

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
BOND FINANCING PROGRAM
EXECUTIVE SUMMARY**

<p>Applicant: Valley Presbyterian Hospital (VPH) 15107 Vanowen Street Van Nuys, CA 91405 Los Angeles County</p>	<p>Amount Requested: \$85,000,000 Requested Loan Term: Up to 40 years Authority Meeting Date: February 26, 2026 Resolution Number: 469</p>																
<p>Project Site: 6834, 6840 and 6844 N. Sepulveda Boulevard, Van Nuys, CA 91405 and 15107 Vanowen Street, Van Nuys, CA 91405</p>																	
<p>Facility Type: Acute Care Hospital</p>																	
<p>Eligibility: Government Code Section 15432(d)(1)</p>																	
<p>Prior Borrower: Yes (date of last Authority approval – 1997)</p>																	
<p>Obligated Group: VPH is the sole member of the Obligated Group</p>																	
<p>Background: VPH is a tax-exempt 501(c)(3) not-for-profit, 350-bed community hospital in the San Fernando Valley. VPH provides access to a wide array of health care services, including cardiovascular, emergency, orthopedic, rehabilitation, women, children, and maternity services.</p>																	
<p>Use of Proceeds: Bond proceeds will be used to finance the construction of a new Central Utility Plant (CUP) on VPH’s campus and to pay costs of issuance.</p>																	
<p>Type of Issue: Direct Bank Placement, tax-exempt multi-modal bonds</p>																	
<p>Expected Credit Rating: Unrated – Please see Guidelines Discussion on page 2</p>																	
<p>Financing Team: <i>See Exhibit 1 to identify possible Conflicts of Interest</i></p>																	
<p>Financial Overview: VPH’s income statement appears to show increasing total operating revenues during the review period from FY 2022 to FY 2024. VPH’s balance sheet appears to have an adequate financial position with a pro-forma FY 2024 net debt service coverage ratio of 7.7x.</p>																	
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Total Estimated Sources	<u>\$85,000,000</u>	Total Estimated Uses	<u>\$85,000,000</u>														
<p>Due Diligence: Staff has confirmed the following documentation provided by VPH satisfies the California Health Facilities Financing Authority’s (Authority) requirements: Eligibility, Legal Review, and the certifications for Pass-Through Savings, the Iran Contracting Act, and Community Service Obligation.</p>																	
<p>Staff Recommendation: Staff recommends the Authority approve Resolution No. 469 in an amount not to exceed \$85,000,000 for Valley Presbyterian Hospital, subject to the terms and conditions in the resolution. TAP International, Inc., the Authority’s financial analyst, and KNN Public Finance, LLC (KNN), the Authority’s municipal advisor, concur with the Authority’s staff recommendation.</p>																	

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

STAFF SUMMARY, ANALYSIS, AND RECOMMENDATION

I. PURPOSE OF FINANCING

VPH is requesting Authority approval to issue tax-exempt bonds in an amount not to exceed \$85 million to finance the construction of a new two-story CUP on its campus. This essential infrastructure project will modernize the hospital’s operational capabilities, ensuring reliable utility services and enhancing VPH’s ability to provide uninterrupted care to its community. Additionally, the CUP will support and benefit the hospital’s ongoing efforts toward seismic compliance, aligning with regulatory requirements and improving overall campus resilience.

Project Costs **\$83,710,000**

VPH will use bond proceeds to construct a new CUP on its campus. The project involves the demolition of the northern surface parking lot area and the construction of a new CUP, located immediately north of the medical office building, that will serve the hospital campus. The CUP will be two stories in height, with a maximum height of 44 feet, 6 inches, and will cover 8,333 square feet. The proposed CUP will comply with all state requirements for hospitals and is a necessary component of the hospital's seismic compliance strategy for the campus.

