

**OFFICIAL MINUTES**  
**California Health Facilities Financing Authority**

**915 Capitol Mall, Room 587**  
**Sacramento, California**  
**Thursday, January 31, 2002**  
**1:45 PM**

The Meeting was called to order by Anne Stausboll sitting for Chairman Philip Angelides. Members present were Annette Porini (sitting for Tim Gage), Cindi Aronberg (sitting for Kathleen Connell), George Monardo and Harry Bistrin. Also present were staff members Sumi Sousa, Executive Director, Terry Partington, Deputy Executive Director, Gina Greer, Counsel to the Authority, Connie Le Louis, Attorney General's Office, and Bob Kittredge, Financial Advisor, PricewaterhouseCoopers LLP.

The minutes of the December 8, 2001, meeting were submitted for approval. However, Board Member George Monardo requested that the minutes be amended to further clarify the availability of subsidized housing for seniors at one of the locations of the Episcopal Homes that was not the subject of the December transaction.

The Executive Director's Report was presented covering the month of December. As of December 31, 2001, bonds outstanding totaled \$6,337,777,952 and the fund balance was \$7,693,789.80. The Executive Director also reported that there were 10 borrowers with over \$100 million in CHFFA debt with a combined balance outstanding of \$5,056,834,859, which represents 80% of all CHFFA debt outstanding, and 10 equipment financings with a total balance outstanding of \$65,045,842. No equipment financings closed during the month. The Executive Director also reported a HELP II loan fund balance of \$18,601,691 as of December 31, 2001.

**Resolution No. HII-111** – Valley Health Team, Inc. ("VHT") requested the Authority to approve a HELP II loan resolution in an amount not to exceed \$400,000 for a term of 15 years. VHT will use the loan proceeds to construct a new administration office building, a medical mobile unit building, an ambulance and file storage area, and a heliport. Staff recommended the Authority approve the resolution in an amount not to exceed \$400,000 for a term of 15 years for Valley Health Team, Inc., subject to the standard HELP II loan provisions. After discussion by the Authority, a motion was made and seconded and the resolution was unanimously approved.

**Resolution No. HII-113** – Hill Country Community Clinic, Inc. ("HC") requested the Authority to approve a HELP II loan resolution in an amount not to exceed \$250,000 for a term of 15 years. HC will use the loan proceeds to finance a portion of a construction project that will expand the existing facility. Staff recommended the Authority approve the resolution for a HELP II Loan for Hill Country Community Clinic, Inc. in an amount not to exceed \$250,000 for a term of 10 years as provided under the HELP II guidelines and subject to the standard HELP II loan provisions. After discussion by the Authority, a motion was made and seconded and the resolution was unanimously approved as recommended by staff.

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**Amendment to Resolution No. HII-106** – Northern California INALLIANCE (“NCI”) requested the Authority approve a change of position of the Authority’s lien on the Deed of Trust from a first to a second position, in order to subordinate its HELP II loan to the HealthCap loan, and to clarify the Authority’s second position on the lien on corporate gross revenues. Staff recommended the Authority approve the Amendment to Resolution HII-106 for Northern California INALLIANCE allowing NCB Development Corporation to be in the first lien position on the Deed of Trust and corporate gross revenues and the Authority in second lien position on the Deed of Trust and corporate gross revenues. After discussion by the Authority, a motion was made and seconded and the resolution was unanimously approved as recommended by staff.

**Resolution No. 2002-01, First Amendment to Indentures** – San Diego Hospital Association (“SDHA”), requested the Authority to approve an amendment to the Indentures for the outstanding Series 1992A and Series 1992B bonds to allow the purchase of the bonds rather than the redemption of those bonds under Section 4.01(B). By purchasing the bonds rather than issuing refunding bonds, SDHA will recognize considerable savings. Staff recommended the Authority approve and authorize execution and delivery of the First Amendment to the Indentures for San Diego Hospital Association Insured Revenue Refunding Bonds Series 1992A and San Diego Hospital Association Insured Revenue Bonds Series 1992 B which adds to each Indenture Section 3.05, Purchases of Bonds, subject to receipt of final approval of the amendment by MBIA. After discussion by the Authority, a motion was made and seconded and the resolution was unanimously approved.

**Resolution No. 2002-02** – The Authority staff recommended approving 49 requests for extensions to the documentation deadline for the release of grant funds required under the Cedillo–Alarcón Community Clinic Investment Act of 2000, due to extraordinary circumstances that prevent the clinics from meeting this date. After discussion by the Authority, a motion was made and seconded to approve the recommended extension dates plus an additional six weeks. Those grant recipients that did not request an extension beyond February 28, 2002 deadline were also granted an additional six weeks.

Having no other business, the meeting was adjourned.