LIFEBRIDGE
HEALTH

FORM OF COMPLIANCE CERTIFICATE

The undersigned duly authorized officer of LifeBridge Health, Inc. (the "Institution"), the Obligated Group Representative under and as defined in the Master Loan Agreement dated as of January 1, 2008, as amended and supplemented (the "Loan Agreement") among Maryland Health and Higher Educational Facilities Authority (the "Authority"), the Institution, Sinai Hospital of Baltimore, Inc., Northwest Hospital Center, Inc., Levindale Hebrew Geriatric Center and Hospital, Inc., The Baltimore Jewish Health Foundation, Inc., Children's Hospital at Sinai Foundation, Inc., Carroll Hospital Center, Inc., Carroll County Health Services Corporation, Carroll Hospice, Inc., Carroll County Med-Services, Inc., Carroll Health Group, LLC and Carroll Regional Cancer Center Physicians, LLC (collectively, the "Obligated Group"), hereby certifies as follows to demonstrate compliance with the Loan Agreement:

Fiscal Year ended June 30, 2018 (the "Fiscal Year")

(Unless otherwise indicated, all calculations (1) relate to the Obligated Group as a whole and (2) shall be determined in accordance with accounting principles generally accepted in the United States of America.)

(a) Coverage Ratio

Coverage Ratio as of the last day of Fiscal Year:

Excess of revenues over expenses	$107,815,000
Add: Depreciation and amortization	72,689,000
Interest expense	25,731,000
Add (Deduct):	
Unrealized (gains) and losses on investments ...	(12,475,000)
Unrealized (gains) and losses on Hedging Transactions	- 0 -
(Gains) and losses on sale or disposition of assets (other than investments) or extinguishment of debt	(270,000)
Net Income Available for Debt Service (A)	$ 193,490,000
Maximum Annual Debt Service on Outstanding Long Indebtedness (B)	$ 35,830,000
Coverage Ratio (A/B)	5.40

(b) Dispositions of Assets

Total Book Value of property disposed of during the Fiscal Year, other than property disposed of at fair market value or in the ordinary course of business (subject to limitations shown in Section 8.15)	$ - 0 -

(c) Indebtedness

Outstanding principal amount of:

Short-Term Indebtedness (may not exceed 15% of Total Operating Revenues or unrestricted cash and investments, whichever is less)	$ - 0 -
Non-Recourse Indebtedness	- 0 -
Other non-Bond debt (limited under Section 8.12)	51,480,000
Guaranteed debt (limited under Section 8.12)	- 0 -

(d) Liens and Encumbrances

Have the Obligated Group Members granted liens:

On accounts receivable (limited to 25% of net *A/R)*	____(Y)__X__(N)
Value of *A/R* subject to liens:	____(Y)_ X__(N)
Securing any Hedging Transaction	
Securing non-Bond debt	____(Y)_X___(N)
Describe:	

Total Book Value of property subject to liens, other than liens securing Parity Debt (may not exceed 15% of the umestricted net assets):	$ - 0 -

(e) Days of Cash on Hand

Days of Cash on Hand as of last day of Fiscal Year (must be at least 65):

Unrestricted cash and marketable securities	$ 870,077,000
Deduct: Short-term debt	
Cash collateral securing hedges	
Termination payment becoming due hedging transactions within one year	
(subject to further limitations if ratings fall below BBB/Baa)	
Unrestricted Liquid Funds (A)	$870,077,000

Total expenses for Fiscal Year	$1,315,598,000
Less: Depreciation and amortization	72,689,000
Total Operating Expenses (B)	$1,242,909,000
Days Cash on Hand (A/B/365 or 366)	256

(f) Hedging Transactions

Has the Institution entered into or amended any hedging agreements during the Quarter? If so, please provide the Authority with a copy.	_____(Y)__X__(N)
Total notional amount of outstanding swaps and other derivatives as of the last day of the most recent Fiscal Year:	$_____- 0 -______

(g) Gifts, Grants and Fundraising

The Obligated Group currently has on hand funds restricted to the payment of costs of the Project or to the payment of debt service on *any* Bonds in the amount of: **Assets Limited to Use**	$ __51,511,000____

(h) Notices and Reports

The Obligated Group has provided to the Authority:

Notice of all Indebtedness incurred during the Fiscal Year	__X___ (Y) ____ (N)
Report of the Insurance Consultant/self-insurance plan	__X__ (Y) _____ (N)
Notice of major repairs and dispositions (repairs and dispositions costing more than 2% of Total Operating Revenues)	__X__ (Y)______ (N)

All notices and other items provided to the Bond Insurer or other credit facility providers	__X___ (Y)_____ (N)
Copies of accountant letters required by the Loan Agreement	__X__ (Y) ______(N)

(i) Continuing Disclosure

The Obligated Group has filed the Continuing Disclosure with the Authority, the Trustee and the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format prescribed by the MSRB	__X__ (Y) ______(N)

(j) Financing Statements

The Obligated Group has filed or caused to be filed all financing statements and renewals thereof in the places required to perfect the security interests granted by the Obligated Group in the Loan Agreement and the Deed of Trust __X__ (Y) ____ (N)

(k) Obligated Group Ratings

As of the date hereof, the Obligated Group ratings are as follows:

Fitch: __n/a_______
Moody's: __A1 Stable _
S&P: __A+ Stable _

(l) Accounting Firm Letter

Attached hereto as Exhibit A is a certificate of the accounting firm that reported on the Obligated Group's most recent annual financial statements stating whether the accounting firm obtained any knowledge during the course of their examination of such financial statements of any Event of Default or noncompliance with the Loan Agreement or the Deeds of Trust (which certificate may be limited to the extent required by accounting rules or guidelines).

(m) Tax Matters

(i) Title of officer or employee responsible for compliance with federal income tax requirements in connection with the Bonds:

_Vice President - Financial Reporting________________________________

(ii) Have the Obligated Group Members adopted written post issuance tax compliance procedures?

___X__ (Y) _______(N)

If the answer is "yes" and such procedures were not in effect on the date of the most recent issue of Bonds on behalf of the Obligated Group, please enclose a copy of the procedures.

(iii) The Obligated Group Members have reviewed the Tax Certificates with respect to each issue of tax-exempt bonds ("Bonds") issued by the Authority on its behalf and its representations in it remain true and correct except as described below *(please attach schedule if necessary).*

____X___ (Y) _______ (N)

Changes to representations in Tax Certificate:

N/A

(iv) Before entering into any contracts or other arrangements that provide for the use of any portion of any Project by any non-exempt person, including any governmental unit, or any 501(c)(3) organization (including the Obligated Group Members) in any unrelated trade or business activity that was not in effect on the date of issuance of Bonds to finance such portion of the Project, the Obligated Group Members consulted with Qualified Counsel to the extent necessary to assure that such use did not and will not cause any Bonds to be "nonqualified bonds."

__X___ (Y) _______(N) ____ (N/A)

(v) Has the Obligated Group advised the Authority of any use of the proceeds of any Bonds or any portion of any Project that would cause such Bonds to lose their tax exempt status, so that the Bonds can be remediated if necessary?

____ (Y) ______(N) __X___ (N/A)

If the answer to this question is "no", please describe all relevant circumstances below *(please attach schedule if necessary).*

(vi) Do the Obligated Group Members currently have on hand funds gifts, grants or other funds (including board-designated funds) that are restricted or otherwise expected to be used to pay of costs of the Project or debt service on the Bonds other than amounts held by the Trustee and amounts described in the Tax Certificates?

________(Y) ___X_____(N)

If the answer to this question is "yes", please describe.

(vii) The Obligated Group Members continue to maintain records regarding the amount, date and purpose of each expenditure of Bonds proceeds (including investment earnings), the final allocation of proceeds, all investments of Bonds proceeds, the date and amount of any rebate payments and the use of the facilities financed and refinanced with Bonds proceeds.

___X___(Y) _____(N)

(viii) Have the Obligated Group Members entered into any amendment of any of the terms of any the loan or financing agreements entered into in connection with any Bonds?

____ (Y) __X__(N) ____ (N/A)

If the answer is "yes", please enclose a copy of each such amendment.

(ix) Have the Obligated Group Members received any waiver from any Bank of any provision of any such loan or financing agreement?

____ (Y) __X__(N) _____ (N/A)

(x) Terms used in this subsection shall have the meanings assigned to them in the Institution's Tax and Section 148 Certificate and Agreements (the "Tax Certificates") delivered in connection with each issuance of Bonds.

Terms used herein and not otherwise defined shall have the meanings assigned to them in the Loan Agreement unless the context otherwise requires.

IN WITNESS WHEREOF, I have hereunto set my hand, this 26th day of November, 2018.

LIFEBRIDGE HEALTH, INC.

By: ______________________________

Name: David H. Krajewski
Title: Executive Vice President
and CFO

KPMG

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Consolidated Financial Statements and
Supplementary Financial Information

June 30, 2018 and 2017

(With Independent Auditors' Report Thereon)

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Table of Contents

KPMG LLP
750 East Pratt Street, 18th Floor
Baltimore, MD 21202

Independent Auditors' Report

The Board of Directors
LifeBridge Health, Inc. and Subsidiaries:

We have audited the accompanying consolidated financial statements of LifeBridge Health, Inc. and Subsidiaries (the Corporation), which comprise the consolidated balance sheets as of June 30, 2018 and 2017, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly in all material respects, the financial position of LifeBridge Health, Inc. and Subsidiaries as of June 30, 2018 and 2017, and the results of their operations, changes in their net assets and their cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information included in Schedules 1 and 2 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KPMG LLP

October 19, 2018

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2018 and 2017

(Dollars in thousands)

Assets		**2018**	**2017**
Current assets:			
Cash and cash equivalents	$	177,954	356,365
Investments		253,389	24,583
Assets limited as to use, current portion		51,511	68,496
Patient service receivables, net of allowance for doubtful accounts of $72,698 in 2018 and $67,941 in 2017		150,742	145,639
Other receivables		18,803	17,011
Inventory		33,054	30,515
Prepaid expenses		19,280	15,185
Pledges receivable, current portion		3,119	2,671
Total current assets		707,852	660,465
Board-designated investments		226,529	238,677
Long-term investments		299,076	315,320
Donor-restricted investments		61,155	21,389
Reinsurance recovery receivable		26,254	15,548
Assets limited as to use, net of current portion		31,620	33,039
Pledges receivable, net of current portion		3,108	5,122
Property and equipment, net		665,126	651,173
Beneficial interest in split interest agreement		5,294	4,757
Investment in unconsolidated affiliates		48,484	50,882
Other assets, net		82,158	63,941
Total assets	$	2,156,656	2,060,313

(Continued)

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2018 and 2017

(Dollars in thousands)

Liabilities and Net Assets		**2018**	**2017**
Current liabilities:			
Accounts payable and accrued liabilities	$	125,302	128,730
Accrued salaries, wages and benefits		83,284	79,444
Advances from third-party payors		42,806	41,935
Current portion of long-term debt and capital lease obligations, net		14,401	13,928
Other current liabilities		26,378	20,135
Total current liabilities		292,171	284,172
Other long-term liabilities		120,285	135,704
Long-term debt and capital lease obligations, net		546,432	571,178
Total liabilities		958,888	991,054
Net assets:			
Unrestricted		1,106,696	983,910
Noncontrolling interest in consolidated subsidiaries		18,396	14,626
Total unrestricted net assets		1,125,092	998,536
Temporarily restricted		55,516	54,532
Permanently restricted		17,160	16,191
		1,197,768	1,069,259
Total liabilities and net assets	$	2,156,656	2,060,313

See accompanying notes to consolidated financial statements.

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Consolidated Statements of Operations

Years ended June 30, 2018 and 2017

(Dollars in thousands)

		2018	2017
Unrestricted revenues, gains and other support:			
Patient service revenue (net of contractual allowances and discounts)	$	1,559,747	1,508,948
Provision for bad debts		(54,483)	(47,341)
Net patient service revenue		1,505,264	1,461,607
Net assets released from restrictions used for operations		3,598	3,879
Other operating revenue		68,297	61,568
Total operating revenues		1,577,159	1,527,054
Expenses:			
Salaries and employee benefits		845,430	809,022
Supplies		266,940	258,614
Purchased services		289,484	278,077
Depreciation, amortization and gain/loss on sale of assets		80,352	77,214
Repairs and maintenance		22,397	21,306
Interest		26,779	28,567
Total expenses		1,531,382	1,472,800
Operating income		45,777	54,254
Other income (loss), net:			
Investment income		28,743	30,908
Unrealized gain on trading investments		17,274	36,654
Other		2,314	(10)
Gain (loss) on refinancing of debt		270	(10,802)
Total other income, net		48,601	56,750
Excess of revenues over expenses	$	94,378	111,004

See accompanying notes to consolidated financial statements.

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Net Assets

Years ended June 30, 2018 and 2017

(Dollars in thousands)

	Unrestricted	Temporarily restricted	Permanently restricted	Total net assets
Net assets at June 30, 2016	$ 854,775	53,385	15,887	924,047
Excess of revenues over expenses	111,004	—	—	111,004
Unrealized gain on investments	—	3,305	—	3,305
Net assets released from restrictions used for the purchase of property and equipment	4,147	(4,147)	—	—
Restricted gifts and bequests	—	5,640	304	5,944
Net assets released from restrictions used for operations	—	(3,879)	—	(3,879)
Net change in value of beneficial interest in split interest agreement	—	280	—	280
Adjustment to pension liability	20,341	—	—	20,341
Fair value of noncontrolling interests in acquisitions	9,754	—	—	9,754
Other	(1,485)	(52)	—	(1,537)
Change in net assets	143,761	1,147	304	145,212
Net assets at June 30, 2017	998,536	54,532	16,191	1,069,259
Excess of revenues over expenses	94,378	—	—	94,378
Unrealized gain on investments	—	2,127	—	2,127
Net assets released from restrictions used for the purchase of property and equipment	5,156	(5,156)	—	—
Restricted gifts and bequests	—	7,074	969	8,043
Net assets released from restrictions used for operations	—	(3,598)	—	(3,598)
Net change in value of beneficial interest in split interest agreement	—	537	—	537
Adjustment to pension liability	25,630	—	—	25,630
Other	1,392	—	—	1,392
Change in net assets	126,556	984	969	128,509
Net assets at June 30, 2018	$ 1,125,092	55,516	17,160	1,197,768

See accompanying notes to consolidated financial statements.

