meeting to order and invited Mr. Colbourn to present the sale proposal for the Series 2014A Bonds (hereinafter defined).

Mr. Colbourn described the Series 2014A Bonds as direct purchase variable rate bonds. The interest rate is 75.5% of One Month Libor plus 0.81%. After a brief discussion, Mr. Colbourn requested the Bond Committee to approve the 2014A Bond Purchase Contract to be dated May 28, 2014, pursuant to which the Bond Purchaser will purchase the Series 2014A Bonds (the "2014A Bond Purchase Contract").

At the invitation of Mr. Eriksen, Ms. Doyle noted that the 2014A Bond Purchase Contract provides for an attractive variable interest rate in today's market and at the Hospital's underlying rating. At the request of Mr. Quinn for a recommendation by PFM, Ms. Doyle recommended that the Bond Committee approve the Bond Purchaser's proposal.

Mr. Eriksen asked whether the Hospital was satisfied with the interest rate on the Series 2014A Bonds. Messrs. Fried and Pernice answered affirmatively.

At Mr. Eriksen's request, Mr. Quinn advised the Bond Committee that the proposal was within the parameters established by the Authority's Resolution, including that the aggregate principal amount of the Series 2014A Bonds and the previously approved $9,670,000 Variable Rate Demand Revenue Bonds Series 2014B of the Authority did not exceed $41,500,000, and the maturity date did not exceed 50 years. Mr. Quinn then presented the following Resolution to the Bond Committee for its consideration:

RESOLVED THAT:

1. The Authority shall issue its Revenue Bonds (Beebe Medical Center Project) Series 2014A in the aggregate principal amount of $31,020,000.00 (the "Series 2014A Bonds") pursuant to the Supplemental Indenture No. 5 (the "Indenture") between the Authority and The Bank of New York Mellon Trust Company, as trustee, which supplements the Trust Indenture dated as of April 1, 1990 between the Authority and Chase Bank USA, National Association as previously amended and supplemented.

2. The Authority shall lend the proceeds of the Series 2014A Bonds to the Hospital pursuant to the Sixth Supplemental Loan, Mortgage and Security Agreement dated as of June 1, 2014 between the Authority and the Hospital (the "Loan Agreement") which supplements the Loan, Mortgage and Security Agreement dated as of April 1, 1990 between the Authority and the Hospital, as previously amended and supplemented, for the purposes described in the Authority Resolution.

3. The Bond Purchaser shall purchase the Series 2014A Bonds pursuant to the 2014A Bond Purchase Contract between the Bond Purchaser and the Authority dated May 28, 2014.

4. The final maturity of the Series 2014A Bonds on June 1, 2024 is within fifty (50) years of the date of issuance. The interest rate shall be variable. The purchase price for the Series 2014A Bonds shall be $31,020,000.

5. The Bond Committee hereby approves the following documents which are hereby authorized to be executed and delivered in such form as the signers thereof shall approve to carry out the intent of this Resolution: the 2014A Bond Purchase Contract; the Indenture; the Series 2014A Bonds and certificates relating thereto; the Loan Agreement; and, after taking under consideration the advice of the Authority's Counsel and having determined its advisability, a Tax Compliance Certificate of the Authority and the Hospital applicable to the Series 2014A Bonds, and a Confirmatory Assignment by the Authority in favor of The Bank of New York Mellon

Trust Company, as Trustee, applicable to the Series 2014A Bonds and $9,670,000 Variable Rate Demand Revenue Bonds Series 2014B of the Authority.

6. The Bond Committee hereby acknowledges and approves the following document to be executed by parties other than the Authority in connection with the issuance of the Series 2014A Bonds: the Series 2014A Direct Placement Agreement between the Hospital and the Bond Purchaser, substantially in the form presented to the Bond Committee at this meeting with such changes as the Chairman or Vice Chairman of the Authority may agree to after taking under consideration the advice of the Authority's Counsel.

7. The Chairman, the Vice Chairman and all other officers of the Authority, or any of them, are authorized to execute and deliver any of the foregoing instruments as well as any other instruments or certificates required to accomplish the intent of this Resolution.

After further discussion, Mr. Baker moved that the Resolution as presented by approved, Ms. More seconded the motion, and the Bond Committee unanimously approved the Resolution.

There being no further business to come before the meeting, the meeting was adjourned at 2:10 p.m.

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I, Rolf F. Eriksen, hereby certify that the foregoing is a true and correct copy of the Minutes of a meeting of the Bond Committee of the Delaware Health Facilities Authority held on May 28, 2014.

Rolf F. Eriksen
Chairman