CHFFA REVENUE BOND FINANCING PROGRAM
EXECUTIVE SUMMARY

Applicant:	Cedars-Sinai Medical Center ("CSMC") 8700 Beverly Blvd. Los Angeles, CA 90048 Los Angeles County	**Amount Requested:**	$458,000,000
		Authority Meeting Date:	October 29, 2015
		Requested Loan Term:	Up to 40 years
		Resolution Number:	408
Project Sites:	See Exhibit 1		
Facility Types:	General Acute Care Hospital		
Eligibility:	Government Code 15432(d) (1)		
Prior Borrower:	Yes (date of last CHFFA issue, 2011)		

Background: Cedars-Sinai Medical Center ("CSMC"), a California nonprofit public benefit corporation established in 1961, owns and operates a major tertiary medical center in Los Angeles, California. CSMC is situated on an approximately 25-acre site and includes a 2.1 million square foot main medical center complex supported by an additional 1,331,000 square feet in adjacent research and ancillary facilities. In addition, CSMC owns an adjacent outpatient Surgery Center of approximately 44,000 square feet. As a teaching hospital, CSMC serves as a regional resource with a full complement of primary care, specialty and subspecialty services.

Use of Proceeds: CSMC seeks to refund CHFFA Series 2005 bonds and take advantage of the recent decline in the lower interest rates being offered in the marketplace. CSMC expects the refunding to result in a net present value savings of approximately $49.1 million over the life of the bonds.

Type of Issue:	Negotiated public offering of fixed rate bonds (minimum $5,000 denominations)
Expected Credit Rating:	Aa3 Moody's; AA- Fitch
Financing Team:	*Please see Exhibit 1 to identify possible conflicts of interest*

Financial Overview: CSMC's income statement appears to exhibit solid operating results over the review period along with continued revenue growth. CSMC appears to have a strong financial position with a proforma debt service coverage ratio of 6.16x.

Estimated Sources of Funds:		**Estimated Uses of Funds:**	
Bond Proceeds	$ 458,000,000	Refunding Series 2005 Bonds	$ 454,000,000
		Cost of Issuance	4,000,000
Total Estimated Sources	$ 458,000,000	**Total Estimated Uses**	$ 458,000,000

Legal Review: Staff has received and reviewed the Eligibility, Legal Review, Religious Due Diligence, Savings Pass Through, CEQA documentation, Community Service Obligation, Seismic, and the Iran Contracting Act certificate. All documentation satisfies the Authority's requirements.

Staff Recommendation: Staff recommends the Authority approve Resolution Number 408 for Cedars-Sinai Medical Center in an amount not to exceed $458,000,000 subject to the conditions in the resolution, including a bond rating of at least investment grade by a nationally recognized rating agency. Macias Gini & O'Connell, LLP, the Authority's financial analyst, and Fieldman, Rolapp & Associates ("Fieldman"), the Authority's financial advisor, concur with the Authority's staff recommendation.

(MS)

I. PURPOSE OF FINANCING

CSMC seeks to issue fixed rate bonds to refund the CHFFA Refunding Revenue Bonds Series 2005 and take advantage of the recent decline in the lower interest rates being offered in the marketplace. CSMC expects the refunding to result in a net present value savings of approximately $49.1 million over the life of the bonds.

Refunding CHFFA Series 2005 ..... $454,000,000

Proceeds from CHFFA Series 2005 bonds were used to refund CHFFA Series 1999A bonds and the California Statewide Communities Development Authority Series 1993 Certificates of Participation. The proceeds of the CHFFA Series 2005 bonds were used to refinance the acquisition, construction, renovation, remodeling and equipping of the health facilities owned and operated by CSMC through the refunding of the Refunded Series 1993 Certificates and, along with Corporation funds, the advance refunding and defeasance of the Series 1999A bonds.

Financing Costs 4,000,000

Estimated underwriter's discount.....	$2,000,000
Estimated cost of issuance	2,000,000

Total Estimated Total Uses of Funds $458,000,000

II. PROPOSED COVENANTS, SECURITY PROVISIONS AND DISCLOSURES:

Obligated Group. CSMC is a California nonprofit public benefit corporation and is the only member of the Obligated Group. CSMC is the borrower under the Loan Agreement(s).

This Executive Summary and its recommendations are based on the covenants and disclosures listed below. 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 cannot be diluted or removed without subsequent review. If there have been modifications to the proposed covenants following the preparation of this Executive Summary, staff will report it at the meeting.

