

OFFICIAL MINUTES
California Health Facilities Financing Authority

915 Capitol Mall, Room 587
Sacramento, California
Thursday, May 30, 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), Harry Bistrin, George Monardo and Dr. Theodore Hariton. 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, Leslie Lava, Law Offices of Leslie Lava and Bob Kittredge, Financial Advisor, PricewaterhouseCoopers LLP.

The minutes of the April 25, 2002, meeting were submitted for approval. Board Member George Monardo requested clarification on Resolution No. 2002-10 concerning reporting of financial status of borrowers to Authority Board. After clarification on Resolution No. 2002-10 was made by the Chair, the minutes were approved as submitted.

The Executive Director's Report was presented covering the month of April 2002. As of April 30, 2002, bonds outstanding totaled \$6,454,330,717 and the fund balance was \$6,967,037. The Executive Director also reported that there were 10 borrowers with over \$100 million in CHFFA debt with a combined balance outstanding of \$5,043,318,500, which represents 78% of all CHFFA debt outstanding, and 9 equipment financings with a total balance outstanding of \$58,708,607. No equipment financings closed during the month. The Executive Director also reported a HELP II loan fund balance of \$14,810,925 as of April 30, 2002 and a clinic grant fund balance of \$21,571,895 as of April 30, 2002.

The Executive Director provided a list of borrowers with Outstanding Bonds to the Authority.

Resolution No. F-293 – Aldersly requested the Authority to approve a bond issue Resolution in an amount not to exceed \$7,500,000. Aldersly will use the loan proceeds to construct a new 30-unit Assisted Living Facility to expand its capacity for new residents. Staff recommended the Authority approve a Resolution in an amount not to exceed \$7,500,000 for Aldersly, subject to a final insurance commitment from Cal-Mortgage. After discussion by the Authority, a motion was made and seconded and the Resolution was unanimously approved.

Resolution No. P-37 – Ridgecrest Regional Hospital ("RRH") requested the Authority to approve a Pooled Loan Program 1985 Series B loan in an amount not to exceed \$3,700,000. RRH will use the loan proceeds to purchase medical equipment and to fund various renovations. Staff recommended the Authority approve a Resolution providing for a Pooled Loan Program 1985 Series B loan in an amount not to exceed \$3,700,000 for Ridgecrest Regional Hospital, subject to a back-up letter of credit as required by FGIC. After discussion by the Authority, a motion was made and seconded and the Resolution was unanimously approved.

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Resolution No. HII-110 – National Health Services Inc. (“NHSI”) requested the Authority to approve a HELP II loan Resolution in an amount not to exceed \$400,000 for a term of 5 years. NHSI will use loan proceeds to furnish the Shafter Medical and Dental Center that is currently under construction. Staff recommended the Authority approve the Resolution in an amount not to exceed \$400,000 for a term not to exceed 5 years for National Health Services 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-122 – Operation Samahan, Inc. (“OS”) requested the Authority to approve a HELP II loan Resolution in an amount not to exceed \$250,000 for a term of 10 years. OS will use the loan proceeds to renovate an existing building located in National City and for equipment. In addition, OS seeks to refinance an existing mortgage loan secured by this facility, which has a balloon payment due in June 2002. Annual savings are estimated to be approximately \$8,400 due to the lower HELP II interest rate (8.65% vs. 3.0%). Staff recommended the Authority approve the Resolution in an amount not to exceed \$250,000 for a term not to exceed 10 years for Operation Samahan, Inc., subject to a final appraised value on the National City property satisfactory to the Authority and 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. 2002-11 – The Authority staff recommended the Authority approve and authorize execution and delivery of the First Amendment to Indenture for Children’s Hospital of Orange County Insured Revenue Bonds 1991 and Children’s Hospital of Orange County Insured Revenue Bonds 1994 which allows for a future master indenture structure to replace existing covenants if specified conditions are met. After discussion by the Authority, a motion was made and seconded and the Resolution was unanimously approved.

Resolution No. 2002-12 – The Authority staff recommended the Authority approve and authorize execution and delivery of the First Amendment to Indenture for Scripps Health (formerly Scripps Memorial Hospitals) Insured Revenue Bonds 1991 Series B which amends section 4.01(E) to specify that if the standby liquidity provider is called upon, the Bank bonds will be termed-out in five years. After discussion by the Authority, a motion was made and seconded and the Resolution was unanimously approved.

Information Item – Staff presented the quarterly report of the HELP II Loan Program.

Having no other business, the meeting was adjourned.