

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY  
TAX-EXEMPT EQUIPMENT FINANCING PROGRAM  
EXECUTIVE SUMMARY**

<b>Applicant:</b> PIH Health, Inc. (PIH) 12401 Washington Boulevard Whittier, CA 90602 (Los Angeles County)	<b>Amount Requested:</b> \$150,000,000 <b>Requested Loan Term:</b> Up to 10 years <b>Authority Meeting Date:</b> August 28, 2025 <b>Resolution Number:</b> E-29
<b>Project Sites:</b> See Exhibit 1 <b>Facility Type:</b> Acute Care Hospital <b>Eligibility:</b> Government Code Section 15432(d)(1) <b>Prior Borrower:</b> Yes (date of last CHFFA issue, August 2020) <b>PIH Obligated Entities:</b> Identified in the Background and Licensure section	
<b>Background:</b> PIH is a nonprofit regional healthcare network with three hospitals, various outpatient medical offices, a multispecialty medical group, home healthcare services, hospice care as well as heart, cancer and emergency services that serve approximately three million residents in Los Angeles and Orange counties.	
<b>Use of Proceeds:</b> Note proceeds will be used to purchase and implement a new electronic medical record (EMR) system to replace an older system. EMR is a cloud-based application and will be utilized across all PIH facilities.	
<b>Type of Issues:</b> Private placement of tax-exempt and/or taxable equipment notes <b>Expected Credit Rating:</b> Unrated – (Please see Guideline Discussion on page 3) <b>Financing Team:</b> <i>Please see Exhibit 2 to identify possible Conflicts of Interest</i>	
<b>Financial Overview:</b> PIH has exhibited increasing total revenues over the review period, supported by increased patient service revenue. PIH’s total assets increased during review period and exhibited a pro-forma FY 2024 net debt service coverage ratio of 2.8x for FY 2024.	
<b><u>Estimated Sources of Funds:</u></b>	<b><u>Estimated Uses of Funds:</u></b>
Par amount of CHFFA notes      \$150,000,000	Equipment Purchase/Installation      \$149,300,000
	Financing costs <u>700,000</u>
Estimated Total Sources <u>\$150,000,000</u>	Estimated Total Uses <u>\$150,000,000</u>
<b>Due Diligence:</b> Staff has confirmed the following documentation provided by PIH satisfies the California Health Facilities Financing Authority’s (Authority or CHFFA) requirements: Eligibility, Legal Review, and the certifications for Pass-Through Savings and Community Service.	
<b>Staff Recommendation:</b> Staff recommends the Authority approve Resolution Number E-29 in an amount not to exceed \$150,000,000 for PIH Health, Inc. subject to the conditions in the resolution. TAP International, Inc., the Authority’s financial analyst, and KNN Public Finance, LLC, the Authority’s municipal advisor, concur with the Authority’s staff recommendation.	

**Disclaimer:** Any information related to the borrower, including any data or analysis related to the borrower’s financial condition or ability to repay the financing, described in this staff report is based on information provided by the borrower and was prepared solely for members of the Authority’s Board and to satisfy certain provisions of the California Health Facilities Financing Authority Act (Gov. Code, §15430 et seq.). Prospective investors should not rely on information in this staff report and must perform their own due diligence to obtain information essential to making an informed investment decision.

**I. PURPOSE OF FINANCING:**

PIH requests the Authority issue tax-exempt and/or taxable note and loan the proceeds thereof to PIH to purchase and implement a new Epic EMR system to replace an older system. The Epic EMR system is a cloud-based application and will be utilized across all PIH facilities. Proceeds from the note will be used to finance EMR costs, including software, hardware, server and data storage, vendor licenses and subscription, consultants, and internal information technology resources. The implementation of the Epic EMR system will improve efficiency by centralizing patient data, facilitating order entry, and optimizing scheduling processes. The Epic EMR system will also allow for the modernization of PIH's revenue cycle system, reduce the number of subsidiary systems, reduce cost, and increase efficiency, thus further enhancing PIH's mission of expanding access to high quality care services to their patients and communities.

**Equipment..... \$149,300,000**

The Epic EMR system will support functions related to patient care, including registration and scheduling; clinical systems for doctors, nurses, emergency personnel, and other care providers; systems for lab technologists, pharmacists, and radiologists; and billing systems for insurers. The Epic EMR system will be used at all PIH facilities. PIH plans to begin installing the Epic EMR system in October 2025 and anticipates it will be fully implemented and in service by the first calendar quarter of 2027. The Epic EMR system has an expected useful life of ten years.