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Years ended June 30, 2018 and 2017

(Dollars in thousands)

		2018	2017
Cash flows from operating activities:			
Change in net assets	$	128,509	145,212
Adjustments to reconcile change in net assets to net cash provided by operating activities:			
Depreciation and amortization		80,352	77,193
Loss on disposal of equipment		—	21
Change in pension liability		(25,630)	(20,341)
Provision for bad debts		54,483	47,341
Realized and unrealized gains on investments, net		(32,847)	(63,501)
Restricted gifts and bequests		(8,043)	(5,944)
Change in beneficial interest of split interest agreement		(537)	(280)
Earnings on investments in unconsolidated affiliates		(319)	(3,527)
Distributions from unconsolidated affiliates		4,315	—
Distributions to noncontrolling interest owners		2,446	2,400
Fair value of noncontrolling interests in acquisitions		(2,103)	(9,754)
Amortization of deferred financing costs and discounts		1,397	894
(Gain) loss on refinancing of debt		(270)	10,802
Change in operating assets and liabilities:			
Increase in patient service receivables, net		(59,586)	(51,329)
Increase in other receivables		(1,792)	(5,503)
Decrease (increase) in pledges receivable		1,566	(1,092)
Decrease (increase) in inventory		(2,539)	999
Decrease (increase) in prepaid expenses		(4,095)	3,576
Decrease (increase) in reinsurance recovery receivable		(10,706)	146
Increase in other assets		(5,372)	(5,155)
Increase in accounts payable and accrued liabilities, and accrued salaries, wages, and benefits		2,048	9,457
Increase (decrease) in advances from third-party payors		871	(4,311)
Increase (decrease) in other current and long-term liabilities		16,454	(8,195)
Net cash provided by operating activities		138,602	119,109
Cash flows from investing activities:			
Change in donor-restricted investments		(27,618)	3,764
Change in investments		(151,826)	707
Change in assets limited as to use		18,404	(38,021)
Investment in unconsolidated affiliates		(1,598)	(3,315)
Purchases of property and equipment		(104,490)	(75,064)
Purchases of alternative investments		(29,566)	(3,939)
Proceeds from sales of alternative investments		1,677	51,686
Cash paid for acquisitions		(2,193)	(11,047)
Net cash used in investing activities		(297,210)	(75,229)
Cash flows from financing activities:			
Payment on debt and capital lease obligations		(167,482)	(144,708)
Payment of deferred financing costs		(1,023)	(1,176)
Proceeds from issuance of debt		143,105	131,888
Distributions to noncontrolling interest owners		(2,446)	(2,400)
Restricted gifts and bequests		8,043	5,944
Net cash used in financing activities		(19,803)	(10,452)
Net (decrease) increase in cash and cash equivalents		(178,411)	33,428
Cash and cash equivalents:			
Beginning of year		356,365	322,937
End of year	$	177,954	356,365
Supplemental cash flow disclosures:			
Cash paid during the year for interest	$	25,197	26,883
Cash paid during the year for income taxes		170	72
Accounts payable related to purchase of property and equipment		6,155	7,791
Adjustment to goodwill and property and equipment, net		10,742	—

See accompanying notes to consolidated financial statements.

(1) Organization

On October 1, 1998, Sinai Health System, Inc. merged with Northwest Health System, Inc. to form LifeBridge Health, Inc. (LifeBridge). LifeBridge is a not-for-profit, nonstock Maryland Corporation.

LifeBridge's subsidiaries include Sinai Hospital of Baltimore, Inc. (Sinai); Northwest Hospital Center, Inc. (Northwest); Carroll Hospital Center (Carroll), Levindale Hebrew Geriatric Center and Hospital, Inc. (Levindale); Children's Hospital of Baltimore City, Inc.; The Baltimore Jewish Health Foundation, Inc. (BJHF); The Baltimore Jewish Eldercare Foundation, Inc. (BJEF); Children's Hospital at Sinai Foundation, Inc. (CHSF); LifeBridge Anesthesia Associates, LLC (LAA); LifeBridge Insurance Company, Ltd. (LifeBridge Insurance); Courtland Gardens Nursing and Rehabilitation Center, Inc. (Courtland); LifeBridge Investments, Inc. (Investments); LifeBridge Health ACO, LLC; LifeBridge Physician Network, LLC; 8600 Liberty Road, LLC; and LifeBridge 23 Crossroads Drive Medical Office Building, LLC. Except for LifeBridge Insurance and Investments, all of the entities named above are not-for-profit and tax-exempt. Sinai and Levindale are constituent agencies of THE ASSOCIATED: Jewish Community Federation of Baltimore, Inc. (AJCF), a charitable corporation.

Investments is a for-profit corporation that holds, directly and indirectly, interests in a variety of for-profit businesses. Investments' wholly owned subsidiaries include:

- *Practice Dynamics, Inc.*
- *LifeBridge Health and Fitness, LLC*
- *Sinai Eldersburg Real Estate, LLC*
- *General Surgery Specialists, LLC*
- *BW Primary Care, LLC*
- *LifeBridge Community Practices, LLC*
- *The Center for Urologic Specialties, LLC*
- *LifeBridge Community Physicians, Inc. (Community Physicians)*

Investments also holds interests in numerous other health-related businesses.

Community Physicians is a for-profit corporation that provides physician and related services through numerous subsidiaries.

Carroll is a not-for-profit, nonstock Maryland corporation. The accompanying consolidated financial statements include the accounts of Carroll and its wholly or partially owned subsidiaries.

Wholly owned subsidiaries of Carroll include Carroll Hospital Center Foundation, Inc. (Carroll Foundation); Carroll Hospice, Inc. (CH); Carroll Regional Cancer Center Physicians, LLC (CRCCP); and Carroll Hospital Center MOB Investment, LLC. Carroll also holds interests in various health-related companies.

Carroll County Med-Services, Inc. (CCMS) is a wholly owned, for-profit subsidiary of CCHS that is involved in real estate holdings, physician services, and other activities and also maintains ownership interests in various joint ventures. Wholly owned subsidiaries of CCMS include: Carroll Health Group, LLC; Carroll PHO, LLC; and Carroll ACO, LLC. CCMS also holds interests in various health-related companies.

(2) Significant Accounting Policies

(a) Basis of Presentation

The consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. All controlled and direct member entities are consolidated. The accompanying consolidated financial statements include the accounts of LifeBridge Health, Inc. and Subsidiaries (the Corporation). All entities where the Corporation exercises significant influence, but does not have control, are accounted for under the equity method. All other unconsolidated entities are accounted for under the cost method. All significant intercompany accounts and transactions have been eliminated.

(b) Cash and Cash Equivalents

Cash equivalents include certain investments in highly liquid debt instruments with original maturities of three months or less at the date of purchase.

(c) Assets Limited as to Use

Assets limited as to use primarily consists of assets held by trustees under bond indenture agreements, a self-insured workers' compensation reserve fund, and designated assets set aside by the Board of Directors for future capital improvements, over which the Board retains control and may at its discretion subsequently use for other purposes. A portion of the designated assets set aside by the Board of Directors is contractually designated.

(d) Inventory

Inventories, which consist primarily of medical supplies and pharmaceuticals, are stated at the lower of cost (using the moving average cost method of valuation) or market.

(e) Investments, Long-Term Investments and Donor-Restricted Investments

The Corporation's investment portfolio is considered a trading portfolio and is classified as current or noncurrent assets based on management's intention as to use. All debt and equity securities are reported in the consolidated balance sheets at fair value, principally based on quoted market prices.

The Corporation has investments in alternative investments, primarily funds of hedge funds, totaling $134,529 and $99,860 at June 30, 2018 and 2017, respectively. These funds utilize various types of debt and equity securities and derivative instruments in their investment strategies. Also included in alternative investments are BJEF's and BJHF's funds that are invested on their behalf by the Associated Jewish Charities (AJC), an affiliate of AJCF. Alternative investments are recorded under the equity method which is based on the Net Asset Value (NAV) of the shares in each Investment Company or partnership.

Investments in unconsolidated affiliates are accounted for under the cost or equity method of accounting as appropriate and are included in other assets and investment in unconsolidated affiliates, respectively, in the consolidated balance sheets. The Corporation's equity income or loss is recognized in other operating revenue within the excess of revenue over expenses in the accompanying consolidated statements of operations.

Investments also include assets restricted by donor, and assets designated by the Board of Directors for future capital improvements and other purposes over which it retains control and may, at its discretion, use for other purposes. Purchases and sales of securities are recorded on a trade-date basis.

Investment income (interest and dividends) including realized gains and losses on investment sales is reported as other income (expense) within the excess of revenues over expenses in the accompanying consolidated statements of operations and changes in net assets unless the income or loss is restricted by the donor or law. Investment income on funds held in trust for self-insurance purposes is included in other operating revenue. Investment income and net gains (losses) that are restricted by the donor are recorded as a component of changes in temporarily or permanently restricted net assets, in accordance with donor-imposed restrictions. Realized gains and losses are determined based on the specific security's original purchase price. Unrealized gains and losses are included in other income, net within the excess of revenue over expenses.

Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements and Disclosures*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 Inputs – Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level 2 Inputs – Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 Inputs – Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

The hierarchy requires the use of observable market data when available. Assets and liabilities are classified in their entirety based on the lowest level input that is significant to the fair value measurements.

(f) Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method. Equipment under capital lease obligations is amortized on the straight-line method over the shorter of the period of the lease term or the estimated useful life of the equipment. Maintenance and repair costs are expensed as incurred. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support and are excluded from the excess of revenues over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

(g) Impairment of Long-Lived Assets

Management regularly evaluates whether events or changes in circumstances have occurred that could indicate impairment in the value of long-lived assets. In accordance with the provisions of ASC 360, if there is an indication that the carrying value of an asset is not recoverable, the Corporation estimates the projected undiscounted cash flows, excluding interest and taxes, of the related individual entities to determine if an impairment loss should be recognized. The amount of impairment loss is determined by comparing the historical carrying value of the asset to its estimated fair value. Estimated fair value is determined through an evaluation of recent and projected financial performance of facilities using standard industry valuation techniques.

In addition to consideration of impairment upon the events or changes in circumstances described above, management regularly evaluates the remaining lives of its long-lived assets. If estimates are changed, the carrying value of affected assets is allocated over the remaining lives. In estimating the future cash flows for determining whether an asset is impaired and if expected future cash flows used in measuring assets are impaired, the Corporation groups its assets at the lowest level for which there are identifiable cash flows independent of other groups of assets. The Corporation did not record a loss on impairment during the years ended June 30, 2018 and 2017.

(h) Goodwill and Other Assets, Net

Other assets consist primarily of goodwill and other intangibles related to practice acquisitions, notes receivable, and the cash surrender value of split dollar life insurance.

Goodwill represents the excess of the aggregate purchase price over the fair value of the net assets acquired in a business combination. ASC Topic 350, *Intangibles – Goodwill and Other*, requires that tangible and indefinite-lived assets, as well as goodwill must be analyzed in order to determine whether their value has been impaired.

Goodwill is assessed annually for impairment at the reporting unit. As of June 30, 2018 and 2017, the Corporation had one reporting unit, which included all subsidiaries. The Corporation first assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment tests as described in Topic 350. The more-likely than-not threshold is defined as having a likelihood of more than 50%. The Corporation determined that it was not more likely than not that the fair value of its reporting unit was less than its carrying amount. Accordingly, the Corporation concluded that goodwill was not impaired as of June 30, 2018 and 2017 without having to perform the two-step impairment test.

(i) Beneficial Interest in Split Interest Agreement

CHSF holds a 25% interest in a trust, of which management has estimated the present value of the future income stream. CHSF will receive 25% of the net annual income until 2024, when the trust will terminate, and 25% of the principal will be distributed to CHSF. Management has reported the beneficial interest at fair value based on the fair value of the underlying trust investments.

(j) Advances from Third-Party Payors

Advances from third-party payors are comprised of advance funding from CareFirst BlueCross BlueShield, Medicaid, Aetna, United/MAMSI, and other insurance providers.

(k) Self-Insurance Programs

The Corporation maintains self-insurance programs for professional and general liability, workers' compensation, and employee health benefits. The provision for estimated self-insurance program claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported. The estimates are based on historical trends, claims asserted, and reported incidents.

(l) Other Long-Term Liabilities

Other long-term liabilities consist of self-insurance liabilities, pension plan liabilities, asset retirement obligations, and deferred compensation plan liabilities.

(m) Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Corporation are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date those promises become unconditional. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions.

(n) Net Assets

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of externally imposed stipulations. Accordingly, net assets of the Corporation and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to externally imposed stipulations.

Temporarily restricted net assets – Net assets subject to externally imposed stipulations that may or will be met either by actions of the Corporation and/or the passage of time.

Permanently restricted net assets – Net assets subject to externally imposed stipulations that they be maintained by the Corporation in perpetuity.

Revenues are reported as increases in unrestricted net assets unless use of the related asset is limited by externally imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses are reported as increases or decreases in unrestricted net assets unless use of the related asset is limited by externally imposed restrictions or law. Expirations of temporary restrictions of net assets (i.e., the externally stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets if used to acquire capital assets; otherwise, they are recorded as unrestricted operating revenue.

(o) Net Patient Service Revenue

Net patient service revenue for Sinai, Northwest, Carroll and the chronic hospital component of Levindale is recorded at rates established by the State of Maryland Health Services Cost Review Commission (HSCRC) and, accordingly, reflects actual charges to patients based on rates in effect during the period in which the services are rendered. On January 29, 2014, the Corporation and the HSCRC agreed to implement the Global Budget Revenue (GBR) methodology for Sinai, Northwest and Levindale. The Agreement is updated annually, was in place during the years ended June 30, 2018 and 2017, and will renew for a one-year period unless it is canceled by the HSCRC or by the applicable Hospital. The GBR model is a revenue constraint and quality improvement system, designed by the HSCRC to provide hospitals with strong financial incentives to manage their resources efficiently and effectively in order to slow the rate of increase in healthcare costs and improve healthcare delivery processes and outcomes. The GBR model is consistent with the Hospitals' mission to provide the highest value of care possible to their patients and the communities they serve.

The GBR agreement establishes a prospective, fixed revenue base (the GBR cap) for each fiscal year. This includes both inpatient and outpatient regulated services. Under GBR, the Corporation's revenue for all HSCRC-regulated services is predetermined for the upcoming year, regardless of changes in volume (subject to certain limits), service mix intensity, or mix of inpatient or outpatient services that occur during the year. The GBR agreement allows the Corporation to adjust unit rates, within certain limits, to achieve the overall revenue base for the Corporation at year-end. Any overcharge or undercharge versus the GBR cap, within established constraint parameters, is prospectively added to the subsequent year's GBR cap. The GBR is adjusted for changes in market share, with the market-shift adjustments made semi-annually, on January and July 1. The GBR cap is adjusted annually for inflation, changes in payor mix and uncompensated care, as well as changes in population and aging within the Corporation's service area. A hospital's GBR cap may also be adjusted based on the hospital's performance on various quality and utilization metrics established by the HSCRC.

Prior to implementation of the GBR methodology, Carroll and the HSCRC agreed to a three year contract for Carroll to implement the Total Patient Revenue (TPR) methodology. Similar to the GBR, the TPR agreement established a prospective, fixed revenue base, the "TPR cap," for the upcoming year. Effective in 2018, all TPR agreements in the state of Maryland, including Carroll's agreement, have been terminated and reinstituted as GBR agreements using the same parameters described above.

Contractual adjustments, which represent the difference between amounts billed as patient service revenue and amounts paid by third-party payors, are accrued in the period in which the related services are rendered. Because the Corporation does not pursue collection of amounts determined to qualify as charity care, such amounts are not reported as revenue.

Medicare reimburses Northwest and Levindale for skilled nursing services under the Medicare skilled nursing Prospective Payment System (PPS). Under PPS, the payment rate is based on patient resource utilization as calculated by a patient classification system known as Resource Utilization Groups (RUG's).

Medicaid reimburses Levindale for long-term care services based on Levindale's actual costs. However, beginning in January 2015, the cost data from the 2012 cost reports was used to set Resource Utilization Group (similar to Medicare) rates which are adjusted for changes in case mix. The case mix from two quarters prior is used to adjust the rates on a quarterly basis.

All other patient service revenue is recorded at the estimated net realizable amounts from patients, third-party payors, and others for services rendered.

(p) Other Operating Revenue

Other operating revenue includes income of LifeBridge Health and Fitness LLC, revenue from other support services, and revenue generated from investments in joint ventures that offer health care services or services that support or complement the delivery of care.