Financing Costs..... **1,290,000**

 Estimated cost of issuance \$1,290,000

Total Estimated Uses of Funds **\$85,000,000**

II. GUIDELINES DISCUSSION:

The California Health Facilities Financing Authority Revenue Bonds (Valley Presbyterian Hospital), Series 2026 (the 2026 Bonds or the Bonds) will be an unrated, private placement with Barclays Capital Inc., Barclays Bank PLC, and/or an affiliate (Barclays). The Authority's Bond Issuance Guidelines for Unrated Debt (Debt Guidelines) sets forth the following requirements for the 2026 Bonds:

- Must be privately placed with and transferred only to a "qualified institutional buyer" (QIB) as defined by SEC Rule 144A, promulgated under the Securities Act of 1933*
- Minimum denomination of \$250,000*
- Unconditional Promise to Pay from Borrower
- Investor Letter required at issuance
- Bond transfer restrictions must be noted conspicuously on the bond itself
- Bonds must be physically delivered*

VPH has requested the following modifications to the Authority's Debt Guidelines for this transaction:

- Minimum denominations of \$100,000 or any integral multiple of \$5,000 in excess of \$100,000; however, the Bond Indenture will provide that the minimum denominations for the Series 2026 Bonds, if bearing interest at fixed rates, will be reduced to \$5,000 and any integral multiple thereof when and if the Borrower provides written evidence that the Bonds have been given an investment-grade rating (BBB- or higher) from any nationally recognized rating agency (an Investment Grade Confirmation). If the Bonds bear interest at variable rates, whether unrated or with an Investment Grade Confirmation, the Bonds will still be in minimum denominations of \$100,000 or any integral multiple of \$5,000 in excess of \$100,000; and
- Until an Investment Grade Confirmation is received, the Bonds can only be held by or transferred to (i) a QIB, (ii) an "accredited investor" as defined in Rule 501(a)(1), (2), (3), (7), (8), (9), or (12) of Regulation D of the Securities Act (Institutional Accredited Investors), or (iii) a trust or other custodial arrangement, the owners of any beneficial interest in which are limited to QIBs or Institutional Accredited Investors; and
- The Debt Guideline transfer restrictions, as proposed to be modified above, would no longer apply when an Investment Grade Confirmation is received, except as provided with respect to variable rate bonds as discussed above. Barclays expects to have the Bonds rated in the future and any associated Rating Agency costs will be paid for by Barclays or VPH; and
- VPH and Barclays request delivery of the 2026 Bonds electronically through the Depository Trust Company's book-entry system.

The Authority's Debt Guidelines were established to reduce the risk that unrated bonds the Authority issues would be placed with unsophisticated investors, since unrated debt is typically considered to carry more risk than rated debt. Authority staff has determined that the proposed modifications to the Debt Guidelines sufficiently protect against this risk.

Additionally, the 2026 Bonds are not rated at this time because Barclays does not require a rating. Barclays is required to be a QIB under SEC Rule 144A and will make an independent credit determination to purchase the 2026 Bonds. The foregoing will be reflected in an Investor Letter from Barclays (or equivalent provisions in the Bond Purchase Contract).

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III. PROPOSED COVENANTS, SECURITY PROVISIONS AND DISCLOSURES:

This executive summary includes minimum requirements. Additional or more stringent covenants or disclosures may be added following consultation with Authority staff but without further notification to the Authority's Board. These covenants and disclosures cannot be diluted or removed without subsequent review. If there have been modifications to the proposed covenants and disclosures following the preparation of this executive summary, staff will report it at the meeting.

Concurrently with the issuance of the 2026 Bonds, VPH will enter into a Master Indenture with the master trustee. VPH is the sole member of the Obligated Group created pursuant to the Master Indenture and is the Credit Group Representative under the Master Indenture. Pursuant to the provisions of the Master Indenture, VPH will issue an Obligation (the 2026 Bond Obligation) under the Master Indenture to secure its obligations under the Loan Agreement entered into with the Authority in connection with the 2026 Bonds. All the covenants listed below are applicable to VPH as sole member of the Obligated Group.

After reviewing the current finances of the 2026 Bonds transaction, VPH and its municipal advisor, Kaufman, Hall & Associates, LLC; KNN, the Authority's municipal advisor; and Barclays, as the purchaser of the 2026 Bonds, have concluded that the covenants listed below should be applicable to this transaction, are consistent with covenants that have applied to other Authority bond transactions, and VPH's current financial situation does not suggest additional covenants should be required.

The covenants listed below are applicable to this transaction.