**Financing Costs..... 700,000**

Estimated cost of issuance ..... \$700,000

**Total Estimated Uses of Funds..... \$150,000,000**

## II. GUIDELINE DISCUSSION:

The California Health Facilities Financing Authority Program Revenue Note (PIH Health Equipment Project) (each series, a “Note” and collectively, the “Notes”) will be an unrated private placement with Banc of America Public Capital Corp (BAPCC or the Lender) or an Affiliate<sup>(1)</sup> thereof pursuant to a Master Financing Agreement between the Authority, BAPCC, and PIH Health, Inc., PIH Health Whittier Hospital, PIH Health Downey Hospital, PIH Health Good Samaritan Hospital and PIH Health Management Corp. (together, the “Obligated Entities”). The Authority’s Bond Issuance Guidelines for Unrated Debt (Debt Guidelines) for the Equipment Program states the following requirements be applied to the issuance of the Note:

- Must be privately placed with and transferred only to an Affiliate or a “Qualified Institutional Buyer” (QIB) as defined by SEC Rule 144A, promulgated under the Securities Act of 1933
- Minimum denomination of \$100,000

All of the foregoing requirements are designed to maximize the likelihood that the unrated Notes will be placed with sophisticated investors given the higher risk typically perceived to be associated with unrated debt. Each Note is expected to be unrated because BAPCC does not require the Notes to be rated. The Debt Guidelines require the initial and subsequent purchaser (including any affiliate of Lender) to be a QIB under SEC Rule 144A and will make an independent credit determination to purchase each Note.

- (1) Affiliate means, with respect to the Lender, any entity that, directly or indirectly, controls, or is controlled by, or is under common control with, the Lender. An entity shall be deemed to control another entity for the purpose of this definition if such first entity possesses, directly or indirectly, the power to direct, or cause the direction of the management and policies of the second entity, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise.

Staff has completed its due diligence, and KNN has reviewed the Master Financing Agreement and Equipment Schedule associated with this financing package and found these documents to be acceptable.

### III. FINANCIAL STATEMENTS AND ANALYSIS:

**PIH Health, Inc. and Subsidiaries**  
**Statement of Activities**  
**(Income Statement)**

	For the Years Ended September 30,		
	(In Thousands)		
	2024	2023	2022
<b>Revenues:</b>			
Patient service revenues, net	\$ 1,103,231	\$ 1,043,962	\$ 1,056,110
Hospital fee program	149,175	99,512	132,284
Net patient service revenues	1,252,406	1,143,474	1,188,394
Capitation revenue	142,649	131,140	115,906
Other operating revenue	111,380	80,210	60,250
Net assets released from restrictions used for operations	4,147	2,626	4,887
Total revenues	1,510,582	1,357,450	1,369,437
<b>Expenses:</b>			
Salaries and wages	540,214	519,622	515,278
Purchased services	180,216	195,495	162,814
Medical supplies and drugs	226,366	214,621	220,179
Employee benefits	197,954	192,060	176,942
Professional fees	53,913	55,960	66,055
Depreciation and amortization	46,493	44,156	42,575
Other expenses	88,700	82,127	67,758
Interest expense	29,462	26,848	12,115
Insurance	13,328	20,560	10,007
Rent expense	7,531	8,537	6,984
Management services expense	-	3,527	3,046
Hospital Fee Program	101,146	55,133	70,036
Total expenses	1,485,323	1,418,646	1,353,789
Excess of revenues (deficit) over expenses	25,259	(61,196)	15,648
<b>Other gains (losses):</b>			
Net investment income	27,002	26,455	31,643
Net realized gains on investments	12,933	2,300	31,250
Net unrealized gains (losses) on equity securities	100,599	53,844	(78,264)
Change in fair value of interest rate swap and net interest expense	(635)	3,488	6,885
Gain on disposal of property and equipment, net	6,377	22	425
Other gains, net	492	1	1
Pension-related changes, net periodic pension cost	(3,549)	(3,256)	(1,976)
Total other gains, net	143,219	82,854	(10,036)
Excess of revenues over expenses and other gains	168,478	21,658	5,612
<b>Net assets without donor restrictions:</b>			
Net unrealized gains (losses) on fixed income securities	19,461	1,222	(129,759)
Pension-related changes other than net periodic pension cost, net	2,674	9692	21527
Equity Transfer	(5,000)	-	-
Net assets released from restrictions used for long-lived assets	1,163	1,402	923
Change in net assets without donor restrictions	186,776	33,992	(101,697)
<b>Net assets with donor restrictions:</b>			
Contributions	1,379	1,158	1,545
Investment income	442	644	9,704
Change in unrealized gains (losses) on investments	4,519	1,754	(3,470)
Net assets released from restrictions	(3,809)	(2,791)	(4,930)
Change in net assets with donor restrictions	2,531	765	2,849
Change in net assets	189,307	34,757	(98,848)
Net assets, beginning of year	1,160,773	1,126,016	1,224,864
Net assets, end of year	\$ 1,350,080	\$ 1,160,773	\$ 1,126,016