(q) Grants

Federal grants are accounted for either as an exchange transaction or as a contribution based on terms and conditions of the grant. If the grant is accounted for as an exchange transaction, revenue is recognized as other operating revenue when earned. If the grant is accounted for as a contribution, the revenues are recognized as either other operating revenue or temporarily restricted contributions depending on the restrictions within the grant.

(r) Charity Care and Bad Debt

Sinai, Northwest, Carroll, and Levindale provide care to patients who meet certain criteria under their charity care policies without charge or at amounts less than their established rates. Because the facilities do not pursue the collection of amounts determined to qualify as charity care, those amounts are not reported as revenue. The amount of charity care provided during the years ended June 30, 2018 and 2017, based on patient charges forgone, was $9,993 and $11,394, respectively. The total direct and indirect costs to provide the care amounted to approximately $7,932 and $9,274 for the years ended June 30, 2018 and 2017, respectively.

All patient accounts are handled consistently and appropriately to maximize cash flow and to identify bad debt accounts timely. Active accounts are considered bad debt accounts when they meet specific collection activity guidelines and/or are reviewed by the appropriate management and deemed to be uncollectible. Every effort is made to identify and pursue all account balance liquidation options, including but not limited to third party payor reimbursement, patient payment arrangements, Medicaid eligibility and financial assistance. Third party receivable management agencies provide extended business office services and insurance outsource services to ensure maximum effort is taken to recover insurance and self-pay dollars before transfer to bad debt. Contractual arrangements with third party collection agencies are used to assist in the recovery of bad debt after all internal collection efforts have been exhausted. In so doing, the collection agencies must operate consistently with the goal of maximum bad debt recovery and strict adherence with Fair Debt Collections Practices Act (FDCPA) rules and regulations, while maintaining positive patient relations.

(Dollars in thousands)

		2018	2017
Beginning allowance	$	67,941	62,213
Plus provision for bad debt		54,483	47,341
Less bad debt write-offs, net of recoveries		(49,726)	(41,613)
Ending allowance	$	72,698	67,941

(s) Income Taxes

LifeBridge and its not-for-profit subsidiaries have been recognized by the Internal Revenue Service as tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code.

LifeBridge's incorporated for-profit subsidiaries account for income taxes in accordance with Financial Accounting Standards Board (FASB) ASC Topic 740, *Income Taxes*. Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date. Any changes to the valuation allowance on the deferred tax asset are reflected in the year of the change. The Corporation accounts for uncertain tax positions in accordance with ASC Topic 740.

(t) Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(u) Excess of Revenues over Expenses

The accompanying consolidated statements of operations include a performance indicator, excess of revenue over expenses. Changes in unrestricted net assets that are excluded from excess of revenues over expenses, consistent with industry practice, include changes in the funded status of defined-benefit pension plans, permanent transfers of assets to and from affiliates for other than goods and services, and contributions received for additions of long-lived assets.

(v) Employee Pension Plan

Pension benefits are administered by the Corporation. The Corporation accounts for its defined-benefit pension plans within the framework of ASC Topic 958, *Not-for-Profit Entities, Section 715, Compensation-Retirement Benefits* (Topic 958, Section 715), which requires the recognition of the overfunded or underfunded status of a defined-benefit pension plan as an asset or liability. The plans are subject to annual actuarial evaluations, which involve various assumptions creating changes in elements of expense and liability measurement. Key assumptions include the discount rate, the expected rate of return on plan assets, retirement, mortality, and turnover. The Corporation evaluates these assumptions annually and modifies them as appropriate.

Additionally, Topic 958, Section 715 requires the measurement date for plan assets and liabilities to coincide with the employer's year-end and requires the disclosure in the notes to the consolidated financial statements of additional information about certain effects on net periodic benefit cost for the next fiscal year that arise from delayed recognition of the gains or losses, prior service costs or credits, and transition asset or obligation. During fiscal year 2018, LifeBridge adopted the RP-2014 Mortality Table with generational improvements. See note 11 for further discussion. The Company reports the service cost component of pension cost in salaries and employee benefit expense and the other components of net benefit cost in other income, net.

(w) Management's Assessment and Plans

The Corporation adopted Accounting Standards Update (ASU) 2014-15, *Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*, (ASU 2014-15), which requires management to evaluate an entity's ability to continue as a going concern within one year after the date that the financial statements are issued (or available to be issued, when applicable). Management determined that there were no conditions or events that raise substantial doubt about the Corporation's ability to continue as a going concern and the Corporation will continue to meet its obligations through October 19, 2019.

(x) New Accounting Pronouncements

The Financial Accounting Standards Board (FASB) issued Accounting Standards update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU establishes principles for reporting useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers. Particularly, that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 is effective for fiscal year 2019. The Corporation expects to record a decrease in net patient service revenue related to self-pay patients and a corresponding decrease in bad debt expense upon the adoption of the standard.

The FASB issued ASU No. 2016-02, *Leases* (ASU 2016-02), which will require lessees to recognize most leases on-balance sheet, increasing their reported assets and liabilities – sometimes very significantly. This update was developed to provide financial statement users with more information about an entity's leasing activities, and will require changes in processes and internal controls. The adoption of ASU 2016-02 is effective for fiscal year 2020. Companies can either apply this standard by either retrospectively applying the new guidance at the beginning of the earliest comparable period presented or they can use a transition method to adopt the new lease requirements by allowing entities to initially apply the requirements recognizing a cumulative effect adjustment to the opening balance of unrestricted net assets in the period of adoption. Early adoption is permitted. The Corporation is currently assessing the impact of the adoption of ASU No. 2016-02 which is expected to have a material impact on its financial position.

The FASB issued ASU No. 2016-14, *Not-for-Profit Entities* (ASU 2016-14), which amends the requirements for financial statements and notes in Topic 958, Not-for-Profit Entities (NFP), require a NFP to the following:

- Reduces the number of net asset classes presented from three to two: with donor restrictions and without donor restrictions;
- Requires all NFPs to present expenses by their functional and their natural classifications in one location in the financial statements;
- Requires NFPs to provide quantitative and qualitative information about management of liquid resources and availability of financial assets to meet cash needs within one year of the balance sheet date; and
- Retains the option to present operating cash flows in the statement of cash flows using either the direct or indirect method.

The adoption of ASU 2016-14 is effective in fiscal year 2019, and is applied retrospectively in the year of adoption. The Corporation does not anticipate that the adoption of this ASU will have a material impact on its financial position and results of operations.

(Dollars in thousands)

(3) Investments

Investments, which consist of assets limited as to use, board-designated investments, donor-restricted investments, and long-term investments in the accompanying consolidated balance sheets are stated at fair value or under the equity method, as appropriate, as of June 30, 2018 and 2017, and consist of the following:

		2018	2017
Assets limited as to use:			
Self-insurance fund:			
Mutual funds	$	17,848	19,163
Equity securities		9,017	9,411
Fixed income		1,818	1,859
Alternative investments		2,937	2,606
Self-insurance fund	$	31,620	33,039
Debt service fund:			
Cash and cash equivalents		16,451	7,374
Government securities		881	7,479
Debt service fund	$	17,332	14,853
Construction funds:			
Cash and cash equivalents		16,368	24,395
Government securities		17,811	29,248
		34,179	53,643
Total assets limited as to use		83,131	101,535
Less current portion		(51,511)	(68,496)
Assets limited as to use, net of current portion	$	31,620	33,039
Beneficial interest in split interest agreement	$	5,294	4,757

(Dollars in thousands)

There are other investments restricted by donors other than pledges receivable, and beneficial interest that are included in long-term investments as of June 30, 2018 and 2017. As of June 30, 2018 and 2017 current, long-term, donor-restricted, and board-designated investments are as follows:

		2018	2017
Current, long-term, donor-restricted, and board-designated investments:			
Cash and cash equivalents	$	22,017	42,034
Mutual funds		258,202	168,539
Equity securities		180,955	189,205
Government securities		2,118	13,646
Fixed income		245,265	89,291
Alternative investments		131,592	97,254
Current, long-term, donor-restricted, and board-designated investments		840,149	599,969
Less current portion		(253,389)	(24,583)
Long-term, donor-restricted, and board-designated investments	$	586,760	575,386

Investment income and gains and losses on long-term investments, board-designated investments, donor-restricted investments, and assets limited as to use are comprised of the following for the years ended June 30, 2018 and 2017:

		2018	2017
Investment income:			
Interest income and dividends	$	15,297	7,366
Realized gains on sale of securities		13,446	23,542
Investment income		28,743	30,908
Unrealized gains on trading securities		17,274	36,654
Other changes in net assets:			
Changes in unrealized gains on temporarily and permanently restricted net assets		2,127	3,305
Total investment return	$	48,144	70,867

(4) Pledges Receivable

Contributions and pledges to raise funds are recorded as temporarily restricted net assets until the donor-intended purpose is met and the cash is collected. Future pledges are discounted at the Treasury bill rate to reflect the time value of money, and an allowance for potentially uncollectible pledges has been established.

(Dollars in thousands)

Sinai, Northwest, Carroll, and Levindale have recorded total pledges as of June 30, 2018 and 2017 as follows:

	2018	2017
Gross pledges receivable	$ 7,302	9,259
Less:		
Discount for time value of money	(328)	(517)
Allowance for uncollectible accounts	(747)	(949)
	$ 6,227	7,793

The pledges are due as follows:

Less than one year	$ 3,467
One to five years	3,810
Five years and thereafter	25
	$ 7,302

(Dollars in thousands)

(5) Property and Equipment

As described in note 13, Sinai and Levindale leases from an affiliate of AJCF all land, land improvements, buildings, and fixed equipment located at those entities' primary locations; LifeBridge entities own the movable equipment. Property and equipment are classified as follows at June 30:

	Estimated useful life	2018	2017
Land		$ 21,923	24,175
Land improvements	8 to 20 years	36,915	36,322
Building and improvements	10 to 40 years	939,341	927,766
Fixed equipment	8 to 20 years	98,615	107,785
Movable equipment	3 to 15 years	547,030	499,839
		1,643,824	1,595,887
Less accumulated depreciation		(1,051,621)	(995,195)
		592,203	600,692
Construction in progress		72,923	50,481
Property and equipment, net		$ 665,126	651,173

Depreciation, amortization, and gain/loss on sale of assets were $80,352 and $77,214 for the years ended June 30, 2018 and 2017, respectively. Of this, depreciation expense was $78,901 and $76,815 for the years ended June 30, 2018 and 2017, respectively.

Included in property and equipment is building and equipment, net of accumulated amortization, of $14,440 and $16,452 for the years ended June 30, 2018 and 2017, respectively, financed with capital lease obligations. Accumulated amortization related to the building and equipment under capital leases was $14,396 and $14,128 at June 30, 2018 and 2017, respectively.

During 2018, the Corporation acquired two rehabilitation facilities for approximately $2,200. During 2017, the Corporation acquired a skilled nursing facility and two surgical centers for approximately $11,000. These acquisitions did not significantly impact the Corporation's total assets, liabilities, net assets, total operating revenues, operating income or the excess of revenues over expenses.

(Dollars in thousands)

(6) Investments in Joint Ventures

Investments in joint ventures and partnerships, accounted for under either the equity or cost method as appropriate, consist of the following at June 30, 2018 and 2017:

		2018		2017	
Joint Venture	Business purpose	Percentage ownership	Balance	Percentage ownership	Balance
MNR Industries, LLC	Urgent Care Centers	40 %	$ 22,466	40 %	$ 24,587
Baltimore County Radiology, LLC	Outpatient Radiology	25	7,119	25	7,148
Mt. Airy Med-Services, LLC	Real Estate	50	4,281	50	4,419
Future Care Old Court, LLC	Nursing Home	40	2,976	40	2,965
Lochearn Nursing Home, LLC	Nursing Home	10	2,000	10	2,000
Mt. Airy Plaza, LLC	Real Estate	50	1,471	50	1,594
LifeBridge Sports Medicine & Rehabilitation, LLC	Physical Therapy	50	1,676	50	1,173
Advanced Health Collaborative, LLC	Medicare Advantage Plan	25	1,526	25	1,266
Carroll Care Pharmacies, LLC	Pharmacies	49	1,028	49	944
Other Joint Ventures	Miscellaneous	5–50	3,941	5–50	4,786
Total			$ 48,484		$ 50,882

For those joint ventures and partnerships accounted for using the equity method, the Corporation recorded equity in earnings of joint ventures and partnerships. For those joint ventures and partnerships accounted for using the cost method, the Corporation recorded dividend income. Such amounts are included in other operating revenue in the consolidated statements of operations.

(7) Other Assets

As of June 30, other assets are comprised of the following balances:

	2018	2017
Goodwill	$ 32,358	16,902
Investment in Premier	16,232	12,496
Notes Receivable	3,290	11,442
Other Intangible Assets	10,840	11,510
Pension Asset (note 11(b))	9,823	—
Deferred compensation assets	8,768	9,181
Other	847	2,410
Other assets	$ 82,158	63,941

(Dollars in thousands)

(8) Long-Term Debt and Capital Lease Obligations

As of June 30, long-term debt and capital lease obligations consist of the following:

	2018	2017
Maryland Health and Higher Educational Facilities Authority (MHHEFA):		
Revenue Bonds Series 2008	$ —	155,380
Revenue Bonds Series 2011	4,100	5,015
Revenue Bonds Series 2012A	52,115	53,670
Revenue Bonds Series 2015	159,685	159,685
Revenue Bonds Series 2016	119,895	120,695
Revenue Bonds Series 2017	118,120	—
Other debt:		
M&T Bank taxable loan	36,701	41,345
Capital leases	14,787	16,545
Other	26,817	14,454
	532,220	566,789
Less current portion	(14,401)	(13,928)
Plus unamortized premium	32,680	22,380
Less deferred Financing Costs	(4,066)	(4,060)
Less unamortized discount	(1)	(3)
Long-term debt, net	$ 546,432	571,178

A single obligated group (the Obligated Group), consisting of LifeBridge, Sinai, Northwest, Levindale, BJHF, CHSF, CCHS, Carroll, CCMS, CHG, CH, and CRCCP, has been formed with respect to certain bonds issued by the Maryland Health and Higher Educational Facilities Authority (MHHEFA) and certain other obligations. Members of the Obligated Group are jointly and severally liable for all of the outstanding bonds issued by MHHEFA on behalf of LifeBridge and CCHS and their respective affiliates, together with other obligations issued on parity with such bonds.

In January 2008, MHHEFA loaned $285,815 from the proceeds of bonds (Series 2008 Bonds) to LifeBridge and certain of its subsidiaries. Portions of the Series 2008 Bonds are payable on July 1 of each year through 2047. The Series 2008 Bonds bear interest at a weighted fixed rate of 5.35%. The Series 2008 Bonds were refinanced in 2015, 2016 and 2017 and were legally defeased as of June 30, 2018.

In March 2011, MHHEFA loaned $50,695 from the proceeds of bonds (Series 2011 Bonds) to LifeBridge and certain of its subsidiaries. Portions of the Series 2011 Bonds are payable on July 1 of each year through 2041. The Series 2011 Bonds bear interest at a weighted fixed rate of 5.99%. Approximately $46,040 of the Series 2011 Bonds were repaid as part of the Series 2016 Bond offering, further discussed below.