Unconditional Promise to Pay; Pledge of Gross Revenues. *VPH agrees to pay the Bond Trustee¹ all amounts required for payment of the principal, interest and redemption premium, if applicable, with respect to the proposed 2026 Bonds and agrees to pay the additional payments and expenses specified in the Loan Agreement. In addition, VPH, as Credit Group Representative, will issue the 2026 Bond Obligation to secure the obligations of VPH to make the payments under the Loan Agreement.*

All Revenues (which will include payments by VPH under the Loan Agreement and payments by the Obligated Group on the 2026 Bond Obligation) and amounts held in the funds and account established under the Bond Indenture (excluding the Bond Purchase Fund and the Rebate Fund) will be pledged to secure the full payment of the proposed 2026 Bonds. No reserve fund will be established for the proposed 2026 Bonds.

Pledge of Gross Receivables. *VPH, as sole Member of the Obligated Group, will in the Master Indenture grant to the Master Trustee a security interest in its Gross Receivables, and any future Obligated Group Member will be required to do the same.*

Limitation on Liens; Permitted Liens. *The Obligated Group will agree in the Master Indenture not to create, assume or suffer to exist any Lien upon its Property except for Permitted Liens.*

¹ Capitalized terms are defined in the bond documents and/or the Master Indenture. Copies of the bond documents and Master Indenture are on file with CHFFA staff.

Debt Service Coverage Requirement. *The Master Indenture requires that the Obligated Group maintain a Debt Service Coverage Ratio of 1.20.*

Limitations on Indebtedness and Restrictions on Guaranties. *The Obligated Group will agree not to incur Indebtedness or Guaranties unless authorized by various provisions set out in the Master Indenture.*

Limitations on Disposition of Assets. *The Obligated Group will covenant not to voluntarily sell, lease or otherwise dispose of Property in any Fiscal Year other than as authorized by various provisions set out in the Master Indenture.*

Limitations on Merger, Consolidation, Sale or Conveyance. *The Obligated Group will agree not to merge or consolidate with any entity which is not a Member of the Obligated Group or sell or convey all or substantially all of its assets to an entity not a Member of the Obligated Group other than as authorized by the various provisions set out in the Master Indenture.*

Limitations on Withdrawal from the Obligated Group and Entrance into the Obligated Group. *The Master Indenture sets forth certain requirements, including certain financial tests, which must be met for withdrawal from, or entry into, the Obligated Group.*

Continuing Disclosure. *VPH will contractually agree to disclose designated financial and operating information to the SEC website (EMMA) during the life of the 2026 Bonds and to report designated “material events,” such as missed debt service payments, any change in bond ratings, defeasance, redemptions, etc.*

Staff has completed its due diligence, and KNN has reviewed the bond documents associated with the proposed financing and found these documents and proposed covenants to be acceptable.

IV. FINANCIAL STATEMENTS AND ANALYSIS

Valley Presbyterian Hospital Statement of Activities

	Year Ended December 31,		
	2024	2023	2022
Changes In Net Assets Without Donor			
Restrictions Revenues			
Net patient service revenue	\$ 199,432,460	\$ 190,409,268	\$ 192,317,530
Hospital fee program revenue	96,782,144	65,457,479	69,274,117
Net patient service revenue	<u>296,214,604</u>	<u>255,866,747</u>	<u>261,591,647</u>
Premium revenue	247,013,918	237,992,582	204,327,447
Other operating revenue	11,677,469	10,258,012	10,179,343
Government grant revenue	-	1,948,398	2,002,198
Net assets released from restrictions used for operations	597,034	393,672	431,222
Total operating revenue	<u>555,503,025</u>	<u>506,459,411</u>	<u>478,531,857</u>
Operating Expenses			
Outside medical services	157,680,024	159,485,459	143,261,858
Salaries and wages	159,062,274	151,770,319	140,725,720
Purchased services	55,559,491	58,072,699	59,401,271
Employee benefits	46,170,430	44,927,465	47,187,667
Supplies	47,730,040	44,020,717	41,904,143
Hospital fee program expenses	42,984,247	36,866,080	31,822,454
Other	20,753,002	12,881,340	12,084,588
Professional fees	13,124,226	18,657,404	14,349,739
Depreciation and amortization	12,813,608	12,823,607	12,262,390
Insurance	4,017,653	3,872,376	2,852,080
Taxes	2,604,461	2,324,904	2,187,112
Interest and financing	272,892	102	1,247,618
Total operating expenses	<u>562,772,348</u>	<u>545,702,472</u>	<u>509,286,640</u>
Loss From Operations	<u>(7,269,323)</u>	<u>(39,243,061)</u>	<u>(30,754,783)</u>
Non-Operating Revenue (Expense)			
Dividend and interest income, net	7,690,602	7,315,325	6,094,665
Realized and unrealized gains (losses) on investments, net	34,494,468	31,908,038	(56,526,347)
Investment (loss) return from restricted contributions	(171,814)	171,191	-
Other revenue (expense)	(313)	106,341	(857,600)
Contributions made	(439,259)	(190,026)	(246,220)
Loss on the sale of VPSC	-	-	(1,466,564)
Total non-operating revenue (expense)	<u>41,573,684</u>	<u>39,310,869</u>	<u>(53,002,066)</u>
Excess (Deficiency) Of Revenues Over Expenses	<u>34,304,361</u>	<u>67,808</u>	<u>(83,756,849)</u>
Net Assets			
Net assets, beginning of year	<u>404,976,685</u>	<u>404,908,877</u>	<u>488,665,726</u>
Net assets, end of year	<u>\$ 439,281,046</u>	<u>\$ 404,976,685</u>	<u>\$ 404,908,877</u>

