

CATHOLIC HEALTH EAST

AMENDMENT AGREEMENT

CATHOLIC HEALTH EAST

and

NORTH CAROLINA MEDICAL CARE COMMISSION

Dated February 14, 2014

Amending the Loan Agreement dated as of April 1, 2008, the Loan Agreement dated as of February 1, 2010, and the Loan Agreement dated as of June 1, 2012, each by and between the Catholic Health East and North Carolina Medical Care Commission

THIS AMENDMENT AGREEMENT, made and entered into as of February 14, 2014, by and between CATHOLIC HEALTH EAST, a not-for-profit corporation located within and incorporated under the laws of the Commonwealth of Pennsylvania (together with any successor to its rights, duties and obligations hereunder, the “Institution”), and the NORTH CAROLINA MEDICAL CARE COMMISSION (together with any successor to its rights, duties and obligations hereunder, the “Issuer”), a commission of the Department of Health and Human Services of the State of North Carolina, created and existing under the Constitution and laws of the State of North Carolina with the powers, among others, set forth in the Health Care Facilities Finance Act, Chapter 131A of the General Statutes of North Carolina, as amended (the “Act”),

W I T N E S S E T H

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

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

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

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

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

WHEREAS, effective May 1, 2013, CHE Trinity Inc. (“CHE Trinity”), an Indiana nonprofit corporation, became the sole member of the Institution and of Trinity Health Corporation (“Trinity Health”), an Indiana nonprofit corporation, creating a single combined health system, and it is further expected that on or about July 1, 2014, CHE Trinity and the Institution will each merge into Trinity Health, with Trinity Health being the surviving corporation; and

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

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

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

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

NOW THEREFORE, the NORTH CAROLINA MEDICAL CARE COMMISSION and CATHOLIC HEALTH EAST hereby further mutually covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. The words and terms used in this Agreement shall have the same meanings as set forth in the Loan Agreements, in the Bond Indentures and in the CHE Trinity Master Indenture unless otherwise defined herein, and unless the context shall otherwise require. All references in the Loan Agreements to the Original CHE Master Indenture (including references to specific sections thereof) shall be deemed to mean the CHE Trinity Master Indenture (and the applicable corresponding provisions thereof) and the definition of Master Indenture in each of the Loan Agreements shall hereby be amended to read as follows: “Master Indenture” shall mean the Master Trust Indenture, dated as of October 3, 2013, by and among Trinity Health Corporation, Catholic Health East and CHE Trinity Inc. and The Bank of New York Mellon Trust Company, N.A., as Master Trustee. The references in each Loan Agreement to the Supplemental Master Indenture shall be deemed to mean the Supplemental Indenture Number One, dated as of October 3, 2013 (“hereinafter the “CHE Trinity Supplemental Indenture Number One”), supplementing the CHE Trinity Master Indenture, by and among the Members of the CHE Trinity Obligated Group and the Master Trustee, and the definition of Supplemental Master Indenture in each of the Loan Agreements shall hereby be amended accordingly. All references to the Note in each of the Loan Agreements shall be deemed to mean the applicable Obligation issued by the CHE Trinity Obligated Group under and pursuant to the CHE Trinity Master Indenture and the CHE Trinity Supplemental Indenture Number One, being (i) the CHE Trinity Health Obligated Group Obligation 2013N (2008 Saint Joseph of the Pines), dated October 3, 2013, with respect to the Series 2008 Bonds and the 2008 Loan Agreement, (ii) the CHE Trinity Health Obligated Group Obligation 2013W (2010 Saint Joseph of the Pines), dated October 3, 2013, with respect to the Series 2010 Bonds and the 2010 Loan Agreement, and (iii) the CHE Trinity Health Obligated Group Obligation 2013II (2012A Saint Joseph of the Pines), dated October 3, 2013, with respect to the Series 2012 Bonds and the 2012 Loan Agreement. Any references in the 2010 Loan Agreement to such Loan Agreement having a date as of February 1, 2009 shall be hereby amended and corrected to read February 1, 2010.

Section 1.02. Amendment to Section 5.12 of the Loan Agreements. Section 5.12 of each of the Loan Agreements is hereby amended and restated in the entirety as follows:

“Section 5.12. Financial Statements and Other Information. (a) The Institution shall furnish to the Issuer, the LGC, the Bond Trustee and any Holder who requests the same in writing, the financial statements, certificate of no default and other information which the Obligated Group has covenanted to furnish the Master Trustee pursuant to Section ~~409~~ 5.7 of the Master Indenture. Such information shall be furnished to the Commission, the LGC, the Bond Trustee and any Holder who requests such in writing at the times and in the manner provided by Section ~~409~~ 5.7 of the Master Indenture for such information to be furnished to the Master Trustee. The financial statements of the System delivered to the Issuer and the LGC pursuant to Section 5.7 of the Master Indenture and this Section 5.12 shall be the financial statements of the System and shall include consolidated