In May 2012, MHHEFA loaned $59,780 from the proceeds of bonds (Series 2012A Bonds) to CCHS and certain of its subsidiaries (the Series 2012 Bonds). The Series 2012 Bonds were issued in three series: $26,995 of serial bonds maturing in 2013 through 2027 with interest rates ranging from 2% to 5%, $7,505 of term bonds maturing in 2030 with an interest rate of 4%, and $25,280 of term bonds maturing in 2037 (Series 2012A Bonds) with an interest rate of 5%.

On June 26, 2015, LifeBridge entered into a $50,000 direct bank placement with M&T Bank (2015 M&T Bank Taxable Loan). The interest rates range from 1.57% to 3.28%, with maturity dates ranging from July 1, 2016 to July 1, 2025. The 2015 M&T Loan is secured on parity with the bonds.

On July 30, 2015, MHHEFA issued $159,685 in bonds (Series 2015 Bonds) on behalf of LifeBridge. The proceeds of the Series 2015 Bonds have been and will be used to finance and refinance the cost of construction, renovation, and equipping of certain additional facilities for the Obligated Group, to refund a portion of the Series 2008 Bonds and the Authority's Carroll Issue, Series 2006 bonds, and refinance the portion of a line of credit from Bank of America that had been used to repay Carroll's loan from BB&T Bank. $33,130 of the bonds are serial bonds with maturity dates ranging from 2018 through 2030 and interest rates ranging from 2% to 5%. $14,260, $26,325, $35,970, and $50,000 of the bonds are term bonds that are due in 2035, 2040, 2047 and 2047, respectively, with interest rates of 4%, 5%, 4.1%, and 5%, respectively.

On October 25, 2016, MHHEFA issued $120,695 in bonds (Series 2016 Bonds) on behalf of LifeBridge Health. The proceeds of the Series 2016 Bonds were used to refinance the Series 2008 Bonds. $40,465 of the bonds are serial bonds with maturity dates ranging from 2017 through 2036 and interest rates ranging from 2% to 5%. $40,640 of the bonds are term bonds that are due in 2041 with an interest rate of 4%. The remaining $39,590 of the bonds are term bonds that are due in 2047 with an interest rate of 5%.

On October 31, 2017, MHHEFA issued $118,120 in bonds (Series 2017 Bonds) on behalf of LifeBridge Health. The proceeds of the Series 2017 Bonds have been used to refund the Series 2008 Bonds. $82,700 of the bonds are serial bonds with maturity dates ranging from 2018 through 2037 and interest rates ranging from 3% to 5%. $24,220 of the bonds are term bonds that are due in 2042 with an interest rate of 4%. The remaining $11,200 of the bonds are term bonds that are due in 2044 with an interest rate of 5%.

The Series 2011, 2012A, 2015, 2016, and 2017 Bonds are governed by a Master Loan Agreement. Under the Master Loan Agreement, MHHEFA maintains a security interest in the revenue of the obligors. In addition, the Master Loan Agreement requires Obligated Group members to adhere to limitations on mergers, disposition of assets, and additional indebtedness and certain financial covenants. The financial covenants include a rate covenant, which requires the Obligated Group to achieve a debt service coverage ratio of 1.10; a liquidity covenant, which requires the Obligated Group to maintain 65 days cash on hand; and a debt-to-capitalization covenant, which requires the Obligated Group to maintain a debt-to-capitalization ratio of not more than 65%, all measured as of June 30 in each fiscal year.

In 2017, the Corporation acquired Springwell Partners, LLC (Springwell). Upon acquisition, the Corporation assumed the debt of Springwell. The debt consists of two term notes that were amended in February 2017. The first term note of $8,453 bears monthly interest of one month LIBOR plus 1.6% which approximates 3.7% as of June 30, 2018. The second term note of $5,614 bears monthly interest of 4.75%. Both term notes mature on February 5, 2022 and are secured by certain property and equipment. The outstanding principal of the two notes as of June 30, 2018 and 2017 was $13,405 and $13,978, respectively. Additionally, there is a construction loan that has been drawn on in the amount of $11,901 and $0 as of June 30, 2018 and 2017, respectively. This loan has an interest rate of 3.75% and a maturity date in February 2022.

(Dollars in thousands)

Deferred financing costs are amortized using the effective-interest method over the term of the related debt. Amortization expense was $230 and $1,168 for the years ended June 30, 2018 and 2017, respectively. Such amortization is included in interest expense in the consolidated financial statements.

The Corporation is obligated under several noncancelable capital leases for hospital equipment and office building space.

The total future principal payments on long-term debt and capital lease payments are as follows:

	MHHEFA and other debt	Capital lease obligations
Years ending June 30:		
2019	$ 12,635	2,214
2020	12,506	2,258
2021	13,702	2,304
2022	36,096	2,351
2023	13,645	2,399
Thereafter	428,849	5,574
	$ 517,433	17,100
Less interest portion		(2,313)
		$ 14,787

(9) M&T Bank Line of Credit

Sinai maintains a $5,000 line of credit with M&T Bank. As of June 30, 2018 and 2017, there were no balances outstanding on this line of credit.

(Dollars in thousands)

(10) Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at June 30:

	2018	2017
Healthcare services:		
Capital equipment/construction	$ 24,970	24,358
Other healthcare services:		
Service grants	267	415
Donor-specified healthcare services	14,227	14,216
Enrichment and research	16,052	15,543
	$ 55,516	54,532

Permanently restricted net assets of $17,160 and $16,191 at June 30, 2018 and 2017, respectively, are to investments to be held in perpetuity, the income from which is expendable to support healthcare services.

(11) Employee Benefit Plans

(a) LifeBridge Health Pension Plans (Sinai and Levindale)

The Corporation sponsors two noncontributory defined-benefit pension plans (the Sinai/Levindale Plans) covering full-time, nonunion and union employees of Sinai and Levindale. Annual contributions to the Sinai/Levindale Plans are made at a level equal to or greater than the funding requirement as determined by the Sinai/Levindale Plans' consulting actuary. Contributions are intended to provide not only for benefits attributed to service to date, but also for those expected to be earned in the future.

(Dollars in thousands)

The following tables set forth the Sinai/Levindale Plans' funded status and amounts recognized in the accompanying consolidated financial statements as of June 30, 2018 and 2017:

		2018	2017
Measurement date		June 30, 2018	June 30, 2017
Change in projected benefit obligation:			
Benefit obligation at beginning of year	$	220,332	214,725
Service cost		8,036	8,263
Interest cost		8,146	5,972
Actuarial (gain) loss		(3,701)	1,582
Benefits paid		(7,632)	(10,006)
Expenses paid from assets		(45)	(204)
Benefit obligation at end of year		225,136	220,332
Change in plan assets:			
Fair value of plan assets at beginning of year		186,513	157,577
Actual return on plan assets		19,109	22,425
Company contributions		11,423	16,721
Benefits paid		(7,632)	(10,006)
Expenses paid from assets		(45)	(204)
Fair value of plan assets at end of year		209,368	186,513
Funded status	$	(15,768)	(33,819)

Amounts recognized in the consolidated financial statements consist of the following at June 30:

		2018	2017
Amounts recognized in the consolidated balance sheets:			
Other long-term liabilities	$	15,768	33,819
Amounts recognized in unrestricted net assets:			
Net actuarial loss	$	42,991	58,991
	$	42,991	58,991

The Corporation has estimated $11,423 for its defined-benefit contributions to the Sinai/Levindale Plans for the fiscal year ending June 30, 2018. The accumulated benefit obligation for the Sinai/Levindale Plans is $207,828 and $201,702 at June 30, 2018 and 2017, respectively.

(Continued)

(Dollars in thousands)

Net periodic pension expense for the years ended June 30, 2018 and 2017 was as follows:

		2018	2017
Pension costs:			
Service cost	$	8,036	8,263
Interest cost		8,146	5,972
Expected return on plan assets		(12,594)	(10,969)
Amortization of net loss		3,611	5,555
Net periodic benefit cost	$	7,199	8,821

The estimated net actuarial loss and prior service cost to be amortized from unrestricted net assets into net periodic pension benefit cost over the next fiscal year are $2,265 and $3,928, respectively. The Company recorded $8,036 and $8,821 of the net periodic benefit cost in salary and employee benefit expense during the years ended December 31, 2018 and 2017, respectively, and recorded $(837) and $0 in other income, net during the years ended June 30, 2018 and 2017, respectively.

Actuarial assumptions used were as follows:

	2018	2017
Assumptions used to determine annual pension expense:		
Discount rate	3.88 %	3.68 %
Expected return on plan assets	7.00	7.00
Rate of compensation increase	2.50	2.50
Assumptions used to determine end-of-year liabilities:		
Discount rate	4.28 %	3.88 %
Expected return on plan assets	7.00	7.00
Rate of compensation increase	2.50	2.50
Plan asset allocation:		
Asset category:		
Fixed income/debt securities	25.00 %	26.00 %
Equity securities/mutual funds	54.00	56.00
Alternative investments	21.00	18.00
Total	100.00 %	100.00 %

(Dollars in thousands)

In selecting the expected long-term rate of return on plan assets, Sinai and Levindale considered the average rate of earnings on the funds invested or to be invested to provide for the benefits of these plans. This included considering the Sinai/Levindale Plans' asset allocation and the expected returns likely to be earned over the life of the plans. Target asset allocation is as follows:

	Target
Target allocation on assets:	
Equity securities	52 %
Alternative investments	23
Fixed income/debt securities	25

Following are the benefit payments expected to be disbursed from plan assets:

Years ending June 30:	
2019	$ 11,854
2020	12,648
2021	12,836
2022	12,785
2023	13,780
Thereafter	71,531

The fair values of assets of the Sinai/Levindale Plans held by PNC Institutional Investments by level at June 30, 2018 were as follows:

	Pension benefits – plan assets			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	$ 8,447	—	—	8,447
Mutual funds and equity securities	122,846	—	—	122,846
Fixed income mutual funds	51,577	—	—	51,577
Alternative investments	—	—	26,498	26,498
Total assets	$ 182,870	—	26,498	209,368

(Dollars in thousands)

The fair values of assets of the Sinai/Levindale Plans held by PNC Institutional Investments by level at June 30, 2017 were as follows:

	Pension benefits – plan assets			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets:				
Cash and cash equivalents	$ 8,901	—	—	8,901
Mutual funds and equity securities	153,018	—	—	153,018
Fixed income securities	—	7,017	—	7,017
Alternative investments	—	—	17,577	17,577
Total assets	$ 161,919	7,017	17,577	186,513

For the years ended June 30, 2018 and 2017, there were no significant transfers into or out of Levels 1, 2, or 3. Changes to the fair values based on the Level 3 inputs are summarized as follows:

	Total
Balance as of June 30, 2017	$ 17,577
Additions:	
Contributions/purchases	7,524
Disbursements:	
Withdrawals/sales	(281)
Net change in value	1,678
Balance as of June 30, 2018	$ 26,498

The following table summarizes redemption terms for the hedge fund-of-funds vehicles held as of June 30, 2018:

	Fund 1	**Fund 2**	**Fund 3**
Redemption timing:			
Redemption frequency	Monthly	Annually	Quarterly
Required notice	30 days	90 days	30 days
Audit reserve:			
Percentage held back for audit reserve	— %	5 %	— %

(b) Carroll Plan

CCHS sponsors a Defined Benefit Cash Balance Plan (the Carroll Plan) covering employees of Carroll, CCMS, and Carroll Foundation. CCHS's funding policy is to make contributions to the Carroll Plan based on actuarially determined amounts necessary to provide assets sufficient to meet benefits to be paid to plan participants and to meet the minimum funding requirements of the Employee Retirement

(Dollars in thousands)

Income Security Act of 1974 and the Internal Revenue Code, plus such amounts as CCHS may determine to be appropriate from time to time. Under the cash balance plan structure, the benefits under the Carroll Plan are determined based on employee tenure rather than age. CCHS elected to freeze benefit accruals and participation in the Carroll Plan on December 31, 2006.

The information below describes certain actions of CCHS for the years ended June 30, 2018 and 2017.

The following tables set forth the changes in the projected benefit obligation, the changes in the Carroll Plan's assets, the Carroll Plan's funded status, the amounts recognized in the consolidated financial statements, and the Carroll Plan's net periodic pension cost as of June 30, 2018 and 2017:

		2018	2017
Measurement date		June 30, 2018	June 30, 2017
Change in projected benefit obligation:			
Projected benefit obligation at beginning of year	$	73,631	76,619
Interest cost		2,793	2,345
Actuarial gain		(4,771)	(3,032)
Benefits paid		(2,606)	(2,301)
Benefit obligation at end of year		69,047	73,631
Change in plan assets:			
Fair value of plan assets at beginning of year		67,718	64,073
Actual return on plan assets		10,178	3,876
Employer contribution		3,580	2,070
Benefits paid		(2,606)	(2,301)
Fair value of plan assets at end of year		78,870	67,718
Funded status	$	9,823	(5,913)

The accumulated benefit obligation for the Carroll Plan was $69,047 and $73,631 at June 30, 2018 and 2017, respectively. The pension asset of $9,823 as of June 30, 2018 and an obligation of $5,913 as of June 30, 2018 and 2017, respectively, are included in other assets and other long-term liabilities, respectively, in the consolidated balance sheets.

(Continued)

(Dollars in thousands)

Net periodic pension expense for the years ended June 30, 2018 and 2017 was as follows:

		2018	2017
Pension expense:			
Components of net periodic pension expense:			
Interest cost	$	2,793	2,345
Expected return on plan assets		(4,825)	(4,464)
Amortization of actuarial loss		2,053	2,499
Net periodic pension expense	$	21	380

The estimated net actuarial loss to be amortized from unrestricted net assets into net periodic pension benefit cost over the next fiscal year is $802 and $2,111, respectively. The Company recorded $21 and $380 of the net periodic pension expense in other income, net during the years ended June 30, 2018 and 2017, respectively.

Assumptions to determine the benefit obligation as of June 30, 2018 and 2017 were as follows:

	2018	2017
Discount rate	4.28 %	3.88 %

Assumptions used in the determination of net periodic pension expense for the year ended June 30, 2018 and 2017 were as follows:

	2018	2017
Discount rate	3.88 %	3.72 %
Expected long-term rate of return on plan assets	7.00	7.00

Deferred pension costs, which have not yet been recognized in periodic pension expense but are accrued in unrestricted net assets, are $15,449 and $28,019 at June 30, 2018 and 2017, respectively. Deferred pension costs represent unrecognized actuarial losses or unexpected changes in the projected benefit obligation and plan assets over time primarily due to changes in assumed discount rates and investment experience.

(Dollars in thousands)

CCHS's weighted average asset allocations for the plan assets for the years ended June 30, 2018 and 2017 were as follows:

	2018	2017
Cash and cash equivalents	5.0 %	6.0 %
Fixed income/debt securities	24.0	18.0
Mutual funds and equity securities	53.0	49.0
Alternative investments	18.0	27.0
	100.0 %	100.0 %

Pension plan assets are invested in accordance with the CCHS's investment policy in an attempt to maximize return with reasonable and prudent levels of risk. This structure includes various assets classes, investment management styles, asset allocation, and acceptable ranges that, in total, are expected to produce a sufficient level of overall diversification and total investment return over the long term. CCHS periodically reviews performance to test progress toward attainment of longer term targets, to compare results with appropriate indices and peer groups, and to assess overall investment risk levels.