**PIH Health, Inc. and Subsidiaries**  
**Statements of Financial Position**  
**(Balance Sheet)**

		<b>As of September 30,</b>		
		<b>(In Thousands)</b>		
		<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$	5,258	\$ 2,967	\$ 2,823
Patient accounts receivable, net		312,996	298,958	260,257
Inventory		16,116	16,903	15,908
Other receivables		25,754	26,201	23,280
Prepaid expenses and other assets		14,136	12,376	15,676
Hospital fee program		164,238	126,187	111,512
Total current assets		<u>538,498</u>	<u>483,592</u>	<u>429,456</u>
Investments in mutual funds and other investments		131,438	111,868	107,453
Investments, assets limited as to use		801,801	676,208	662,112
Property and equipment, net		856,515	860,281	874,483
Intercompany receivables		263,360	243,613	214,224
Investments in affiliates		1,559	1,559	1,559
Other assets		14,415	9,770	10,632
Total other assets		<u>2,069,088</u>	<u>1,903,299</u>	<u>1,870,463</u>
Total assets	\$	<u><u>2,607,586</u></u>	<u><u>2,386,891</u></u>	<u><u>2,299,919</u></u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable and accrued expenses	\$	200,955	\$ 208,684	\$ 219,882
Estimated third-party payor settlements		7,130	7,214	6,458
Government advances liability		3,379	2,939	4,637
Accrued interest		6,857	6,053	6,021
Line of credit borrowing, current portion		-	30,000	-
Current portion of long-term debt		11,735	47,065	11,095
Hospital fee program payable		109,921	72,399	72,968
Retention--self-insurance programs, current portion		11,397	7,682	7,704
Total current liabilities		<u>351,374</u>	<u>382,036</u>	<u>328,765</u>
Deferred compensation		18,272	16,752	16,682
Government advances liability, net of current portion		202	3,581	6,511
Interest rate swaps		4,641	4,006	7,494
Line of credit borrowing, net of current portion		104,500	224,500	183,000
Long-term debt, net of current portion		633,702	461,154	508,838
Pension liability		28,803	33,165	39,339
Retention--self-insurance programs, net of current portion		25,071	23,922	23,534
Other liabilities, noncurrent		39,832	35,338	27,067
Intercompany payables		51,109	41,664	32,673
Total noncurrent liabilities		<u>906,132</u>	<u>844,082</u>	<u>845,138</u>
Total liabilities		<u>1,257,506</u>	<u>1,226,118</u>	<u>1,173,903</u>
<b>Net assets</b>				
Without donor restrictions		1,270,275	1,083,498	1,049,506
With donor restrictions		79,805	77,275	76,510
Total net assets		<u>1,350,080</u>	<u>1,160,773</u>	<u>1,126,016</u>
Total liabilities and net assets	\$	<u><u>2,607,586</u></u>	<u><u>2,386,891</u></u>	<u><u>2,299,919</u></u>

		<b>Proforma</b>		
		<b>FYE September 30, 2024</b>	<b>2024</b>	<b>2023</b>
Debt Service Coverage (x) - Operating	1.1		1.3	0.3
Debt Service Coverage (x) - Net Assets	2.8		3.4	2.8
Debt to Unrestricted Net Assets (x)	0.6		0.5	0.5
Margin (%)			12.4	2.5
Current Ratio (x)			1.5	1.3

## **Financial Discussion**

### **PIH has exhibited increasing total revenues over the review period, supported by patient service revenue.**

PIH has exhibited growth in total revenues led by patient service revenues increasing over the review period. PIH's net patient service revenues fluctuated from approximately \$1.18 billion in FY 2022 down to just about \$1.14 billion in FY 2023 and then increasing to nearly \$1.25 billion in FY 2024. According to PIH, the decrease from FY 2022 to FY 2023 is due to elective procedures slightly declining in FY 2023 compared to FY 2022; inpatient surgeries decreased from 10,451 in FY 2022 to 9,809 in FY 2023. The increase in patient service revenues from FY 2023 to FY 2024 is due to admissions across their enterprise up by 13.9% in FY 2024 compared to FY 2023. Additionally, outpatient surgeries increased from 20,956 in FY 2023 to 21,972 in FY 2024.

PIH's total expenses also increased over the review period, growing from approximately \$1.35 billion in FY 2022 to nearly \$1.49 billion in FY 2024, an increase of 9.7%. Expense increases are largely centered in salaries and wages, which grew from nearly \$515.3 million in FY 2022 to approximately \$540.2 million in FY 2024. PIH states increases are due to staffing growth of 10% across their system plus the State of California mandated minimum wage increase, which PIH implemented in FY 2023.