information for the Credit Group. Simultaneously therewith with the delivery of the audited financial statements, the Institution shall cause to be filed with the Issuer, the LGC and the Bond Trustee (i) if applicable, a statement by an accountant to the effect that the Obligated Group, during the fiscal year covered by such accountant's audit, complied with the provisions of any continuing disclosure undertaking with respect to the Bonds by filing the annual financial information and material event notifications (if any) required to be filed during the fiscal year covered by such audit, (ii) an Officer's Certificate demonstrating compliance with the ~~Long-Term~~ Historical Debt Service Coverage Ratio provisions of Section ~~407~~ 5.5 of the Master Indenture, (iii) an Officer's Certificate and a compliance letter of an accountant stating whether, to the best of the knowledge of the signers of such Officer's Certificate and compliance letter, the Obligated Group is or is not in compliance with the financial and operational covenants contained in Sections ~~401, 404, 406, 407 and 409~~ 5.1, 5.4, 5.5 and 5.7 of the Master Indenture, or in Sections 5.02, 5.10 and 5.12 of this Agreement and, if so, specifying each failure to comply of which the signers may have knowledge and the steps that are being taken to cure such non-compliance, and (iv) for so long as any amounts remain in the Construction Fund, an Officer's Certificate setting forth an accounting of the funds expended from the Construction Fund, and the purposes for which such funds were expended, during the fiscal year to which filing relates. ~~Simultaneously therewith, the Institution shall furnish to the Issuer a comparison of the audited statement of financial position and statement of activities and changes in net assets with the forecasted statement of financial position and statement of activities and changes in net assets prepared by the Institution in connection with securing the approval of the Bonds by the Issuer and the LGC.~~ In the event an accountant is unable to render a compliance letter satisfying the requirements of this Section 5.12, the Issuer may employ such other Consultant as agreed upon by the Issuer and the Bond Trustee to render said compliance report.

(b) ~~Within forty-five (45)~~ seventy-five (75) days of the end of ~~each the first three fiscal quarters~~ of each Fiscal Year of the ~~Institution, the System,~~ the Institution shall cause to be filed with the Bond Trustee a copy of (i) the cumulative unaudited financial statements of the ~~Institution System~~ for the Fiscal Year to date, or (ii) the quarterly unaudited financial statements of the ~~Institution System~~ for such quarter. Copies of such financial statements shall be mailed or sent by Electronic Means to the Issuer and, upon request, the LGC. The Institution shall also furnish to the Issuer at the end of each such quarter a statement of the operating statistics of the ~~Obligated Group System~~ (generally consisting of discharges, patient days, outpatient visits and emergency room visits) (x) for the Fiscal Year to date or (y) for such quarter.

(c) In addition, so long as any Bonds are Outstanding, the Obligated Group Agent shall furnish to the Issuer within seventy-five (75) days of the end of the fourth fiscal quarter of each Fiscal Year, a letter of the Chief Financial Officer of the Obligated Group Agent addressed to the Issuer setting forth the following

information with respect to the System (for the Fiscal Year to date or for such quarter, at the option of the Obligated Group Agent): (i) unaudited operating income/loss; (ii) unaudited increase/decrease in net assets; (iii) unaudited net cash from operations; (iv) unaudited increase/decrease in cash and cash equivalents; and (v) the Historical Debt Service Coverage Ratio.

(d) In addition, so long as any Bonds are Outstanding, the Institution covenants that it will file with the Bond Trustee, the Issuer and the LGC within ten (10) days following its receipt thereof, a copy of any report and recommendations submitted by any Consultant pursuant to Section ~~407~~ 5.5 of the Master Indenture.

(e) Within ten (10) days after the occurrence of such event, the Institution shall notify the Issuer and the LGC of any change in ownership, merger or change in the Members of the Obligated Group.

(f) Not less than thirty (30) days prior to the occurrence of such event, the Institution Representative shall notify the Issuer and the LGC of the proposed implementation of any Substitution Transaction pursuant to Section 9.06 of the Bond Indenture.

(g) The Institution agrees to provide the Issuer such reports and other information which the Issuer may reasonably request in order for the Issuer to execute its duties in administering the Act.

(h) Within thirty (30) days after each computation date (as described in the Tax Regulatory Agreement), the Institution shall supply the Issuer with the calculations showing how the Rebate Requirement was determined. The Institution shall provide copies of each rebate filing required under the Tax Regulatory Agreement to the Issuer.

(i) Except as otherwise provided herein, the Institution shall, within 30 days of its receipt thereof, file with the Bond Trustee, the Issuer and the LGC a copy of any report of a Consultant or Insurance Consultant required pursuant to the provisions of the Master Indenture, the Bond Indenture or this Agreement.

(j) If the Institution enters into an interest rate swap transaction relating to the Bonds and subject to the Commission Swap Policy, the Institution shall (i) notify the Issuer and (ii) provide the Issuer with the documents required under the Commission Swap Policy.