The following table presents the Plan's assets measured at fair value at June 30, 2018:

	Pension benefits – plan assets			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	$ 3,632	—	—	3,632
Mutual funds	42,024	—	—	42,024
Fixed income	—	19,374	—	19,374
Alternative investments	—	—	13,840	13,840
Total assets	$ 45,656	19,374	13,840	78,870

The following table presents the Plan's assets measured at fair value at June 30, 2017:

	Pension benefits – plan assets			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	$ 3,995	—	—	3,995
Mutual funds	32,988	—	—	32,988
Fixed income	—	12,437	—	12,437
Alternative investments	—	—	18,298	18,298
Total assets	$ 36,983	12,437	18,298	67,718

(Dollars in thousands)

For the years ended June 30, 2018 and 2017, there were no significant transfers into or out of Levels 1, 2, or 3. Changes to the fair values based on the Level 3 inputs are summarized as follows:

		Total
Balance as of June 30, 2017	$	18,298
Additions:		
Contributions/purchases		—
Disbursements:		
Withdrawals/sales		(4,809)
Net change in value		351
Balance as of June 30, 2018	$	13,840

CCHS follows ASU No. 2009-12, and applied its provisions to its pension plan asset portfolio. The guidance amends ASC Topic 820 and permits, as a practical expedient, fair value of investments within its scope to be estimated using net asset value (NAV) or its equivalent. The alternative investments classified within Level 3 of the fair value hierarchy have been recorded using NAV.

The Carroll Plan invests in alternative investments which are primarily hedge fund of funds and real estate funds.

For the alternative investments, redemption requests can be made either quarterly or annually. The notice required in order to make a redemption is within a range of 65 to 100 days. The audit reserve requirements are 10% for each fund. There are generally no gate provisions with the exception of one fund which has a gate of 25% of net asset value (NAV).

CCHS expects to contribute $0 to the Carroll Plan during the year-ending June 30, 2018.

The following benefit payments, which reflect future services, as appropriate, are expected to be paid from the Carroll Plan's assets during the years ending June 30 of the indicated year:

2019	$	3,050
2020		3,233
2021		3,406
2022		3,562
2023		3,695
2024–2028		20,696
	$	37,642

(c) *Contributory Plans*

Northwest has a qualified noncontributory defined-contribution pension plan (the NW Plan) covering substantially all employees who work at least 1,000 hours per year, who have completed two years of continuous service as of the beginning of the plan year, and who have attained the age of 21 as of the beginning of the plan year. Participants in the NW Plan are 100% vested. Northwest makes annual contributions to the NW Plan equivalent to 1.5% of the participants' salaries for employees who have been in the NW Plan from one to five years, 4.0% for those in the plan from six to 19 years, and 6.5% thereafter. It is Northwest's policy to fund plan costs as they accrue. Plan expense was approximately $2,214 and $2,181 for the years ended June 30, 2018 and 2017, respectively, and is included in salaries and employee benefits in the accompanying consolidated statements of operations.

Certain LifeBridge entities have supplemental 403(b) retirement plans for eligible employees. The entities may elect to match varying percentages of an employee's contribution up to a certain percentage of the employee's annual salary. The associated expense was approximately $6,455 and $5,997 for the years ended June 30, 2018 and 2017, respectively, and is included in salaries and employee benefits in the accompanying consolidated statements of operations.

Certain companies under Community Physicians and Investments maintain a defined-contribution plan for employees meeting certain eligibility requirements. Eligible employees can also make contributions. Under the plan, the employer may elect to match a percentage of eligible employees' contributions each year. The related expense was approximately $1,698 and $943 for the years ended June 30, 2018 and 2017, respectively, and is included in salaries and employee benefits in the accompanying consolidated statements of operations.

Certain LifeBridge entities maintain a nonqualified deferred compensation plan for key employees and physicians. The Corporation establishes a separate deferral account on its books for each participant for each plan year. In general, participants are entitled to receive the deferred funds upon their death, attainment of the specified vesting date, or involuntary termination of their employment without cause, whichever occurs first. The related expense was approximately $3,128 and $4,189 for the years ended June 30, 2018 and 2017, respectively, and is included in salaries and employee benefits in the accompanying consolidated statements of operations.

(d) Postretirement Plan Other than Pension

Carroll sponsors a postretirement plan other than pension for employees. Carroll employees retired from active employment at 65 years of age or older or at 55 years of age after earning at least 10 years of vesting service are eligible for health and prescription drug benefits under Carroll's self-insured health plan. Effective January 1, 2009, individuals are no longer permitted to participate in this Plan once they are Medicare eligible. Plan participants contribute premiums to the Plan in amounts determined by Carroll for pre-Medicare and post-Medicare age retirees. At June 30, 2018 and 2017, Carroll has accrued a liability of $881 and $425 related to this plan.

(12) Regulation and Reimbursement

The Corporation and other healthcare providers in Maryland are subject to certain inherent risks, including the following:

- Dependence on revenues derived from reimbursement by the Federal Medicare and State Medicaid programs;

- Regulation of hospital rates by the State of Maryland Health Services Cost Review Commission (HSCRC);
- Government regulation, government budgetary constraints, and proposed legislative and regulatory changes; and
- Lawsuits alleging malpractice and related claims.

Such inherent risks require the use of certain management estimates in the preparation of the Corporation's consolidated financial statements, and it is reasonably possible that a change in such estimates may occur.

The Medicare and Medicaid programs represent a substantial portion of the Corporation's revenues, and the Corporation's operations are subject to a variety of other federal, state, and local regulatory requirements. Failure to maintain required regulatory approvals and licenses and/or changes in such regulatory requirements could have a significant adverse effect on the Corporation. Changes in federal and state reimbursement funding mechanisms and related government budgetary constraints could have a significant adverse effect on the Corporation.

The current rate of reimbursement for hospital services to patients under the Medicare and Medicaid programs is based on an agreement between the Centers for Medicaid and Medicare Services (CMS) and the State of Maryland. This agreement is based upon a waiver from Medicare prospective payment system reimbursement principles granted to the State of Maryland by CMS.

In January 2014, CMS approved Maryland's new waiver for a five-year period beginning January 1, 2014 for inpatient and outpatient hospital services. The new waiver required Maryland to adopt a payment structure that incentivizes efficient utilization of hospital resources, limits hospital per capita growth in all-payer and Medicare spending, generate Medicare acute care savings of $330 million over five years, limit growth in total cost of care per Medicare beneficiary, reduce hospital readmissions, and reduce certain hospital-acquired conditions. Beginning in January 2019, Maryland will enter a newly negotiated phase of the waiver agreement with CMS. This subsequent phase is designed to last for 10 years, with two distinct five-year periods, the first five-year period ending December 31, 2023. While elements of the initial agreement pertaining to limits on hospital per capita growth and growth of total-cost-of-care per Medicare beneficiary of Maryland compared to the nation remain unchanged, the new agreement expands the scope of the waiver to focus more on a patient's total-cost-of-care. Most notably, Maryland will be required to generate annual Medicare total-cost-of-care savings of $300 million per year by the end of 2023. In addition, Maryland will continue to maintain patient quality methodologies focused on readmissions, hospital acquired conditions and potentially avoidable utilization, but will also adopt statewide measures related to national measures such as falls prevention and opioid overdoses.

(13) Related-Party Transactions

Land Leases

Sinai and Levindale are constituent agencies of AJCF, a charitable corporation.

The legal title to substantially all land, land improvements, buildings, and fixed equipment included in Sinai's and Levindale's property and equipment is held by an affiliate of AJCF. Sinai and Levindale have entered into leases with the AJCF affiliate with respect to these assets. The leases allow Sinai and Levindale to conduct their business on the property as currently conducted. Rent under each lease is $1.00 per year. The leases may not be terminated before December 31, 2050.

Other

In addition to its arrangement with AJCF, Sinai receives services from certain other constituent agencies of AJCF.

(14) Income Taxes

At June 30, 2018, Investments has approximately $64,449 in net operating loss carryforwards for income tax purposes. The net operating loss carryforwards for tax purposes are available to reduce future taxable income and expire in varying periods beginning in 2019 through 2038.

The net operating loss carryforwards created a federal net deferred tax asset of approximately $13,534 and $20,477 as of June 30, 2018 and 2017, respectively and a state deferred tax asset of approximately $3,510 and $3,340 as of June 30, 2018 and 2017, respectively. Management has determined that it is more likely than not that Investments will not be able to utilize the deferred tax assets; therefore, a full valuation allowance was recorded against the net deferred assets as of June 30, 2018 and 2017.

The Tax Cuts and Jobs Act (The Act) was signed into law on December 22, 2017. The Act significantly revises the U.S. corporate income tax by, among other things, lowering the statutory corporate tax rate from 35% to 21% and eliminating certain deductions. The Act also enhanced and extended through 2026 the option to claim accelerated depreciation deductions on qualified property. The Company has not completed the determination of the accounting implications of The Act on tax accruals. However, the Corporation has reasonably estimated the effects of The Act and recorded provisional amounts in our financial statements as of and for the year ended June 30, 2018.

The Act repeals the corporate Alternative Minimum Tax (AMT) regime for tax years beginning after December 31, 2017. For tax years beginning in 2018, 2019, and 2020, the AMT credit carryforward can be utilized to offset regular tax with any remaining AMT carryforwards eligible for a refund of 50%. Any remaining AMT credit carryforwards will become fully refundable beginning in the 2021 tax year. The Corporation expects the AMT receivable to be refunded in future years.

The Corporation has reasonably estimated the effects of the 2017 Act and recorded amounts impacting the financial statements as of and for the year ended June 30, 2018.

The provision for income taxes varies from the amount computed by applying the statutory federal income tax rate to income before income taxes primarily due to the impact of nondeductible expenses, changes in valuation allowance and domestic tax rate changes.

The reduction of the U.S. federal tax rate from 35% to 21% was effective beginning January 1, 2018. The federal rate change is a mid-year change for Investments which results in a current blended tax rate of 27.50% for the year ended June 30, 2018. The relevant deferred tax balances have been revalued as of June 30, 2018 to reflect the new federal statutory rate of 21% plus the effective state tax rate. The impact of the change in tax rate has been offset by the change in valuation allowance.

(Continued)

(Dollars in thousands)

(15) Other Long-Term Liabilities

Other long-term liabilities at June 30, 2018 and 2017 are as follows:

		2018	2017
Professional/general liability (note 16(a))	$	57,795	46,598
Pension liability		16,649	40,157
Medical office building		30,722	31,924
Asset retirement obligation		3,260	3,260
Deferred compensation		7,644	8,208
Other		4,215	5,557
	$	120,285	135,704

At June 30, 2018 and 2017, there was $22,388 and $16,303 included in other current liabilities related to professional liabilities, respectively.

(16) Self-Insurance Programs

(a) Professional/General Liability

The Corporation is self-insured, through LifeBridge Insurance, for most professional and general liability claims arising out of the operations of LifeBridge and its subsidiaries. Estimated liabilities have been recorded for both reported and incurred but not reported claims.

LifeBridge Insurance purchases reinsurance coverage from other highly rated insurance carriers to cover their liabilities in excess of various retentions. The amounts that LifeBridge subsidiaries must transfer to LifeBridge Insurance to fund professional and general liability claims are actuarially determined and are sufficient to cover expected liabilities. Management's estimate of the liability for professional and general liability claims, including incurred but not reported claims, is principally based on actuarial estimates performed by an independent third-party actuary. Professional liability coverage for certain employed physicians is provided by commercial insurance carriers. The receivable for the expected reinsurance receivable is recorded within other assets on the consolidated balance sheets. Amounts in excess of the self-insured limits are insured by highly rated commercial insurance companies.

(b) Workers' Compensation

Sinai, Northwest, Levindale, LAA, and CCMS and its subsidiaries are insured for workers' compensation liability through a combination of self-insurance and excess insurance. Losses for asserted and unasserted claims are accrued based on estimates derived from past experiences, as well as other considerations including the nature of each claim or incident, relevant trend factors, and estimates of incurred but not reported amounts.

LifeBridge has accrued a liability for known and incurred but not reported claims of $7,227 and $8,032 at June 30, 2018 and 2017, respectively. These amounts are included in accounts payable and accrued liabilities in the accompanying consolidated balance sheets. Management believes these accruals are adequate to provide for all workers' compensation claims that have been incurred through June 30, 2018.

(Dollars in thousands)

All other entities have occurrence-based commercial insurance coverage. There are no material insurance recoveries related to workers' compensation claims under those policies as of June 30, 2018 and 2017.

LifeBridge maintains stop-loss policies on workers' compensation claims. The Corporation is insured for individual claims exceeding $450.

(c) Health Insurance

LifeBridge is self-insured for employee health claims. LifeBridge has accrued a liability of $6,677 and $3,721 at June 30, 2018 and 2017, respectively, for known claims and incurred but not reported claims. These amounts are included in accounts payable and accrued liabilities in the accompanying consolidated balance sheets.

(17) Concentration of Credit Risk

The Corporation grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at June 30, 2018 and 2017 is as follows:

	2018	2017
Medicare	30 %	31 %
Medicaid	11	8
BlueCross	10	10
Commercial and other	40	41
Self-pay	9	10
	100 %	100 %

The mix of net patient service revenue for the Corporation for the years ended June 30, 2018 and 2017 is as follows:

	2018	2017
Medicare	43 %	42 %
Medicaid	6	6
BlueCross	11	12
Commercial and other	37	37
Self-pay	3	3
	100 %	100 %

(Dollars in thousands)

(18) Commitments and Contingencies

(a) Litigation

The Corporation is subject to numerous laws and regulations of federal, state, and local governments. The Corporation's compliance with these laws and regulations can be subject to periodic governmental review and interpretation, which can result in regulatory action unknown or unasserted at this time. Management is aware of certain asserted and unasserted legal claims and regulatory matters arising in the ordinary course of business. After consultation with legal counsel, it is management's opinion that the ultimate resolution of these claims will not have a material adverse effect on the Corporation's financial position.

(b) Letters of Credit

M&T Bank has established an open letter of credit for Sinai of $211 (which has not been drawn upon) to guarantee Sinai's obligation for liabilities assumed as a member of a risk retention group during the period 1988 to 1994. Additionally, M&T Bank has established a standby letter of credit of $2,399 to serve as collateral as required by the Maryland Office of Unemployment Insurance. M&T Bank has established a standby letter of credit for Levindale of $421 as required by the State of Maryland Department of Labor, Licensing, and Regulation. M&T Bank has established a standby letter of credit for LifeBridge Health & Fitness of $200 as required by the State of Maryland Office of the Attorney General. M&T Bank has established a standby letter of credit of $84 to serve as collateral as required by the City of Baltimore for the completion of certain construction work at Sinai. M&T has established standby letters of credit of $94, $76, $42 and $4 to serve as collateral as required by Baltimore County for the completion of certain construction work at Northwest.