PIH showed a deficit of revenues over expenses in FY 2023. According to PIH's management, PIH experienced one-time expenses related to retroactive pay resulting from negotiations with nursing unions for about \$3.5 million and other expenses of nearly \$1.0 million in preparation for a potential nursing strike as well as an increase in reserves for their self-insurance programs for approximately \$8.5 million. Fixed costs remained the same; thus, resulting in higher losses in the months of May and June 2023. Recovery of census at PIH Health Good Samaritan Hospital remained below budget for the remainder of the fiscal year. These one-time costs were offset by reduced costs associated with temporary resources, such as temporary nurses and clinical resources paid by PIH.

### **PIH's total assets increased during review period and exhibited a pro-forma FY 2024 net debt service coverage ratio of 2.8x for FY 2024.**

PIH's balance sheet demonstrates an increase in total assets from approximately \$2.3 billion in FY 2022 to \$2.6 billion in FY 2024. The increases are attributed to patient accounts receivable, net, which increased from just about \$260.3 million in FY 2022 to nearly \$313.0 million in FY 2024. PIH management states this is due to elective procedures recovering from pre-COVID levels for both inpatient and outpatient surgeries and approximately 15% growth in admissions from FY 2022 to FY 2024. Similar to other hospitals and health systems across the country, PIH experienced an uptick in denied claims from insurance payers. The increase in denials has increased the amount of time to collect outstanding patient accounts receivable balances.

PIH's property and equipment, which is a major contributor to PIH's total assets, decreased from just about \$874.5 million in FY 2022 to \$856.5 million in FY 2024. PIH's management states that the decrease of just about \$18.0 million over the three-year period was due to annual depreciation offset by annual capital spending.

In FY 2022, net unrealized losses on fixed income securities incurred a loss of nearly \$129.8 million; PIH management explains this was driven by challenging market conditions from rising interest rates and inflation concerns. However, PIH appears to show a solid ability to repay its debt with a net debt service coverage ratio of 3.4x in FY 2024. With the issuance of new CHFFA notes, PIH's pro-forma FY 2024 net debt service coverage ratio remains solid at 2.8x. PIH's debt to unrestricted net assets ratio has remained steady at 0.5x during the review period, demonstrating a consistent debt load. With the issuance of the new equipment notes, PIH's pro forma FY 2024 debt to unrestricted net assets ratio increases slightly to demonstrate a manageable debt load of 0.6x.

**INTENTIONALLY LEFT BLANK**

#### IV. DUE DILIGENCE:

Due diligence has been or will be completed with regard to the following items:

- **Section 15438.5(a) of the Act (Pass-Through Savings):** PIH completed and submitted the Pass-Through Savings Certification.
- **Section 15459.1 of the Act (Community Service Obligation Requirement):** PIH completed and submitted the Community Service Obligation certification and indicate that Medicare and Medi-Cal patients are accepted. Below is a link to PIH's most recent Annual Report regarding community service:

[https://www.pihhealth.org/app/files/public/48863465-5590-4f72-8706-0b2cacc3ebe5/Community%20Benefit%20Report%20FY%202024\\_FOR%20WEB.pdf](https://www.pihhealth.org/app/files/public/48863465-5590-4f72-8706-0b2cacc3ebe5/Community%20Benefit%20Report%20FY%202024_FOR%20WEB.pdf)

- **Compliance with Section 15455(b) of the Act (California Environmental Quality Act):** The California Environmental Quality Act (Pub. Resources Code, §21000 et seq.) documentation is not applicable to this particular financing.
- **Legal Review:** PIH completed and submitted documentation responsive to the Authority's Legal Status Questionnaire.
- **Iran Contracting Act Certificate:** The Iran Contracting Act Certificate (Pub. Contract Code, §2200 et seq.) is not applicable to private placement transactions.

## V. OUTSTANDING DEBT (In thousands)

Issued	Original Amount	Amount Outstanding As of September 30, 2024	Estimated Amount Outstanding after Proposed Financing
<b>EXISTING DEBT</b>			
CalPFA, Series 2024	\$ 316,000	\$ 322,908	\$ 322,908
CHFFA, Series 2020	325,955	310,794	310,794
<b>PROPOSED NEW DEBT</b>			
CHFFA Series 2025 Tax-Exempt Notes			150,000
<b>TOTAL DEBT</b>		<b>\$ 633,702</b>	<b>\$ 783,702</b>

## VI. UTILIZATION STATISTICS

	<b>Fiscal Year Ending September 30,</b>		
	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>
Licensed Beds	1,130	1,130	1,130
Inpatient Surgeries	9,566	9,809	10,451
Outpatient Surgeries	21,972	20,956	19,665
Acute Discharges	41,853	40,611	43,319
Acute Patient Days	167,227	172,334	190,731
Acute Average Length of Stay (days)	3.9	4.2	4.4
Acute Average Daily Census	458.3	472.1	522.6
Adjusted Admissions	88,378	77,562	75,767
Home Health Visits	138,341	123,818	119,574
Hospice Days of Care	31,919	30,442	29,835
Deliveries	3,476	3,324	3,265
Transitional Care Unit Discharges	1,417	1,162	808
Transitional Care Unit Patient Days	16,230	13,562	9,866
Transitional Care Unit Average Length of Stay (days)	10.9	11.7	12.2
Transitional Care Unit Average Daily Census	27.9	37.2	27.0
Emergency Department Visits	195,925	191,149	177,255
Medicare Case Mix Index	1.63	1.84	1.86

