CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
CEDARS-SINAI MEDICAL CENTER

Amendment to Indenture

Staff Summary
Resolution No. 2010-01B

January 28, 2010

BACKGROUND:

Cedars-Sinai Medical Center (CSMC) has asked the Authority to execute a First Supplemental Indenture to amend a provision within the Indenture relating to the Series 2009 Bonds previously issued by the Authority for the benefit of CSMC.

Specifically, the Indenture contains a provision prohibiting the use of bond proceeds to pay interest on the Series 2009 Bonds. This limitation is not required by the Authority's Act or federal tax law.

The proposed amendment by CSMC would allow bond proceeds in the Project Fund to be used to pay interest accruing on the Series 2009 Bonds during the construction period of the Project. Bondholder consent will not be obtained, nor is it required to be obtained. Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority for the Series 2009 Bonds, has advised the Authority it will provide the Authority with a formal opinion the proposed amendment is permitted under the Indenture.

The proposed amendment has no material impact on Authority operations or security.

STAFF RECOMMENDATION:

Staff recommends the Authority approve the proposed amendment to the Cedars-Sinai Medical Center Indenture as articulated supra.