(c) Operating Leases

The Corporation has entered into operating lease agreements for hospital equipment and office space, which expire on various dates through year 2030. Total rental expense for the years ended June 30, 2018 and 2017 for all operating leases was approximately $25,671 and $27,342, respectively. Future minimum lease payments under all noncancelable operating leases are as follows:

Years ending June 30:		
2019	$	20,911
2020		19,921
2021		18,490
2022		17,716
2023		16,401
Thereafter		13,718
	$	107,157

(Dollars in thousands)

(19) Noncontrolling Interest

The reconciliation of a noncontrolling interest reported in unrestricted net assets is as follows:

		LifeBridge Health, Inc.	Noncontrolling interest	Unrestricted net assets
Balance at June 30, 2016	$	849,676	5,099	854,775
Operating income		52,081	2,173	54,254
Nonoperating income		56,750	—	56,750
Excess of revenues over expenses		108,831	2,173	111,004
Change in funded status of pension plan		20,341	—	20,341
Net assets released for purchase of property and equipment		4,147	—	4,147
Fair value of noncontrolling interests of acquisitions		—	9,754	9,754
Other		915	(2,400)	(1,485)
Change in net assets		134,234	9,527	143,761
Balance at June 30, 2017		983,910	14,626	998,536
Operating income		42,652	3,125	45,777
Nonoperating income		48,601	—	48,601
Excess of revenues over expenses		91,253	3,125	94,378
Change in funded status of pension plan		25,630	—	25,630
Net assets released for purchase of property and equipment		5,156	—	5,156
Other		747	645	1,392
Change in net assets		122,786	3,770	126,556
Balance at June 30, 2018	$	1,106,696	18,396	1,125,092

(Continued)

(Dollars in thousands)

(20) Functional Expenses

The Corporation provides general healthcare services to patients. Expenses for the years ended June 30, 2018 and 2017 related to providing these services are as follows:

		2018	2017
Healthcare services	$	1,116,241	1,098,642
General and administrative		415,141	374,158
	$	1,531,382	1,472,800

(21) Fair Value of Financial Instruments

The following methods and assumptions were used by the Corporation in estimating the fair value of its financial instruments:

(a) Assets and Liabilities

Cash and cash equivalents, patient service receivables, other receivables, inventory, prepaid expenses, pledges receivable, accounts payable and accrued liabilities, advances to third-party payors, and other current liabilities – The carrying amounts reported in the consolidated balance sheet approximate the related fair values.

Investments (donor-restricted, assets limited as to use, and long-term), and beneficial interest in split interest agreements – Fair values are based on quoted market prices of individual securities or investments if available, or are estimated using quoted market prices for similar securities or investment managers' best estimate of underlying fair value.

Investment in unconsolidated affiliates – Investments in unconsolidated affiliates are not readily marketable. Therefore, it is not practicable to estimate their fair value and such investments are recorded in accordance with the equity method or at cost.

(b) Long-Term Debt

The fair market value of the fixed rate Series 2011 MHHEFA Bonds was $4,286 and $5,358 as of June 30, 2018 and 2017, respectively. The fair market value of the fixed rate Series 2012A MHHEFA Bonds was $56,005 and $58,933 as of June 30, 2018 and 2017, respectively. The fair market value of the variable rate Series 2015 MHHEFA Bonds was $172,172 and $175,838 as of June 30, 2018 and 2017, respectively. The fair market value of the variable rate Series 2016 MHHEFA Bonds was $128,734 and $131,581 as of June 30, 2018 and 2017, respectively. The fair market value of the variable rate Series 2017 MHHEFA Bonds was $128,590 as of June 30, 2018.

The fair value of other long-term debt, and bank loans payable approximates its carrying value.

The fair value of the Corporation's long-term MHHEFA debt is measured using quoted offered-side prices when quoted market prices are available. If quoted market prices are not available, the fair value is determined by discounting the future cash flows of each instrument at rates that reflect, among other things, market interest rates and the Corporation's credit standing. In determining an appropriate spread to reflect its credit standing, the Corporation considers credit default swap spreads, bond yields of other long-term debt, and interest rates currently offered for similar debt instruments of comparable maturities by the Corporation's bankers as well as other banks that regularly compete to provide financing to the Corporation.

(Dollars in thousands)

(c) Fair Value Hierarchy

The following table presents assets that are measured at fair value on a recurring basis as of June 30, 2018:

	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	$ 54,836	—	—	54,836
Equity securities and mutual funds	466,022	—	—	466,022
Government securities	—	20,810	—	20,810
Fixed income securities	—	247,083	—	247,083
Beneficial interest in split-interest agreement	—	5,294	—	5,294
Total assets	$ 520,858	273,187	—	794,045

The following table presents assets that are measured at fair value on a recurring basis as of June 30, 2017:

	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	$ 73,803	—	—	73,803
Equity securities and mutual funds	386,318	—	—	386,318
Treasury securities	4,333	—	—	4,333
Government securities	—	46,040	—	46,040
Fixed income securities	—	91,150	—	91,150
Beneficial interest in split-interest agreement	—	4,757	—	4,757
Total assets	$ 464,454	141,947	—	606,401

See note 2(e) for information on the Corporation's alternative investments that are recorded under the equity method and are not reported above.

For the years ended June 30, 2018 and 2017, there were no significant transfers into or out of Levels 1, 2, or 3.

(22) Subsequent Events

Management evaluated all events and transactions that occurred after June 30, 2018 and through October 19, 2018. The Corporation did not have any subsequent events during this period that were required to be recognized or disclosed.

Schedule 1

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Consolidating Balance Sheet Information

June 30, 2018

(Dollars in thousands)

Assets	Sinai Hospital Consolidated	Northwest Hospital	Carroll Hospital	Levindale Hebrew Geriatric Ctr & Hospital	Other LifeBridge Entities	Eliminations	LifeBridge Health Consolidated
Current assets:							
Cash and cash equivalents	$ 36,583	24,951	47,006	9,759	59,655	—	177,954
Investments	14,015	3,419	—	276	235,679	—	253,389
Assets limited as to use, current portion	31,952	7,023	3,347	192	8,997	—	51,511
Patient service receivables, net of allowance for doubtful accounts	80,302	24,795	23,062	8,629	13,954	—	150,742
Other receivables	92,196	7,329	8,975	1,127	36,859	(127,683)	18,803
Inventory	24,402	4,904	3,285	235	228	—	33,054
Prepaid expenses	5,747	642	3,656	124	9,111	—	19,280
Pledges receivable, current portion	820	132	2,021	146	—	—	3,119
Total current assets	286,017	73,195	91,352	20,488	364,483	(127,683)	707,852
Board-designated investments	—	—	—	—	226,529	—	226,529
Long-term investments	65,751	520	82,843	—	149,962	—	299,076
Donor-restricted investments	14,015	—	5,312	—	41,828	—	61,155
Reinsurance recovery receivable	—	—	—	—	26,254	—	26,254
Assets limited as to use, net of current portion	—	—	—	—	31,620	—	31,620
Pledges receivable, net of current portion	767	39	2,055	247	—	—	3,108
Property and equipment, net	221,303	105,660	131,096	40,926	166,141	—	665,126
Beneficial interest in split interest agreement	5,294	—	—	—	—	—	5,294
Investment in unconsolidated affiliates	—	—	7,820	—	215,908	(175,244)	48,484
Other assets, net of accumulated amortization	15,684	2,745	26,752	37	36,940	—	82,158
Total assets	$ 608,831	182,159	347,230	61,698	1,259,665	(302,927)	2,156,656

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Consolidating Balance Sheet Information

June 30, 2018

(Dollars in thousands)

Liabilities and Net Assets	Sinai Hospital Consolidated	Northwest Hospital	Carroll Hospital	Levindale Hebrew Geriatric Ctr & Hospital	Other LifeBridge Entities	Eliminations	LifeBridge Health Consolidated
Current liabilities:							
Accounts payable and accrued liabilities	$ 60,017	20,025	30,802	10,160	131,981	(127,683)	125,302
Accrued salaries, wages, and benefits	35,850	7,914	14,280	2,249	22,991	—	83,284
Advances from third-party payors	29,020	7,716	4,930	1,109	31	—	42,806
Current portion of long-term debt and capital lease, net obligations	3,659	1,204	1,935	193	7,410	—	14,401
Other current liabilities	1,554	844	182	—	23,798	—	26,378
Total current liabilities	130,100	37,703	52,129	13,711	186,211	(127,683)	292,171
Other long-term liabilities	34,227	10,454	15,165	2,932	57,507	—	120,285
Long-term debt and capital lease obligations, net	253,399	83,051	129,242	9,934	70,806	—	546,432
Total liabilities	417,726	131,208	196,536	26,577	314,524	(127,683)	958,888
Net assets:							
Unrestricted net assets	141,611	43,036	89,652	34,360	931,426	(133,389)	1,106,696
Noncontrolling interest in consolidated subsidiaries	—	—	4,054	—	6,197	8,145	18,396
Total unrestricted net assets	141,611	43,036	93,706	34,360	937,623	(125,244)	1,125,092
Temporarily restricted	37,730	7,915	55,815	761	3,295	(50,000)	55,516
Permanently restricted	11,764	—	1,173	—	4,223	—	17,160
	191,105	50,951	150,694	35,121	945,141	(175,244)	1,197,768
Total liabilities and net assets	$ 608,831	182,159	347,230	61,698	1,259,665	(302,927)	2,156,656

See accompanying independent auditors' report.

Schedule 2

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Consolidating Statement of Operations Information

Year ended June 30, 2018

(Dollars in thousands)

	Sinai Hospital Consolidated	Northwest Hospital	Carroll Hospital	Levindale Hebrew Geriatric Ctr & Hospital	Other LifeBridge Entities	Eliminations	LifeBridge Health Consolidated
Unrestricted revenues, gains, and other support:							
Patient service revenue (net of contractual allowances and discounts)	$ 781,571	276,212	269,126	80,896	151,942	—	1,559,747
Provision for bad debts	(26,516)	(13,711)	(5,663)	(2,656)	(5,937)	—	(54,483)
Net patient service revenue	755,055	262,501	263,463	78,240	146,005	—	1,505,264
Net assets released from restrictions used for operations	3,236	—	—	46	316	—	3,598
Other operating revenue	29,093	3,980	14,050	2,221	50,674	(31,721)	68,297
Total operating revenues	787,384	266,481	277,513	80,507	196,995	(31,721)	1,577,159
Expenses:							
Salaries and employee benefits	394,555	134,315	149,329	50,379	116,109	743	845,430
Supplies	167,789	49,835	24,336	6,230	18,750	—	266,940
Purchased services	142,845	43,124	65,123	16,694	54,162	(32,464)	289,484
Depreciation, amortization, and gain/loss on sale of assets	30,586	11,828	14,417	2,786	20,735	—	80,352
Repairs and maintenance	14,107	4,316	1,389	1,029	1,556	—	22,397
Interest	2,949	1,379	6,343	51	16,057	—	26,779
Total expenses	752,831	244,797	260,937	77,169	227,369	(31,721)	1,531,382
Operating income (loss)	34,553	21,684	16,576	3,338	(30,374)	—	45,777
Other income (loss), net:							
Investment income	14,472	3,771	7,366	868	2,266	—	28,743
Unrealized gains (losses) on trading investments	7,381	2,785	6,332	910	(134)	—	17,274
Other	1,945	—	110	165	94	—	2,314
Gain on refinancing of debt	194	67	—	9		—	270
Total other income, net	23,992	6,623	13,808	1,952	2,226	—	48,601
Excess (deficit) of revenues over expenses	$ 58,545	28,307	30,384	5,290	(28,148)	—	94,378

See accompanying independent auditors' report.

KPMG LLP
750 East Pratt Street, 18th Floor
Baltimore, MD 21202

Independent Auditors' Report

The Board of Directors
LifeBridge Health, Inc. and Subsidiaries:

We have audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated financial statements of LifeBridge Health, Inc. and subsidiaries (the Corporation), which comprise the consolidated balance sheet as of June 30, 2018, and the related consolidated statements of operations, changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 19, 2018.

In connection with our audit, nothing came to our attention that caused us to believe that the Corporation's Obligated Group as defined in the Master Loan Agreement of LifeBridge Health, Inc., failed to comply with the terms, covenants, provisions, or conditions of Sections 4.02, 8.04, 8.11, 8.12, 8.15 and 8.16, inclusive, of the Indenture dated January 1, 2008 with the Maryland Health and Higher Educational Facilities Authority (MHHEFA), insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Company's noncompliance with the above-referenced terms, covenants, provisions, or conditions of the Indenture, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the board of directors and management of LifeBridge Health, Inc. and Subsidiaries and the MHHEFA and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

Baltimore, MD
October 19, 2018

LifeBridge Health Inc.

Obligated Group

Consolidating Financial Statements
For the Twelve Months Ended June 30, 2018

MHHEFA Revenue Bonds
LifeBridge Health Issue - Series 2008,Series 2011, Series 2015, Series 2016, Series 2017
Carroll Issue - Series 2012A
Obligated Group
Balance Sheet
June 30, 2018
Audited

	LifeBridge Health	Northwest	Sinai Hospital & Foundations *	Levindale	Carroll County Health Services Corp	Carroll Hospital Center	Carroll Hospice	Carroll County Med-Services Inc	Elims	Combined
Assets										
Current Assets										
Cash and Cash Equivalents	18,565,000	24,951,000	36,485,000	9,759,000	1,045,000	36,763,000	4,713,000	3,849,000		136,130,000
Investments	235,679,000	3,419,000	14,015,000	276,000	-	-	-	-		253,389,000
Assets whose use is limited	8,997,000	7,023,000	31,948,000	192,000	-	3,347,000	-	-		51,507,000
Patient service receivables, net of allowance		24,795,000	80,227,000	8,629,000		17,100,000	1,477,000	1,685,000		133,913,000
Other Receivables	30,830,000	7,329,000	92,425,000	1,127,000	14,000	8,623,000	-	408,000	(65,008,000)	75,748,000
Inventory		4,904,000	24,402,000	235,000		3,257,000	-	12,000		32,810,000
Prepaid expenses	8,138,000	642,000	5,747,000	124,000	-	3,152,000	23,000	458,000		18,284,000
Pledges receivable, current		132,000	820,000	146,000		-	78,000	-		1,176,000
Total current assets	302,209,000	73,195,000	286,069,000	20,488,000	1,059,000	72,242,000	6,291,000	6,412,000	(65,008,000)	702,957,000
Board-designated Investments	226,529,000	-	-	-						226,529,000
Long-term investments	139,758,000	520,000	65,751,000	-	1,817,000	1,663,000	1,614,000			211,123,000
Donor restricted investments	41828000	-	14,015,000	-			-			55,843,000
Reinsurance Recovery Receivable										
Assets limited to Use, net of current portion						-				-
Pledges receivable, net of current portion		39,000	767,000	247,000	-		136,000			1,189,000
Operating property, net	98,919,000	105,660,000	221,299,000	40,926,000	2,584,000	115,435,000	3,964,000	10,911,000	(3,697,000)	596,001,000
Deferred financing costs	-	-	-	-	-	-		638,000		638,000
Beneficial Interest			5,294,000		-	-				5,294,000
Investment in unconsolidated affiliates	183,890,000				306,056,000	108,216,000			(455,700,000)	142,462,000
Other assets	6,870,000	2,745,000	15,684,000	37,000	-	20,921,000		-	-	46,257,000
	190,760,000	2,745,000	20,978,000	37,000	306,056,000	129,137,000	-	638,000	(455,700,000)	194,651,000
Total assets	1,000,003,000	182,159,000	608,879,000	61,698,000	311,516,000	318,477,000	12,005,000	17,961,000	(524,405,000)	1,988,293,000
										1,988,293,000

* Excludes Sinai Clinical Professionals, LLC and LifeBridge Cardiology at Quarry Lake, LLC

MHHEFA Revenue Bonds
LifeBridge Health Issue - Series 2008,Series 2011, Series 2015, Series 2016, Series 2017
Carroll Issue - Series 2012A
Obligated Group
Balance Sheet
June 30, 2018
Audited