## **VII. BACKGROUND AND LICENSURE**

### **Background**

PIH was founded in 1959 as the 188-bed Presbyterian Intercommunity Hospital to address the community need for improved healthcare in the wake of the post-World War II population boom. As demand grew, just two years after PIH's founding, it added facilities for intensive care, long-term care and acute inpatient care. By the 1980s, several more facilities offering many more services, including outpatient services, preventative care and rehabilitation services, had been added. With all of these expansions and the formation of an integrated healthcare delivery network, PIH was able to serve the residents of Whittier, Santa Fe Springs, Pico Rivera, Montebello, La Mirada, Hacienda Heights, the City of Industry, La Habra, and the greater San Gabriel Valley, in general.

Today, PIH serves over three million residents in the Los Angeles and Orange Counties and throughout the San Gabriel Valley. These services include primary care, preventative care, emergency services, urgent care, home health services, hospice care and cancer treatment.

### **Licensure and Accreditation**

PIH is licensed to operate as a general acute care hospital, a home health agency and to operate hospice services by the California Department of Health Services.

### **Obligated Entities**

The Obligated Entities with respect to the notes consists of PIH, PIH Health Management Corporation, PIH Health Whittier Hospital, PIH Health Downey Hospital, and PIH Health Good Samaritan Hospital.

## **VIII. STAFF RECOMMENDATION**

Staff recommends the Authority approve Resolution Number E-29 in an amount not to exceed \$150,000,000 for PIH Health, Inc. subject to the conditions in the resolution. TAP International, Inc., the Authority's financial analyst, and KNN Public Finance, LLC, the Authority's municipal advisor, concur with the Authority's staff recommendation.

**EXHIBIT 1**  
**PROJECT SITES**

- Ernest D. Wells-Medical Office Building, 12446-12462 E. Putnam Street, Whittier, CA, 90602
- Support Center, 12102 Washington Boulevard, Whittier, CA, 90606
- Intercommunity Dialysis Center, 12455 Washington Boulevard, Whittier, CA, 90602
- Washington Medical Office Building, 12291 E. Washington Boulevard, Whittier, CA, 90606
- Lambert Medical Office Building, 12522 Lambert Road, Whittier, CA, 90606
- Lambert Operations Center of PIH, 12532 Lambert Road, Whittier, CA, 90606
- Whittwood Medical Office Building, 15725 Whittier Boulevard, Whittier, CA, 90603
- PIH Health Urgent Care Center Whittwood Medical Office Building, 15733 Whittier Boulevard, Whittier, CA, 90603
- Greenleaf, 6557 Greenleaf Avenue, Whittier, CA, 90601
- Greenleaf Foundation Bldg., 7612 Greenleaf Avenue, Whittier, CA, 90602
- Rose Home (Hospice Home), 10742 Valley View Avenue, Whittier, CA, 90604
- Dove Home (Hospice Home), 10736 Valley View Drive, Whittier, CA, 90604
- Bloomfield Medical Office Building, 12400 Bloomfield Avenue, Santa Fe Springs, CA, 90670
- Hacienda Heights Medical Office Building, 1850 Azusa Avenue, Hacienda Heights, CA, 91745
- Imperial Medial Office Building A-C, 15030-15092 Imperial Highway, La Mirada, CA, 90638
- La Mirada Medical Office Building, 12675 S., La Mirada Boulevard, La Mirada, CA, 90638
- La Mirada Office Building, 12625 La Mirada Boulevard, La Mirada, CA, 90638
- PHP Montebello-Beverly Clinic, 2205 West Beverly Boulevard, Montebello, CA, 90640
- PIH Health Hospital, 12401 Washington Boulevard, Whittier, CA, 90602
- Same Day Surgery, 12415 Washington Boulevard, Whittier, CA, 90602
- PIH Health Good Samaritan Hospital, 1225 Wilshire Boulevard, Los Angeles, CA, 90017
- PIH Health Lucas Medical Office Building, 637 Lucas Avenue, Los Angeles, CA, 90017