**Valley Presbyterian Hospital
Statement of Financial Position**

	As of December 31,		
	2024	2023	2022
Assets			
Cash and cash equivalents	\$ 21,651,489	\$ 20,470,800	\$ 22,586,444
Investments	266,337,323	277,857,896	239,033,007
Patients receivable	27,420,746	24,912,474	32,202,441
Due from third-party payors, net	2,223,443	3,803,686	4,165,981
Hospital fee receivable – current	61,563,669	64,274,015	67,243,170
Inventories	7,480,351	7,055,978	6,765,620
Prepaid expenses and other current assets	7,240,981	5,895,426	8,221,966
Total current assets	<u>393,918,002</u>	<u>404,270,275</u>	<u>380,218,629</u>
Hospital fee receivable – noncurrent	60,310,725	45,251,375	37,880,728
Assets limited as to use	1,152,747	1,440,015	1,523,755
Property and equipment, net	143,962,449	142,457,946	144,191,699
Other assets	1,093,231	1,108,523	1,142,425
Total other assets	<u>206,519,152</u>	<u>190,257,859</u>	<u>184,738,607</u>
Total assets	<u>\$ 600,437,154</u>	<u>\$ 594,528,134</u>	<u>\$ 564,957,236</u>
Liabilities and Net Assets			
Accounts payable	\$ 22,320,537	\$ 24,877,809	\$ 22,030,522
Accrued liabilities	10,766,226	13,535,247	11,821,775
Accrued compensation and benefits	24,984,034	21,394,983	21,718,924
Medical claims payable	24,674,914	33,969,097	34,426,322
Shared risk liability payable	13,244,522	28,941,128	19,625,866
Self-insurance reserves	5,232,021	5,852,097	5,663,357
Hospital fee payable – current	21,956,341	32,743,882	21,980,486
Current portion of Medicare advance payable	-	-	106,631
Total current liabilities	<u>123,178,595</u>	<u>161,314,243</u>	<u>137,373,883</u>
Self-insurance reserves – noncurrent	8,491,063	7,013,130	6,166,139
Hospital fee payable – noncurrent	21,791,216	13,787,154	9,638,944
Asset retirement obligation	5,372,304	5,024,636	4,678,588
Total other liabilities	<u>35,654,583</u>	<u>25,824,920</u>	<u>20,483,671</u>
Total liabilities	158,833,178	187,139,163	157,857,554
Net assets			
Without donor restrictions	439,281,046	404,976,685	404,908,877
With donor restrictions	2,358,930	2,412,286	2,190,805
Total net assets	<u>441,639,976</u>	<u>407,388,971</u>	<u>407,099,682</u>
Total liabilities and net assets	<u>\$ 600,473,154</u>	<u>\$ 594,528,134</u>	<u>\$ 564,957,236</u>

	Proforma ^(a)			
	FYE 12/31/2024	2024	2023	2022
Debt Service Coverage - Operating (x)	0.9	NA	NA	(9.8)
Debt Service Coverage - Net (x)	7.7	NA	NA	(40.1)
Debt to Unrestricted Net Assets (x)	0.0	0.0	0.0	0.0
Margin (%)		(1.3)	(7.7)	(6.4)
Current Ratio (x)		3.2	2.5	2.8

^(a) Recalculates FY 2024 audited results to include the impact of this proposed financing.