	LifeBridge Health	Northwest	Sinai Hospital & Foundations *	Levindale	Carroll County Health Services Corp	Carroll Hospital Center	Carroll Hospice	Carroll County Med-Services Inc	Elims	Combined
Liabilities and Net Assets										
Current Liabilities										
Accounts payable and accrued liabilities	72,381,000	27,939,000	95,933,000	12,409,000	8,000	40,083,000	951,000	5,148,000	(65,815,000)	189,037,000
Advances from third party payors		7,716,000	29,020,000	1,109,000		4,930,000		-		42,775,000
Current portion of long-term debt and										-
capital lease obligations	6,916,000	1,204,000	3,659,000	193,000	-	1,935,000		-		13,907,000
Other current liabilities	88,000	844,000	1,554,000	-		-		762,000		3,248,000
Total current libilities	79,385,000	37,703,000	130,166,000	13,711,000	8,000	46,948,000	951,000	5,910,000	(65,815,000)	248,967,000
Other Long-term liabilities	15,304,000	10,454,000	34,227,000	2,932,000	1,000	19,977,000		693,000	(3,697,000)	79,891,000
Long-term debt and capital lease obligations, net of current portion	44,571,000	83,051,000	253,400,000	9,934,000		129,242,000		-		520,198,000
Net assets										
Unrestricted	860,562,000	43,036,000	141,592,000	34,360,000	254,519,000	65,322,000	9,363,000	11,358,000	(396,214,000)	1,023,898,000
Temporarily restricted	181,000	7,915,000	37,730,000	761,000	55,815,000	55,815,000	1,691,000	-	(57,506,000)	102,402,000
Permanently restricted			11,764,000	-	1,173,000	1,173,000	-	-	(1,173,000)	12,937,000
	860,743,000	50,951,000	191,086,000	35,121,000	311,507,000	122,310,000	11,054,000	11,358,000	(454,893,000)	1,139,237,000
Total liabilities and net assets	1,000,003,000	182,159,000	608,879,000	61,698,000	311,516,000	318,477,000	12,005,000	17,961,000	(524,405,000)	1,988,293,000
										1,988,293,000
			-							-

* Excludes Sinai Clinical Professionals, LLC and LifeBridge Cardiology at Quarry Lake, LLC

MHHEFA Revenue Bonds
LifeBridge Health Issue - Series 2008,Series 2011, Series 2015, Series 2016, Series 2017
Carroll Issue - Series 2012A
Obligated Group
Operations
June 30, 2018
Audited

	LifeBridge Health	Northwest	Sinai Hospital & Foundations *	Levindale	Carroll County Health Services Corp	Carroll Hospital Center	Carroll Hospice	Carroll County Med-Services Inc	Elims	Combined
Unrestricted revenues, gains and other support										
Net patient service revenue		262,501,000	754,348,000	78,240,000		207,439,000	10,495,000	22,009,000		1,335,032,000
Other operating revenue	5,908,000	3,980,000	32,320,000	2,267,000	142,000	9,207,000	1,289,000	4,831,000	(11,118,000)	48,826,000
Total operating revenues	5,908,000	266,481,000	786,668,000	80,507,000	142,000	216,646,000	11,784,000	26,840,000	(11,118,000)	1,383,858,000
Expenses										
Salaries and employee benefits	338,000	134,315,000	394,097,000	50,379,000	-	108,070,000	6,022,000	27,775,000	(9,000)	720,987,000
Supplies	11,000	49,835,000	167,712,000	6,230,000	-	20,829,000	753,000	1,317,000		246,687,000
Purchased Services	(22,713,000)	43,124,000	142,680,000	16,694,000	66,000	48,597,000	1,927,000	11,077,000	(12,797,000)	228,655,000
Depreciation and amortization	14,632,000	11,828,000	30,586,000	2,786,000	(636,000)	11,717,000	173,000	1,103,000	500,000	72,689,000
Repairs and maintenance	8,000	4,316,000	14,107,000	1,029,000	-	1,389,000	-	-		20,849,000
Interest	15,474,000	1,379,000	2,949,000	51,000	-	4,690,000	-	-	1,188,000	25,731,000
Total expenses	7,750,000	244,797,000	752,131,000	77,169,000	(570,000)	195,292,000	8,875,000	41,272,000	(11,118,000)	1,315,598,000
Operating income (loss)	(1,842,000)	21,684,000	34,537,000	3,338,000	712,000	21,354,000	2,909,000	(14,432,000)		68,260,000
Other income										
Investment income and other	244,000	6,623,000	23,992,000	1,952,000	426,000	6,296,000	-	22,000		39,555,000
Revenues over expenses	(1,598,000)	28,307,000	58,529,000	5,290,000	1,138,000	27,650,000	2,909,000	(14,410,000)	-	107,815,000
										107,815,000

* Excludes Sinai Clinical Professionals, LLC and LifeBridge Cardiology at Quarry Lake, LLC

MHHEFA Revenue Bonds
LifeBridge Health Issue - Series 2008,Series 2011, Series 2015, Series 2016, Series 2017
Carroll Issue - Series 2012A
Obligated Group
Covenants
June 30, 2018
Audited

	YTD 6/30/18	Covenant
Long-term Indebtedness to Capitalization Ratio		
Long-term indebtedness	587,260,000	
LT Indebtedness + unrestr fb + capital	1,611,158,000	
Long-term Indebtedness to Capitalization Ratio	0.36	<0.65
Rate Covenant (Coverage Ratio)		
Net Income Available for Debt Service (annualized)	193,490,000	
Maximum Annual Debt Service	35,830,000	
Coverage Ratio	5.40	>1.10
Liquidity Ratio (Days Cash on Hand)		
Cash	870,077,000	
Operating Expenses - Net of Depr & Amort	1,242,909,000	
Days in Fiscal year	365	
Days Cash on Hand Ratio	256	> 45

LifeBridge Health, Inc.

Operating Data

For the Twelve Months Ended June 30, 2018

Statistics
Licensed Beds
Payor Mix
Investment Allocation

Sinai Hospital

Key Management Statistics – Acute Care – June YTD

	Actual	Budget/ Target	Fav/(Unfav) Variance %	Prior Year	Fav/(Unfav) Variance %
Volumes					
Total Admissions	19,056	20,188	(5.6)%	19,850	(4.0)%
O/P Observation Cases >24 hrs	2,222	2,576	(13.7)%	2,575	(13.7)%
Subtotal	21,278	22,764	(6.5)%	22,425	(5.1)%
O/P Observation Cases <24 hrs	3,319	2,249	47.6%	2,249	47.6%
Total Admissions	24,597	25,013	(1.7)%	24,674	(0.3)%
ER Total Visits	68,179	69,635	(2.1)%	69,621	(2.1)%
Total Surgical Cases	17,251	17,569	(1.8)%	17,558	(1.7)%
GBR/Volume Variance (2)	(1.7)%			(3.7)%	
Efficiency					
CMA LOS - (LOS / CMI)	4.54	4.43	(2.5)%	4.42	(2.7)%
Hospital Readmission Rate/HSCRC	10.8%	10.8%	0.0%	11.9%	9.2%
ER Level 1 Visits	2,826	4,900	42.3%	4,924	42.6%
Hospital Acquired Complications Score	0.38	0.45	(15.6)%	0.54	(29.6)%
Cost per Capita (PSA) (1)	$ 4,039	$ 3,972	(1.7)%	N/A	N/A
Patient Satisfaction					
HCAHPS Score	69.8%	69.8%	0.0%	69.8%	0.0%

(1) - Quarterly
(2) - Current year actual vs. Rate Order

LIFEBRIDGE HEALTH.
The Future of Health Care is Here

Northwest Hospital

Key Management Statistics – Acute Care – June YTD

	Actual	Budget/ Target	Fav/(Unfav) Variance %	Prior Year	Fav/(Unfav) Variance %
Volumes					
Total Admissions	10,259	10,746	(4.5)%	10,625	(3.4)%
O/P Observation Cases >24 hrs	1,466	335	337.6%	359	308.4%
Subtotal	11,725	11,081	5.8%	10,984	6.7%
O/P Observation Cases <24 hrs	3,589	3,947	(9.1)%	3,782	(5.1)%
Total Admissions	15,314	15,028	1.9%	14,766	3.7%
ER Total Visits	55,123	58,014	(5.0)%	56,900	(3.1)%
Total Surgical Cases	6,905	7,839	(11.9)%	7,138	(3.3)%
GBR/Volume Variance (2)	(5.0)%			(7.2)%	
Efficiency					
CMA LOS - (LOS / CMI)	4.94	5.31	7.0%	5.05	2.1%
Hospital Readmission Rate/HSCRC	11.8%	10.8%	(9.4)%	12.2%	3.0%
ER Level 1 Visits	1,612	2,054	21.5%	2,012	19.9%
Hospital Acquired Complications Score	0.63	0.45	40.0%	0.71	(11.3)%
Cost per Capita (PSA) (1)	$ 4,039	$ 3,972	(1.7)%	N/A	N/A
Patient Satisfaction					
HCAHPS Score	66.1%	65.5%	0.9%	65.7%	0.6%

(1) - Quarterly

(2) - Current year actual vs. Rate Order

LIFEBRIDGE HEALTH®
The Future of Health Care is Here

Carroll Hospital

Key Management Statistics – Acute Care – June YTD

	Actual	Budget/ Target	Fav/(Unfav) Variance %	Prior Year	Fav/(Unfav) Variance %
Volumes					
Total Admissions	11,130	10,990	1.3%	10,980	1.4%
O/P Observation Cases >24 hrs	1,642	1,385	18.6%	1,474	11.4%
Subtotal	12,772	12,375	3.2%	12,454	2.6%
O/P Observation Cases <24 hrs	1,970	2,080	(5.3)%	2,008	(1.9)%
Total Admissions	14,742	14,455	2.0%	14,462	1.9%
ER Total Visits	48,024	50,200	(4.3)%	50,347	(4.6)%
Total Surgical Cases	6,540	6,870	(4.8)%	6,935	(5.7)%
GBR/Volume Variance (2)	(1.1)%			(3.7)%	
Efficiency					
CMA LOS - (LOS / CMI)	4.29	4.09	(4.5)%	4.15	(3.1)%
Hospital Readmission Rate/HSCRC	11.4%	10.8%	(5.7)%	11.1%	(2.6)%
ER Level 1 Visits	2,063	1,994	(3.5)%	2,045	(0.9)%
Hospital Acquired Complications Score	0.31	0.45	(31.1)%	0.57	(45.6)%
Cost per Capita (PSA) (1)	$ 4,039	$ 3,972	(1.7)%	N/A	N/A
Patient Satisfaction					
HCAHPS Score	65.6%	65.9%	(0.5)%	65.9%	(0.5)%

(1) - Quarterly

(2) - Current year actual vs. Rate Order

LIFEBRIDGE HEALTH
The Future of Health Care is Here

Levindale

Key Management Statistics – Post Acute Care – June YTD

	Actual	Budget/ Target	Fav/ (Unfav) Variance %	Prior Year	Fav/ (Unfav) Variance %
Specialty Hospital					
Specialty Hospital ADC	101	99	1.6%	98	2.5%
GBR/Volume Variance (2)	(11.5)%			(11.4)%	
Cost per Capita (PSA) (1)	$ 4,039	$ 3,972	(1.7)%	N/A	N/A
Hospital Readmissions Rate/HSCRC	11.1%	10.8%	(2.8)%	9.8%	(13.6)%
Subacute					
Sub Acute ADC	52	56	(7.9)%	53	(1.8)%
Nursing Home					
Nursing Home ADC	151	145	3.9%	150	0.5%
Nursing Home Readmissions to LBH	30	56	46.4%	56	46.4%
Nursing Home Readmission % to LBH	10.9%	17.1%	36.3%	17.1%	36.3%

(1) - Quarterly

(2) - Current year actual vs. Rate Order

LIFEBRIDGE HEALTH
The Future of Health Care is Here

LifeBridge Health, Inc.
Licensed Beds
June 30, 2018

Category	Service	Sinai	Northwest	Carroll	Levindale	Total Obligated Group	Total LifeBridge
Hospital*							
	Med/Surg	293	165	99		557	557
	Hospice			-			-
	OB	27		20		47	47
	Peds	26		7		33	33
	Psych	24	37	20		81	81
	Acute Rehab	57		-		57	57
	Chronic Medicine			-	100	100	100
	Chronic Rehab				20	20	20
Total Hospital		427	202	146	120	895	895
Nursing Home**							
	Subacute		39		60	99	99
	General Nursing Home				150	150	150
Total Nursing Home			39		210	249	249
Total Beds		**427**	**241**	**146**	**330**	**1,144**	**1,144**

* Sinai also operates a 21-bed neonatal intensive care unit and a 35-bassinet normal newborn nursery

** Maryland's licensure law does not distinguish between subacute and general nursing home beds. All nursing home beds throughout the LifeBridge system are certified to serve as subacute beds.

Consolidated LifeBridge Health, Inc. - Obligated Group
Revenue by Financial Class-Payor Mix
FY 2014, FY 2015, FY 2016, FY 2017 and the Twelve Months Ended June 30, 2018

	FY 2014 July 1, 2013 - June 30, 2014			Fy 2015 July 1, 2014 - June 30, 2015 (Includes three months of Carroll Revenue)			FY 2016 July 1, 2015 - June 30, 2016			FY 2017 July 1, 2016 - June 30, 2017			FY 2018 July 1, 2017 - June 30, 2018		
	Payor	Amount	%	Payor	Amount	%	Payor	Amount	%	Payor	Amount	%	Payor	Amount	%
(1)	Blue Cross	141,839,187	13.56%	Blue Cross	137,898,256	12.22%	Blue Cross	154,827,023	11.78%	Blue Cross	138,022,289	10.28%	Blue Cross	130,243,899	9.542%
(2)	Commercial	121,539,398	11.62%	Commercial	130,663,080	11.58%	Commercial	160,521,092	12.21%	Commercial	181,112,481	13.50%	Commercial	190,601,521	13.964%
(3)	HMO	52,440,641	5.01%	HMO	60,211,127	5.34%	HMO	76,102,984	5.79%	HMO	74,012,143	5.51%	HMO	70,316,214	5.152%
(4)	Medicare	438,054,871	41.89%	Medicare	480,161,146	42.57%	Medicare	577,995,705	43.98%	Medicare	586,524,307	43.70%	Medicare	598,293,613	43.833%
(5)	Medicaid	44,639,982	4.27%	Medicaid	52,456,276	4.65%	Medicaid	80,281,076	6.11%	Medicaid	79,205,218	5.90%	Medicaid	78,534,977	5.754%
(6)	Selfpay	59,229,617	5.66%	Selfpay	51,768,937	4.59%	Selfpay	51,363,953	3.91%	Selfpay	44,631,070	3.33%	Selfpay	44,484,125	3.259%
(7)	Other	188,088,554	17.98%	Other	214,904,619	19.05%	Other	213,214,219	16.22%	Other	238,552,601	17.78%	Other	252,474,135	18.497%
		1,045,832,249	100.00%		1,128,063,441	100.00%		1,314,306,052	100.00%		1,342,060,109	100.00%		1,364,948,485	100.00%

*Note:Other includes Worker's Comp, M/A HMO, Medicare HMO, Hospice and some other misc categories

LifeBridge Health, Inc. and Subsidiaries
Long-Term Investments
June 30, 2018

	Long-term Investments
Cash and cash equivalents	2.0%
Equities	30.8%
Mutual funds	43.6%
Alternative Investments	22.4%
Government Securities	0.4%
Fixed Income	0.8%
	100.0%

RCM&D

MORE THAN A BROKER

555 Fairmount Avenue
Baltimore, MD 21286

Phone 410 339 7263
Fax 410 339 7234
Toll-Free 800 346 4075

www.rcmd.com

November 20, 2018

Maryland Health and Higher Educational
Facilities Authority
401 Pratt Street, Suite 1224
Baltimore, MD 21202

The Bank of New York Mellon, as Trustee
385 Rifle Camp Road
West Paterson, NJ 07424

Re: Maryland Health and Higher Educational Facilities Authority
Revenue Bonds, LifeBridge Health Issue, Series 2017

Gentlemen:

We have reviewed the enclosed evidence of insurance as applicable to the insurance requirements of LifeBridge Health, Inc. (the "Institution") under the LifeBridge Health Bond Resolution adopted by Maryland Health and Higher Educational Facilities Authority (the "Authority") and dated as of January 1, 2008 (as amended and supplemented, the "Resolution") and the Master Loan Agreement dated as of January 1, 2008 (as amended and supplemented, the "Loan Agreement") by and between the Authority and the Institution and its subsidiaries Sinai Hospital of Baltimore, Inc., Northwest Hospital Center, Inc., Levindale Hebrew Geriatric Center and Hospital, Inc., The Baltimore Jewish Health Foundation, Inc., Children's Hospital at Sinai Foundation, Inc., Carroll County Health Services Corporation, Carroll Hospital Center, Inc., Carroll Hospice, Inc., Carroll County Med-Services, Inc., Carroll Health Group, LLC and Carroll Regional Cancer Center Physicians, LLC.