- PIH Health Good Samaritan Weingart Guest House, 1254 W 6th Street, Los Angeles, CA, 90017
- Patricia L. Scheifly Breast Health Center/Ruby L. Golleher Radiation Oncology Building, 12393 Washington Boulevard, Whittier, CA, 90606
- Downey Campus Medical Office Building, 11480 Brookshire Avenue, Downey, CA, 90241
- Downey Rehabilitation Services, 11420 Brookshire Avenue Downey, CA, 90241
- PIH Health Wilshire Medical Office Building, 1245 Wilshire Boulevard, Los Angeles, CA, 90017
- Brookshire Medical Office Building, 11411 Brookshire Avenue Downey, CA, 90241
- Future Medical Office Building location, 12468 E. Putnam Street, Whittier, CA, 90602
- Future Medical Office Building location, 12519 Washington Boulevard, Whittier, CA, 90602
- Future Medical Office Building location, 12482 Putnam Street, Whittier, CA, 90602
- Future Medical Office Building location, 12471 Washington Boulevard, Whittier, CA, 90602
- Firestone Office, 8530 Firestone Boulevard, Downey, CA, 90241
- Arcadia Home Health Care, 351 E. Foothill Boulevard, Suite 100, Arcadia, CA, 91006
- Harbor Medical Office Building (La Habra), 1400 South Harbor Boulevard, Suites A2 & C, La Habra, CA, 90631
- IDS Call Center, 13502 Whittier Boulevard, Whittier, CA, 90605
- Bellflower Medical Office Building, 10251 Artesia Boulevard, Bellflower, CA, 90706
- Cerritos Medical Office Building, 16510 Bellflower Boulevard, Cerritos, CA, 90703
- Downey Promenade Medical Office Building, Suite 110, 12214 Lakewood Boulevard, Lakewood, CA, 90715
- Lakewood Medical Office Building, 5750 Downey Avenue, Lakewood, CA, 90712
- La Habra Eye Care Center, 121 West Whittier Boulevard, La Habra, CA, 90631
- Los Alamitos Medical Office Building, Suite 155 3851 Katella Avenue, Los Alamitos, CA, 90720
- South Gate Medical Office Building, 4476 Tweedy Boulevard, South Gate, CA, 90280
- East Whittier Urology, Suite 100 14350 E., Whittier Boulevard, Whittier, CA, 90605
- Cardiology Cypress, 10601 Walker Street, Suite 100, Cypress, CA, 90630

- Cardiology, 3663 West 6th Street, Suite 309, Los Angeles, CA, 90020
- Cardiology Rancho Cucamonga, 7777 N. Millikin Avenue, #330, Rancho Cucamonga, CA, 91730
- UCC Westlake Suite, 2200 West 3rd Street, Suite 120, Los Angeles, CA, 90057
- PIH Health House Clinic Orange County, 431 S. Batavia Street, Suite 200, Orange, CA, 92868
- Women's Center Florence, 8500 Florence Avenue, Suite 200, Downey, CA, 90240
- PIH Health Physicians, 8317 Davis Street, Suite A, Downey, CA, 90242

## **EXHIBIT 2**

### **FINANCING TEAM**

**Borrower:** PIH Health, Inc. and Obligated Entities;  
PIH Health Whittier Hospital, PIH Health  
Downey Hospital, PIH Health Good  
Samaritan Hospital and PIH Health  
Management Corporation

**Agent for Sale:** California State Treasurer

**Issuer's Counsel:** Office of the Attorney General

**Issuer's Municipal Advisor:** KNN Public Finance, LLC

**Issuer's Financial Analyst:** TAP International, Inc.

**Borrowers Counsel:** Bewley, Lassleben & Miller LLP

**Note Counsel:** Orrick, Herrington & Sutcliffe LLP

**Note Purchaser:** Banc of America Public Capital Corp

**Note Purchaser's Counsel:** Susan L. Ariel, Attorney at Law

**Escrow Agent:** Argent Institutional Trust Company

**Auditor:** KPMG LLP

## RESOLUTION NO. E-29

### RESOLUTION OF THE CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY AUTHORIZING THE ISSUANCE OF PROGRAM REVENUE NOTES RELATED TO THE FINANCING AND/OR REFINANCING OF CERTAIN EQUIPMENT AT THE HEALTH FACILITIES OF PIH HEALTH, INC. AND AFFILIATES

WHEREAS, the California Health Facilities Financing Authority (the “Authority”), a public instrumentality of the State of California, is authorized and empowered by the provisions of the California Health Facilities Financing Authority Act (the “Act”) to issue notes and loan proceeds thereof to any participating health institution to finance the construction, expansion, remodeling, renovation, furnishing, equipping and acquisition of health facilities (including by reimbursing expenditures made for such purposes) and to refinance indebtedness of a participating health institution in connection therewith; and

WHEREAS, PIH Health, Inc. is a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the “Corporation”), and owns and operates health care facilities in the State of California; and