Financial Discussion

VPH's income statement appears to show increasing total operating revenues during the review period from FY 2022 to FY 2024.

VPH's Total operating revenues increased over the review period from approximately \$478.5 million in FY 2022 to approximately \$555.5 million in FY 2024 driven primarily by Net patient service revenue and Premium revenue. Net patient service revenue increased from approximately \$192.3 million in FY 2022 to \$199.4 million in FY 2024. According to VPH's management, the increased revenue from FY 2022 to FY 2024 was due to increased volumes in which total admissions increased 4%, and surgeries increased 14%. Premium revenue increased from approximately \$204.3 million in FY 2022 to \$247.0 million in FY 2024 due to growth in capitation membership according to VPH's management. Additionally, VPH had an operating loss in each year during the review period, but improved from a loss of nearly \$30.8 million in FY 2022 to a loss of \$7.3 million in FY 2024. VPH's management stated its strategy focuses on increasing Medi-Cal utilization to optimize Quality Assurance Fees and Disproportionate Share Hospital payments to increase net revenue.

Total operating expenses for VPH increased from approximately \$509.3 million in FY 2022 to nearly \$562.8 million in FY 2024, an increase of 10.5%. Outside medical services was the main contributor to the increased expenses, growing from approximately \$143.3 million in FY 2022 to approximately \$157.7 million in FY 2024, a 10.1% increase. According to VPH management, the increase in Outside medical services expense was due to a 12% growth in capitation membership from 234,964 in 2022 to 263,713 in 2024 even though the per-member cost for capitation claims decreased during this timeframe from \$610/member in 2022 to \$598/member in 2024.

VPH's balance sheet appears to have an adequate financial position with a pro-forma FY 2024 net debt service coverage ratio of 7.7x.

VPH's Total assets increased by approximately 6.3% over the review period, from approximately \$565 million in FY 2022 to approximately \$600.4 million in FY 2024. The primary contributor to the increase in Total assets was from Investments, which increased from just about \$239 million in FY 2022 to approximately \$266.3 million in FY 2024. According to VPH's management, the increase in Investments was due to market returns.

VPH's net debt service coverage ratio (DSCR) was negative 40.1x in FY 2022 due to the loss in net income for that year. VPH paid off its remaining debt in FY 2022 and had no outstanding debt in FYs 2023 and 2024, resulting in the DSCR being NA for those two years. The issuance of the 2026 Bonds will be VPH's only outstanding debt, and VPH shows a strong ability to repay the new bonds with a proforma FY 2024 net DSCR of 7.7x.

V. DUE DILIGENCE

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

- **Government Code section 15438.5(a) (Pass-Through Savings):** VPH submitted the Pass-Through Savings Certification.
- **Government Code section 15459.1 (Community Service Obligation):** VPH completed and submitted the Community Service Obligation certification and indicated that Medi-Cal and Medicare patients are accepted. Below is a link to VPH’s most recent Annual Report regarding community service:

<https://www.valleypres.org/documents/content/VPH-Community-Benefit-Report-FY2024.pdf>

- **Compliance with Government Code section 15455(b) (California Environmental Quality Act (Pub. Resources Code, § 21000 et seq.)):** Valley Presbyterian Hospital submitted documentation addressing the California Environmental Quality Act.
- **Legal Review:** VPH 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 this particular financing, as it is a private placement purchase.