(k) The Institution further covenants that, if the ~~Long-Term~~ Historical Debt Service Coverage Ratio for any Fiscal Year is not greater than 2.0, the Institution will file with the Issuer, together with its cumulative unaudited quarterly financial statements for the current Fiscal Year, an Officer's Certificate setting forth (i) the measures being taken and to be taken by the ~~Obligated Group~~,

Credit Group and the results of any such measures taken, to increase the ~~Long-Term Historical~~ Debt Service Coverage Ratio or the reasons why the management of the Members of the ~~Obligated Credit~~ Group has determined that it is in the ~~Obligated Credit~~ Group's best interest to maintain the ~~Long-Term Historical~~ Debt Service Coverage Ratio at the current level and (ii) an estimate of the ~~Long-Term Historical~~ Debt Service Coverage Ratio based on an estimate of the Income Available for Debt Service for the current Fiscal Year determined by annualizing the figures available for the period from the beginning of the current Fiscal Year to date and the fraction of the ~~Long-Term Historical~~ Debt Service Requirement corresponding to the same period considered for purposes of estimating the Income Available for Debt Service. Such Officer's Certificate shall be required until the ~~Long-Term Historical~~ Debt Service Coverage Ratio for the current or any subsequent Fiscal Year, based on the Debt Service Requirement and the actual Income Available for Debt Service for such Fiscal Year, is greater than 2.0. ~~The requirements of Section 407 of the Master Indenture with respect to the Long-Term Debt Service Coverage Ratio shall not apply to any estimate of the Long-Term Debt Service Coverage Ratio determined pursuant to this paragraph.~~ If a report of a Consultant is delivered to the Master Trustee, which report shall state that applicable laws or regulations have been imposed which make it impossible for the coverage requirement in the first sentence of this paragraph to be met, then such coverage requirement shall be reduced to the maximum coverage permitted by such applicable laws or regulations but in no event less than 1.00 until such applicable laws or regulations are changed, modified or reduced. The Issuer may waive the requirements of this paragraph at any time, without notice to or consent of the Holders.

(1) The Institution covenants that the Issuer's required compliance checklist with respect to the Institution and the Project User will be delivered to the Issuer at the time of issuance of the Bonds and that such checklist shall be filed with the annual audit required pursuant to clause (a) above, together with a copy of the Institution's written post-issuance compliance procedures and an annual certification of the Institution to the effect that the Institution and the Project User have implemented an annual review in accordance with such post-issuance compliance procedures."

Section 1.03. Execution in Counterparts; One Instrument. This Agreement may be executed in several counterparts, each of which shall be an original, and all of which shall constitute but one and the same instrument.

Section 1.04. Severability. In the event any clause or provision hereof shall be held to be invalid by any court of competent jurisdiction, the invalidity of any such clause or provision shall not affect any of the remaining provisions hereof.

Section 1.05. Binding Effect. This instrument shall inure to the benefit of and shall be binding upon the Issuer and the Institution and their respective successors and assigns.

Section 1.06. Notices. (a) Unless otherwise expressly specified or permitted by the terms hereof, all notices, consents or other communications required or permitted hereunder shall be deemed sufficiently given or served if given in writing, mailed by first class mail, postage prepaid and addressed as follows:

- (i) If to the Issuer, addressed to:

North Carolina Medical Care Commission
809 Ruggles Drive
2701 Mail Service Center, 27699-2701
Raleigh, North Carolina 27603
Attention: Secretary

- (ii) If to the LGC, addressed to:

Local Government Commission of North Carolina
325 North Salisbury Street
Raleigh, North Carolina 27603-1385
Attention: Secretary

- (iii) If to the Bond Trustee, addressed to:

The Bank of New York Mellon Trust Company, N.A.
525 William Penn Place, 38th Floor
Pittsburgh, Pennsylvania 15259
Attention: Global Corporate Trust
Facsimile: (412) 456-5567

- (iv) If to the Institution, addressed to:

Catholic Health East
3805 West Chester Pike, Suite 100
Newtown Square, Pennsylvania 19073
Attention: Chief Financial Officer

- (v) If to the Obligated Group Agent, addressed to:

~~Catholic Health East
3805 West Chester Pike, Suite 100
Newtown Square, Pennsylvania 19073
Attention: Chief Financial Officer~~

Trinity Health Corporation
20555 Victor Parkway
Mail Code W2C
Livonia, Michigan 48152
Attention: Senior Vice President, Finance

IN WITNESS WHEREOF, the Institution has caused these presents to be signed in its name and on its behalf and attested by its duly authorized officers, and the Issuer has caused these presents to be signed in its name and on its behalf and attested by its duly authorized officers, all as of the day and year first above written.

CATHOLIC HEALTH EAST

By _____
Name: _____
Title: _____

**NORTH CAROLINA MEDICAL CARE
COMMISSION**

By _____
Name: Lucy Hancock Bode
Title: Chairperson

(SEAL)

ATTEST:

By _____
Name: Christopher B. Taylor, CPA
Title: Assistant Secretary