WHEREAS, the Corporation has requested that the Authority issue a note (the “Note”) in one or more series and from time to time (collectively, the “Notes”) in a not to exceed aggregate principal amount of \$150,000,000 and make a loan or loans of the proceeds thereof, on a tax-exempt and/or taxable basis, to the Corporation, PIH Health Whittier Hospital, PIH Health Downey Hospital, PIH Health Good Samaritan Hospital and PIH Health Management Corp. (together, the “Obligated Entities”) to (i) finance and/or refinance costs incurred with the acquisition, installation and implementation of an electronic health record system, to be owned by the Corporation (the “Equipment”) and that will be used to support the services provided in the Corporation’s or its affiliates’ health facilities at the locations listed in Exhibit 1 to this Resolution; and

WHEREAS, each Note will be purchased by, or privately placed with, Banc of America Public Capital Corp or an affiliate thereof (“BAPCC”), for the purpose of financing and/or refinancing costs incurred with the acquisition, installation and implementation of the Equipment; and

WHEREAS, the Authority, BAPCC and the Obligated Entities will enter into a Master Financing Agreement (the “Master Financing Agreement”) and an Equipment Schedule (the “Schedule”) pursuant to which the Authority will issue a Note which will be purchased by or private placed with BAPCC to provide funds to the Corporation to finance and/or refinance costs incurred with the acquisition, installation and implementation of the Equipment; and

WHEREAS, to the extent required by subdivision (b) of Section 15455 of the Government Code, the Corporation has provided documentation to the Authority demonstrating, to the extent applicable, compliance with Division 13 (commencing with Section 21000) of the Public Resources Code or that the acquisition, installation and implementation of the Equipment is not a “project” under such division; and

WHEREAS, approval of the terms of issuance and sale of the Notes, and various related matters is now sought;

NOW, THEREFORE, BE IT RESOLVED BY THE CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY, AS FOLLOWS:

SECTION 1. Pursuant to the Act, Notes of the Authority designated as the “California Health Facilities Financing Authority Program Revenue Note (PIH Health Equipment Project)” (with such additional identifying information, such as a series designation, as the Corporation and the Authority agree is necessary), in an aggregate principal amount of not to exceed \$150,000,000, on a tax-exempt and/or taxable basis, are authorized to be issued. The proceeds of the Notes shall be used for the purposes set forth in the third recital above.

SECTION 2. The Treasurer is hereby authorized to sell the Notes at private sale, or by private placement to BAPCC, at any time and from time to time prior to the first anniversary of the date of this Resolution, in such aggregate principal amount (not to exceed the aggregate principal amount set forth in Section 1) and at such interest rate or rates and upon such other terms and conditions as the Treasurer, with the advice and consent of the Corporation, may determine.

SECTION 3. The proposed forms of the following documents:

- (i) Master Financing Agreement; and,
- (ii) Schedule,

are hereby approved in substantially the forms on file with the Authority prior to this meeting, with such insertions, deletions or changes therein as the officer executing same may require or approve, such approval to be conclusively evidenced by execution and delivery thereof. Any of the Executive Director or Deputy Executive Director, or each of their designees, shall seek the advice of bond counsel and counsel to the Authority with respect to any such insertions, deletions or changes therein.

SECTION 4. The Authority hereby specifically finds and declares that the findings of the Authority set forth in the Master Financing Agreement are true and correct.

SECTION 5. The dated dates, maturity dates, interest rates, manner of determining interest rates, interest payment dates, series or subseries designation, denominations, forms, registration privileges or requirements, place or places of payment, terms of tender or purchase, terms of redemption, provisions governing transfer and other terms of each Note, shall be as provided in the Master Financing Agreement, such Note and the related Schedule, as finally executed.

SECTION 6. Each Note, when so executed, shall be delivered to BAPCC upon payment of the purchase price thereof as confirmed by the Corporation.

SECTION 7. Each officer of the Authority is hereby authorized and directed, for and in the name of and on behalf of the Authority, to do any and all things which they may deem necessary or advisable in order to consummate the issuance, sale, and delivery of each Note,

and otherwise to effectuate the purposes of this Resolution, the Master Financing Agreement and the related Schedule. The Authority hereby approves any and all documents to be delivered in furtherance of the foregoing purposes, including without limitation, any escrow agreement, tax certificate and agreement and other certifications.

SECTION 8. The Authority hereby approves and ratifies each and every action taken by its officers, agents and employees prior to the date hereof in furtherance of the purposes of this Resolution.

SECTION 9. The provisions of the Authority's Resolution No. 2023-06 apply to the documents and actions approved in this Resolution.

SECTION 10. This Resolution shall take effect from and after the date of adoption.