After reviewing CSMC's current financial profile, prior bond transactions, and considering what the market will support, CSMC, Fieldman, and the underwriter have concluded the covenants listed below should be applicable to this transaction. CSMC, Fieldman, and the underwriter note these covenants are consistent with covenants that have applied to the CSMC's prior bond transactions and that the CSMC's current financial profile does not suggest that additional covenants should be required by CHFFA.

The following covenants are applicable for this transaction:

Unconditional Promise to Pay. *CSMC agrees to pay to the Bond Trustee all amounts required for principal, interest or redemption premium, if applicable, and other payments and expenses designated in the Loan Agreement. The Obligated Group guarantees all such payments under the Obligation issued under the Master Indenture. All Revenues (which will include payments by CSMC under the Loan Agreement and payments by the Obligated Group under the Obligation) and any other amounts held in a designated fund or account under the Bond Indenture are pledged to secure the full payment of the Series 2015 Bonds. Currently, CSMC is the only Member of the Obligated Group.*

Pledge of Gross Revenues. *Under the Supplemental Master Indenture for the Series 2015 Bonds, each Member of the Obligated Group pledges to deposit all of its Gross Revenues into a Gross Revenue Fund over which, under certain circumstances related to payment defaults on any Obligation, the Master Trustee can exercise control for the benefit of each Obligation holder.*

Limitation on Liens. *Each Member agrees that it will not create, assume or suffer to exist any Lien upon the Property of the Obligated Group except for Permitted Encumbrances.*

Limited Permitted Encumbrances. *Each Member is subject to a restrictive set of allowable Liens it may incur pursuant to the Master Indenture, such allowable Liens being "Permitted Encumbrances."*

Debt Service Coverage Requirement. *The Master Indenture requires an Annual Required Debt Service Coverage Ratio of more than 1.10:1.00. A debt service coverage ratio measures the ability to make interest and principal payments as they become due. If the Annual Required Debt Service Coverage Ratio falls below 1:10:1.00, the Obligated Group Representative promises to employ an Independent Consultant. An immediate event of default occurs if the Annual Required Debt Service Coverage Ratio falls below 1.00:1.00.*

Limitations on Mergers, Sales or Conveyances. *Each Member agrees that it will not merge or consolidate with any other entity or sell or convey all or substantially all of its assets to any entity that is not a Member unless authorized by various limiting measures set out in the Master Indenture.*

Limitations on Exit of Existing Members of the Obligated Group or Entrance of New Members. *The Master Indenture sets forth restrictions that must be met, including financial tests, for an existing member to exit the Obligated Group or a new member to enter the Obligated Group.*

Disposition of Cash and Property Limitations. *Each Member agrees that it will not dispose any Property if such disposition will cause the Annual Required Debt Service Coverage Ratio for the Members to be less than 1.10:1.0.*

No Reserve Account. *There will not be a debt service reserve account pledged to the Series 2015 Bonds.*

Staff and Fieldman have reviewed the entirety of this financing package and find it to be acceptable.

[Intentionally Left Blank]

III. FINANCIAL STATEMENTS AND ANALYSIS:

CEDARS-SINAI MEDICAL CENTER
Consolidated Statements of Operations and
Changes in Unrestricted Net Assets
($ in thousands)

	Year ended June 30,		
	2014	**2013**	**2012**
Unrestricted net assets:			
Unrestricted revenues, gains, and other support:			
Net patient service revenue*	$ 2,767,492	$2,770,404	$ 2,555,263
Provision for bad debts	(184,138)	(220,928)	(283,550)
Net patient service revenue less provision for bad debts	2,583,354	2,549,476	2,271,713
Premium revenues	68,474	60,310	59,196
Other operating revenues	140,970	141,264	115,039
Investment income associated with operations	3,731	4,437	116
Net assets released from restrictions	135,466	128,118	130,216
Total unrestricted revenues, gains, and other support	2,931,995	2,883,605	2,576,280
Expenses:			
Salaries and employee benefits	1,416,028	1,368,267	1,336,045
Professional fees	126,295	113,931	99,551
Materials, supplies, and other	909,540	884,137	868,979
Interest	44,067	33,527	40,241
Depreciation and amortization	152,405	133,624	119,576
Total expenses	2,648,335	2,533,486	2,464,392
Operating income	283,660	350,119	111,888
Investment income associated with future operating and capital needs	155,734	94,734	(16,498)
Excess of revenues over expenses	439,394	444,853	95,390
Net assets released from restrictions used for the purchase of property and equipment	1,251	1,489	2,956
Change in pension liability	(15,828)	57,451	(64,121)
Increase in unrestricted net assets	424,817	503,793	34,225
Temporarily restricted net assets activity:			
Contributions and grants	126,599	155,175	129,514
Investment income	12,761	11,936	10,505
Net assets released from restrictions	(136,717)	(129,607)	(133,172)
Increase in temporarily restricted net assets	2,643	37,504	6,847
Permanently restricted net assets activity:			
Contributions	16,642	8,228	19,796
Investment income added to corpus	-	-	60
Increase in permanently restricted net assets	16,642	8,228	19,856
Increase in net assets	444,102	549,525	60,928
Net assets at beginning of year	2,607,226	2,057,701	1,996,773
Net assets at end of year	$ 3,051,328	$2,607,226	$ 2,057,701