VI. OUTSTANDING DEBT

Issue	Original Amount	Amount Outstanding as of December 31, 2024	Estimated Amount Outstanding after Proposed Financing
EXISTING LONG-TERM DEBT			
NA			
PROPOSED NEW DEBT			
CHFFA Series 2026			\$ 85,000,000
TOTAL DEBT		\$ -	\$ 85,000,000

VII. UTILIZATION STATISTICS

	Fiscal Year Ended December 31,		
	2024	2023	2022
Licensed Beds	350	350	350
Admissions	13,679	13,877	13,101
Patient Days	73,467	70,701	66,886
Average Daily Census	201	194	183
Average Length of Stay (Days)	5	5	5
Inpatient Surgical Procedures	2,553	2,681	2,676
Outpatient Surgical Procedures	5,176	4,740	4,122
Emergency Room Visits (including ED admits)	58,990	54,914	52,694
Outpatient Visits	28,406	32,579	35,926

VIII. BACKGROUND AND LICENSURE

Background

Valley Presbyterian Hospital is a 501(c)(3) non-profit organization that is supported through private donations and philanthropic partnerships and is governed by a Board of Directors, which contributes leadership and support. VPH first opened in 1958 to serve the San Fernando Valley with 63 beds and has since expanded its facility and services to now operate a 350-bed community hospital. VPH serves thousands of individuals and families each year by offering a full range of health care services, including emergency, cardiology, radiology and imaging, orthopedic, rehabilitation, women, children, pediatrics, maternity services as well as many sub-specialties. VPH's Maternity Services Unit is one of the busiest in the San Fernando Valley region, and its Emergency Services Department is a vital community asset, serving more than 60,000 patients each year.

Licensure and Memberships

VPH is licensed as an acute care hospital by the California Department of Public Health Services and is certified to participate in the Medicare and Medi-Cal programs.

IX. STAFF RECOMENDATION

Staff recommends the Authority approve Resolution No. 469 in an amount not to exceed \$85,000,000 for Valley Presbyterian Hospital, subject to the terms and 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 recommendations.

EXHIBIT 1

FINANCING TEAM

Borrower: Valley Presbyterian Hospital

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.

Borrower's Counsel: Chapman and Cutler LLP

Borrower's Financial Advisor: Kaufman, Hall & Associates, Inc.

Bond Counsel: Orrick, Herrington & Sutcliffe LLP

Purchaser: Barclays Capital Inc., Barclays Bank PLC, and/or affiliate(s).

Purchaser's Counsel: McDermott Will & Emery LLP

Master & Bond Trustee: UMB Bank, N.A.

Master & Bond Trustee's Counsel: Govier & Taboada LLP

Auditor: Moss Adams LLP

RESOLUTION NO. 469

RESOLUTION OF THE CALIFORNIA HEALTH FACILITIES
FINANCING AUTHORITY AUTHORIZING THE ISSUANCE OF
REVENUE BONDS TO FINANCE
PROJECTS AT THE HEALTH FACILITIES OF
VALLEY PRESBYTERIAN HOSPITAL

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 revenue bonds 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), to refinance indebtedness of a participating health institution in connection therewith and to refund any outstanding bonds or any outstanding series or issue of bonds of the Authority; and

WHEREAS, Valley Presbyterian Hospital (the “Borrower”) is a nonprofit public benefit corporation duly organized and existing under the laws of the State of California that owns and operates health facilities in the State of California; and

WHEREAS, the Borrower has requested that the Authority issue one or more series of its revenue bonds in an aggregate principal amount not to exceed \$85,000,000, and make one or more loans of the proceeds thereof to the Borrower, for any or all of the following purposes: (i) to finance (including by reimbursing the payment of certain costs of) the acquisition, construction, expansion, remodeling, renovation, furnishing and/or equipping of certain health facilities of the Borrower, as more particularly described in Exhibit A hereto (the “Project”), and (ii) at the option of the Borrower, to pay certain costs of issuance related to the Bonds (as defined below); and

WHEREAS, the Bonds will initially be sold to Barclays Capital Inc., Barclays Bank PLC or an affiliate thereof (the “Initial Direct Purchaser”), which is a “Qualified Institutional Buyer” as defined under Rule 144A of the Securities Act of 1933; and

WHEREAS, to the extent required by subdivision (b) of Section 15455 of the Government Code, the Borrower has provided documentation to the Authority that the Project has complied with Division 13 (commencing with Section 21000) of the Public Resources Code or is not a “project” under such division; and

WHEREAS, approval of the terms of issuance and sale of the Bonds 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, revenue bonds of the Authority designated as the “California Health Facilities Financing Authority Revenue Bonds (Valley Presbyterian Hospital), Series 2026” (the “Bonds”), in a total aggregate principal amount not to exceed \$85,000,000, are hereby authorized to be issued from time to time, in one or more series, as federally tax-exempt bonds and/or taxable bonds, with such other name or names of the Bonds or series thereof as designated in any of the bond indentures pursuant to which the Bonds will be issued. The proceeds of the Bonds shall be used for any or all of the purposes set forth in the third recital above.