On the basis of the property values, earnings data, and known prior losses provided by the Institution, and within the provisions of the coverage provided by standard forms of insurance, it is our opinion that the coverage identified in the enclosed evidence of insurance meets the requirements of the Resolution and the Loan Agreement, including Section 7.01 of the Loan Agreement.

All coverages outlined remain in force or have been renewed through normal process as of this date. All premiums due have been paid and premium payments remain current.

This letter is in no way alters or is intended to alter the coverages, conditions or exclusions as set forth in the policies.

Sincerely,

Angela Stoddard

Angela Stoddard, MBA, ACI
Client Executive

AS/rle
Enclosure(s)

Assurex GLOBAL

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 01/31/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Riggs, Counselman, Michaels & Downes
555 Fairmount Avenue
Baltimore, MD 21286
(410) 339-7263

CONTACT NAME: Phyllis Heline, ACSR
PHONE (A/C, No, Ext): 410-339-5880 ext. 1298
FAX (A/C, No): (410) 769-6483
E-MAIL ADDRESS: pheline@rcmd.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Allied World Specialty Insurance Company	16624
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
LifeBridge Health, Inc.
2401 W Belvedere Ave

Baltimore, MD 21215

COVERAGES **CERTIFICATE NUMBER:** 947768 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY CLAIMS-MADE / OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY / PRO-JECT / LOC						EACH OCCURRENCE	$
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
							GENERAL AGGREGATE	$
							PRODUCTS - COMP/OP AGG	$
								$
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS / SCHEDULED AUTOS HIRED AUTOS / NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident)	$
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB / OCCUR **EXCESS LIAB** / CLAIMS-MADE DED / RETENTION $						EACH OCCURRENCE	$
							AGGREGATE	$
								$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? **(Mandatory in NH)** If yes, describe under DESCRIPTION OF OPERATIONS below	N / A					WC STATU-TORY LIMITS / OTH-ER	
							E.L. EACH ACCIDENT	$
							E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$
A	Directors & Officers Liability			03081262	1/31/2018	1/31/2019	D&O: $5,000,000 Shared Limit with EPL/$10,000,000 Policy Aggregate; $250,000 Retention All Claims	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Evidencing coverage as respects to the above Named Insured

CERTIFICATE HOLDER

Maryland Health and Higher Educational Facilities Authority
401 E. Pratt Street, #1224

Baltimore , MD 21202

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Albert R. Counselman

Client # 1523 Mst # 18-19 D&O-EPL Subject

EVIDENCE OF PROPERTY INSURANCE

ACORD®

DATE (MM/DD/YYYY): 01/30/2018

THIS EVIDENCE OF PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS EVIDENCE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE ADDITIONAL INTEREST.

AGENCY PHONE (A/C, No, Ext): (410) 339-5880 x1298 Riggs, Counselman, Michaels & Downes 555 Fairmount Avenue Baltimore, MD 21286 (410) 339-7263	**COMPANY** Beazley Insurance Co., Inc. 30 Batterson Park Road Farmington, CT 06032
FAX (A/C, No): (410) 769-6483 E-MAIL ADDRESS: pheline@rcmd.com	
CODE: SUB CODE:	
AGENCY CUSTOMER ID #: 1523	
INSURED LifeBridge Health, Inc. 2401 W Belvedere Ave Baltimore, MD 21215	**LOAN NUMBER** / **POLICY NUMBER** V135CF180601 **EFFECTIVE DATE** 1/31/2018 / **EXPIRATION DATE** 1/31/2019 / ☐ CONTINUED UNTIL TERMINATED IF CHECKED **THIS REPLACES PRIOR EVIDENCE DATED:**

PROPERTY INFORMATION

LOCATION/DESCRIPTION

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

COVERAGE INFORMATION

COVERAGE / PERILS / FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
Client Property Coverage	$5,000,000	$50,000
Computer Fraud and Funds Transfer Fraud	$5,000,000	$50,000
Credit Card Coverage	$5,000,000	$1,000
Employee Dishonesty	$5,000,000	$50,000
Expense Coverage Aggregate	$100,000	$0
Forgery or Alteration	$5,000,000	$50,000
In Tranist	$5,000,000	$50,000
Money Orders and Counterfeit Paper Currence Fraud	$5,000,000	$1,000
On Premises	$5,000,000	$50,000

REMARKS (Including Special Conditions)

Evidencing insurance coverage as respects to the Master Loan Agreement

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

ADDITIONAL INTEREST

NAME AND ADDRESS Maryland Health and Higher Educational Facilities Authority 401 E. Pratt Street, #1224 Baltimore , MD 21202	☐ MORTGAGEE ☐ ADDITIONAL INSURED ☐ LOSS PAYEE ☐ LOAN # AUTHORIZED REPRESENTATIVE Albert R. Counselman

Client # 1523 Mst #

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 07/02/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Riggs, Counselman, Michaels & Downes
555 Fairmount Avenue
Baltimore, MD 21286
(410) 339-7263

CONTACT NAME: Rebecca Egbert, CLCS, CISR, ACSR
PHONE (A/C, No, Ext): 410 3397263 1619
FAX (A/C, No): (410) 769-6483
E-MAIL ADDRESS: REgbert@rcmd.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Safety National Casualty Corporation	15105
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
LifeBridge Health, Inc.
2401 W Belvedere Ave

Baltimore, MD 21215

COVERAGES **CERTIFICATE NUMBER:** 994511 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY CLAIMS-MADE / OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY / PRO-JECT / LOC						EACH OCCURRENCE	$
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
							GENERAL AGGREGATE	$
							PRODUCTS - COMP/OP AGG	$
								$
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS / SCHEDULED AUTOS HIRED AUTOS / NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident)	$
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB / OCCUR **EXCESS LIAB** / CLAIMS-MADE DED / RETENTION $						EACH OCCURRENCE	$
							AGGREGATE	$
								$
A	**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY** Y / N ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? **(Mandatory in NH)** If yes, describe under DESCRIPTION OF OPERATIONS below	N / A		AGC4059020	7/15/2018	7/15/2020	X WC STATU-TORY LIMITS / OTH-ER	
							E.L. EACH ACCIDENT	$ $1,000,000
							E.L. DISEASE - EA EMPLOYEE	$ $1,000,000
							E.L. DISEASE - POLICY LIMIT	$ $1,000,000
A	Workers Compensation			AGC4059020	7/15/2018	7/15/2020	$450,000 Self Insured Retention Statutory Limit	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Evidencing insurance coverage as respects to the Master Loan Agreement dated March 24, 2004

CERTIFICATE HOLDER

MD Health & Higher Educational Facilities Authority
401 E. Pratt Street #1224

Baltimore, MD 21202

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
Albert R. Counselman

Client # 1523 Mst # 18 19 XWC Subject MARYLAND H

EVIDENCE OF PROPERTY INSURANCE

ACORD®

DATE (MM/DD/YYYY): 09/27/2018

THIS EVIDENCE OF PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS EVIDENCE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE ADDITIONAL INTEREST.

AGENCY — PHONE (A/C, No, Ext): (410) 339-7263 x1619

Riggs, Counselman, Michaels & Downes
555 Fairmount Avenue
Baltimore, MD 21286
(410) 339-7263

FAX (A/C, No): (410) 769-6483 — E-MAIL ADDRESS: REgbert@rcmd.com

CODE: — SUB CODE:

AGENCY CUSTOMER ID #: 1523

COMPANY

Affiliated FM Insurance Company

270 Central Avenue
Johnston, RI 02919-4949

INSURED

LifeBridge Health, Inc.
2401 W Belvedere Ave

Baltimore, MD 21215

LOAN NUMBER	POLICY NUMBER
	WD488

EFFECTIVE DATE	EXPIRATION DATE	CONTINUED UNTIL TERMINATED IF CHECKED
10/1/2018	10/1/2019	☐

THIS REPLACES PRIOR EVIDENCE DATED:

PROPERTY INFORMATION

LOCATION/DESCRIPTION

Includes leased or rented equipment
Valued for Replacement Cost

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

COVERAGE INFORMATION

COVERAGE / PERILS / FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
Blanket Building, Contents and Business Income	$1,250,000,000	$50,000
Business Income & Extra Expense	12 Months ALS	
Special Form Coverage		
Tenants Improvements & Betterments	Included	

REMARKS (Including Special Conditions)

The Certificate Holder named below is included as a mortgagee. Northwest, Sinai and Levindale are all covered locations.

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

ADDITIONAL INTEREST

NAME AND ADDRESS

MD Health & Higher Educational Facilities Authority
401 E. Pratt Street #1224

Baltimore, MD 21202

X MORTGAGEE
☐ LOSS PAYEE
☐ ADDITIONAL INSURED

LOAN #

AUTHORIZED REPRESENTATIVE

Albert R. Counselman

ACORD 27 (2009/12) 18-19 Property — Cert Holder # 1012923

Client # 1523 — Mst #

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 06/29/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	
N/A P.O. Box 1085GT 113 South Church Street Georgetown, Grand Cayman, Cayman Islands	CONTACT NAME: Rebecca Egbert, CLCS, CISR, ACSR PHONE (A/C, No, Ext): 410 3397263 1619 FAX (A/C, No): (410) 769-6483 E-MAIL ADDRESS: REgbert@rcmd.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Lifebridge Insurance Co., Ltd.	
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
LifeBridge Health, Inc.
2401 W Belvedere Ave

Baltimore, MD 21215

COVERAGES **CERTIFICATE NUMBER:** 992270 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY X CLAIMS-MADE ☐ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☐ LOC			718191	7/1/2018	7/1/2019	EACH OCCURRENCE	$ $2,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
							GENERAL AGGREGATE	$ Unlimited
							PRODUCTS - COMP/OP AGG	$
								$
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ☐ NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident)	$
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
	☐ UMBRELLA LIAB ☐ OCCUR ☐ EXCESS LIAB ☐ CLAIMS-MADE ☐ DED ☐ RETENTION $						EACH OCCURRENCE	$
							AGGREGATE	$
								$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☐ (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A					WC STATU-TORY LIMITS / OTH-ER	
							E.L. EACH ACCIDENT	$
							E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Master Equipment Lease and Sublease agreement among Banc of America Leasing & Capital, LLC Maryland Health & Higher Educational Facilities Authority, lessee and Sinai Hospital, Northwest Hospital and Levindale Hospital

CERTIFICATE HOLDER	CANCELLATION
MD Health & Higher Educational Facilities Authority 401 E. Pratt Street #1224 Baltimore, MD 21202	**SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.** AUTHORIZED REPRESENTATIVE RLeadbetter

Client # 1523 Mst # 18 19 Captive GL Subject MDHEALTH

ACORD® CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 07/02/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Riggs, Counselman, Michaels & Downes
555 Fairmount Avenue
Baltimore, MD 21286
(410) 339-7263

CONTACT NAME: Rebecca Egbert, CLCS, CISR, ACSR
PHONE (A/C, No, Ext): 410 3397263 1619 | FAX (A/C, No): (410) 769-6483
E-MAIL ADDRESS: REgbert@rcmd.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Travelers Casualty and Surety Company of America	31194
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
LifeBridge Health, Inc.
2401 W Belvedere Ave

Baltimore, MD 21215

COVERAGES **CERTIFICATE NUMBER:** 992457 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	GENERAL LIABILITY ☐ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☐ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☐ LOC						EACH OCCURRENCE	$
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
							GENERAL AGGREGATE	$
							PRODUCTS - COMP/OP AGG	$
								$
A	**AUTOMOBILE LIABILITY** X ANY AUTO ☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ☐ NON-OWNED AUTOS X $1,000 Comp X $1,000 Coll Ded			P8101H17647118	7/1/2018	7/1/2019	COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
	☐ **UMBRELLA LIAB** ☐ OCCUR ☐ **EXCESS LIAB** ☐ CLAIMS-MADE ☐ DED ☐ RETENTION $						EACH OCCURRENCE	$
							AGGREGATE	$
								$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☐ **(Mandatory in NH)** If yes, describe under DESCRIPTION OF OPERATIONS below	N / A					☐ WC STATU-TORY LIMITS ☐ OTH-ER	
							E.L. EACH ACCIDENT	$
							E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Evidencing insurance coverage as respects to the Master Loan Agreement

CERTIFICATE HOLDER

MD Health & Higher Educational Facilities Authority
401 E. Pratt Street #1224

Baltimore, MD 21202

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
Albert R. Counselman

Client # 1523 Mst # 18 19 Auto Subject MARYLAND H

CERTIFICATE OF LIABILITY INSURANCE

ACORD®

DATE (MM/DD/YYYY): 11/20/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Riggs, Counselman, Michaels & Downes
555 Fairmount Avenue
Baltimore, MD 21286
(410) 339-7263

CONTACT NAME: Rebecca Egbert, CLCS, CISR, ACSR
PHONE (A/C, No, Ext): 410 3397263 1619
FAX (A/C, No): (410) 769-6483
E-MAIL ADDRESS: REgbert@rcmd.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : ACE Property & Casualty Insurance Company	20699
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
LifeBridge Health, Inc.
2401 W. Belvedere Ave.

Baltimore, MD 21215

COVERAGES CERTIFICATE NUMBER: 997239 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY CLAIMS-MADE / OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY / PRO-JECT / LOC						EACH OCCURRENCE	$
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
							GENERAL AGGREGATE	$
							PRODUCTS - COMP/OP AGG	$
								$
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS / SCHEDULED AUTOS HIRED AUTOS / NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident)	$
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB / OCCUR EXCESS LIAB / CLAIMS-MADE DED / RETENTION $						EACH OCCURRENCE	$
							AGGREGATE	$
								$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N / A					WC STATU-TORY LIMITS / OTH-ER	
							E.L. EACH ACCIDENT	$
							E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$
A	Aviation			AAPN11235712002	7/1/2018	7/1/2021	$25,000,000 Each Occurrence Limit/Aggregate Limit $1,000,000 Hangarkeepers limit any one	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER

Maryland Health and Higher Educational Facilities Authority
401 E. Pratt Street, #1224

Baltimore , MD 21202

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Albert R. Counselman

Client # 1523 Mst # 18-21 Aviation Subject