Date of Adoption: \_\_\_\_\_

## **EXHIBIT 1**

### **PROJECT SITES**

- Ernest D. Wells-Medical Office Building, 12446-12462 E. Putnam St., Whittier, CA 90602
- Support Center, 12102 Washington Blvd., Whittier, CA 90606
- Intercommunity Dialysis Center, 12455 Washington Blvd., Whittier, CA 90602
- Washington Medical Office Building, 12291 E. Washington Blvd., Whittier, CA 90606
- Lambert Medical Office Building, 12522 Lambert Road, Whittier, CA 90606
- Lambert Operations Center of PIH, 12532 Lambert Road, Whittier, CA 90606
- Whittwood Medical Office Building, 15725 Whittier Blvd., Whittier, CA 90603
- PIH Health Urgent Care Center Whittwood Medical Office Building, 15733 Whittier Blvd., Whittier, CA 90603
- Greenleaf, 6557 Greenleaf Ave., Whittier, CA 90601
- Greenleaf Foundation Bldg., 7612 Greenleaf Ave., Whittier, CA 90602
- Rose Home (Hospice Home), 10742 Valley View Ave., Whittier, CA 90604
- Dove Home (Hospice Home), 10736 Valley View Dr., Whittier, CA 90604
- Bloomfield Medical Office Building, 12400 Bloomfield Avenue, Santa Fe Springs, CA 90670
- Hacienda Heights Medical Office Building, 1850 Azusa Ave., Hacienda Heights, CA 91745
- Imperial Medial Office Building A-C, 15030-15092 Imperial Hwy., La Mirada, CA 90638
- La Mirada Medical Office Building, 12675 S., La Mirada Blvd., La Mirada, CA 90638
- La Mirada Office Building, 12625 La Mirada Blvd., La Mirada, CA 90638
- PHP Montebello-Beverly Clinic, 2205 West Beverly Blvd., Montebello, CA 90640
- PIH Health Hospital, 12401 Washington Blvd., Whittier, CA 90602
- Same Day Surgery, 12415 Washington Blvd., Whittier, CA 90602

- PIH Health Good Samaritan Hospital, 1225 Wilshire Blvd., Los Angeles, CA 90017
- PIH Health Lucas Medical Office Building, 637 Lucas Ave., Los Angeles, CA 90017
- PIH Health Good Samaritan Weingart Guest House, 1254 W 6th St., Los Angeles, CA 90017
- Patricia L. Scheifly Breast Health Center/Ruby L. Golleher Radiation Oncology Building, 12393 Washington Blvd., Whittier, CA 90606
- Downey Campus Medical Office Building, 11480 Brookshire Ave., Downey, CA 90241
- Downey Rehabilitation Services, 11420 Brookshire Avenue Downey, CA 90241
- PIH Health Wilshire Medical Office Building, 1245 Wilshire Blvd., Los Angeles, CA 90017
- Brookshire Medical Office Building, 11411 Brookshire Avenue Downey, CA 90241
- Future Medical Office Building location, 12468 E. Putnam St., Whittier, CA 90602
- Future Medical Office Building location, 12519 Washington Blvd., Whittier, CA 90602
- Future Medical Office Building location, 12482 Putnam St., Whittier, CA 90602
- Future Medical Office Building location, 12471 Washington Blvd., Whittier, CA 90602
- Firestone Office, 8530 Firestone Blvd., Downey, CA 90241
- Arcadia Home Health Care, 351 E. Foothill Blvd., Suite 100, Arcadia, CA 91006
- Harbor Medical Office Building (La Habra), 1400 South Harbor Blvd., Suites A2 & C, La Habra, CA 90631
- IDS Call Center, 13502 Whittier Blvd., Whittier, CA 90605
- Bellflower Medical Office Building, 10251 Artesia Blvd., Bellflower, CA 90706
- Cerritos Medical Office Building, 16510 Bellflower Blvd., Cerritos, CA 90703
- Downey Promenade Medical Office Building, Suite 110, 12214 Lakewood Blvd., Lakewood, CA 90715
- Lakewood Medical Office Building, 5750 Downey Ave., Lakewood, CA 90712
- La Habra Eye Care Center, 121 West Whittier Blvd., La Habra, CA 90631

- Los Alamitos Medical Office Building, Suite 155 3851 Katella Ave., Los Alamitos, CA 90720
- South Gate Medical Office Building, 4476 Tweedy Blvd., South Gate, CA 90280
- East Whittier Urology, Suite 100 14350 E., Whittier Blvd., Whittier, CA 90605
- Cardiology Cypress, 10601 Walker St., Suite 100, Cypress, CA 90630
- Cardiology, 3663 West 6th Street, Suite 309, Los Angeles, CA 90020
- Cardiology Rancho Cucamonga, 7777 N. Millikin Ave., #330, Rancho Cucamonga, CA 91730
- UCC Westlake, 2200 West 3rd Street, Suite 120, Los Angeles, CA 90057
- PIH Health House Clinic Orange County, 431 S. Batavia St., Suite 200, Orange, CA 92868
- Women's Center Florence, 8500 Florence Ave., Suite 200, Downey, CA 90240
- PIH Health Physicians, 8317 Davis Street, Suite A, Downey, CA 90242