SECTION 2. The Treasurer of the State of California (the “Treasurer”) is hereby authorized to enter into agreements to sell the Bonds in one or more series, on one or more sale dates at any time prior to the first anniversary of the date of this Resolution, at public or private sale, in such aggregate principal amounts (not to exceed the aggregate principal amount set forth in Section 1) and in such series, at such prices (so long as the discount on the Bonds sold shall not exceed 6 percent of the par value thereof) and at such interest rate or rates and upon such other terms and conditions as the Treasurer, with the advice and consent of the Borrower, may determine. The Bonds or any series of them may, at the sole option of the Borrower, be secured by deeds of trust, a reserve fund, bond insurance, credit facility and other security arrangements and/or supported by one or more liquidity facilities.

SECTION 3. The proposed forms of the following documents:

- (i) one or more Loan Agreements relating to the Bonds (collectively, the “Loan Agreement”), each between the Authority and the Borrower,
- (ii) one or more Bond Indentures relating to the Bonds (collectively, the “Bond Indenture”), each between the Authority and UMB Bank, N.A., as bond trustee (the “Bond Trustee”),
- (iii) one or more Bond Purchase Contracts, including the exhibits thereto, relating to the Bonds (collectively, the “Purchase Contract”), each among Initial Direct Purchaser, the Treasurer and the Authority, and approved by the Borrower,

are hereby approved in substantially the forms on file with the Authority prior to this meeting, with such insertions, deletions or changes therein (including, without limitation, insertions, deletions or changes therein appropriate to reflect provisions relating to a deed of trust, a bond reserve fund, bond insurance, any credit and/or liquidity facility and/or another security arrangement, at the sole option of the Borrower, for any series of Bonds) as the officer executing the same may require or approve, such approval to be conclusively evidenced by execution and delivery thereof of the Loan Agreement, the Bond Indenture and the Purchase Contract. The Executive Director or Deputy Executive Director 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 Loan Agreement are true and correct.

SECTION 5. The dated dates, maturity dates (not exceeding 40 years from the respective date of issue), interest rates, interest rate modes, manner of determining interest rates, interest payment dates, series designation, whether issued as federally tax-exempt and/or taxable bonds, 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 the Bonds, including provisions for a credit facility and/or a liquidity facility from time to time, shall be as provided in each Bond Indenture, as finally executed.

SECTION 6. The Bonds, when executed, shall be delivered to the Bond Trustee for authentication by the Bond Trustee. The Bond Trustee is hereby requested and directed to authenticate the Bonds by executing the Bond Trustee’s Certificate of Authentication appearing

thereon, and to deliver the Bonds, when duly executed and authenticated, to or upon direction of the Initial Direct Purchaser thereof in accordance with written instructions executed on behalf of the Authority, which instructions are hereby approved. Said instructions shall provide for the delivery of the Bonds to or upon direction of the Initial Direct Purchaser as determined and confirmed by the Treasurer, upon payment of the purchase price thereof.

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 the Bonds and otherwise to effectuate the purposes of this Resolution and the Bond Indenture, Loan Agreement, and Purchase Contract. The Authority hereby approves any and all documents to be delivered in furtherance of the foregoing purposes, including without limitation: (a) a tax certificate and agreement and other certifications and (b) any agreement or commitment letter with respect to the provisions of bond insurance, a letter of credit, a surety bond, a credit facility and/or a liquidity facility for the Bonds of any series.

SECTION 8. The provisions of the Authority's Resolution No. 2026-01 apply to the documents and actions approved in this Resolution.

SECTION 9. 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 10. This Resolution shall take effect from and after the date of adoption.

Date of Adoption: _____

EXHIBIT A

THE PROJECT

The “Project” consists of acquisition, construction, expansion, remodeling, renovation, furnishing and/or equipping of health facilities of the Corporation, including an on-campus Central Utility Plant (the “CUP”), generally located at 6834, 6840 and 6844 N. Sepulveda, Van Nuys, California, and 15107 Vanowen St., Van Nuys, California.