Payer Source for FYE 06/30/2014

***Net patient service revenue**	**Percent**
HMO/PPO	59.0
Medicare	25.9
Other Payers	10.7
Medi-Cal	4.4
Total	**100.0**

CEDARS-SINAI MEDICAL CENTER
Consolidated Balance Sheets
($ in thousands)

	Year ended June 30,		
	2014	**2013**	**2012**
Assets			
Current assets:			
Cash and cash equivalents	$ 309,527	$ 384,719	$ 316,751
Short-term investments	780,474	448,491	446,878
Board-designated assets	632,135	511,552	425,578
Assets limited as to use	12,440	12,813	12,700
Patient accounts receivable	476,571	445,200	384,003
Inventories	29,770	26,993	21,681
Prepaid expenses and other assets	96,197	106,557	137,194
Total current assets	2,337,114	1,936,325	1,744,785
Property and equipment, net	1,766,785	1,744,007	1,569,306
Investments	181,630	177,392	172,061
Assets restricted for the acquisition of property and equipment	8,707	7,664	2,841
Permanently restricted assets	267,774	251,132	242,904
Other assets	229,015	205,342	161,413
Total assets	$ 4,791,025	$ 4,321,862	$ 3,893,310
Liabilities and net assets			
Current liabilities:			
Accounts payable and other accrued liabilities	$ 241,890	$ 218,717	$ 260,579
Due to third-party payers	3,936	17,673	24,860
Accrued payroll and related liabilities	246,792	229,583	218,347
Current portion of long-term debt	41,260	44,505	42,680
Total current liabilities	533,878	510,478	546,466
Long-term debt, less current maturities	1,048,570	1,079,192	1,127,236
Accrued workers' compensation and malpractice insurance claims, less current position	107,506	94,623	91,609
Other liabilities	49,743	30,343	70,298
Net assets:			
Unrestricted	2,503,967	2,079,150	1,575,357
Temporarily restricted	279,587	276,944	239,440
Permanently restricted	267,774	251,132	242,904
Total net assets	3,051,328	2,607,226	2,057,701
Total liabilities and net assets	$ 4,791,025	$ 4,321,862	$ 3,893,310

Financial Ratios:

	Proforma [(a)]			
	FYE June 30, 2014			
Debt Service Coverage (x) -- Operating	6.16	5.42	6.79	3.64
Debt Service Coverage (x) -- Net	8.15	7.18	8.03	3.42
Debt/Unrestricted Net Assets (x)	0.44	0.44	0.54	0.74
Margin (%)		9.67	12.14	4.34
Current Ratio (x)		4.38	3.79	3.19

[(a)] Recalculates FY 2014 audited results to include the impact of this proposed financing.

Financial Discussion – Statement of Activities (Income Statement)

CSMC's income statement appears to exhibit fluctuating operating income while revenue continued to grow.

CSMC's income from operations displayed an increase from FY 2012 to FY 2014 of approximately 153%, increasing from $112 million to $284 million. While operating income increased during the review period, FY 2014 did show a decrease of 19% compared to FY 2013. According to CSMC management, operating income increased from FY 2012 to FY 2013 as revenues growth outpaced expense growth based on heightened cost control efforts. From FY 2013 to FY 2014, declining volume resulted in revenue growth of 1.6% while expenses increased 4.5%. According to CSMC management, CSMC continues to monitor expenses as part of its organizational goals to ensure it is appropriately resourcing operations and has started several task forces to ensure they obtain those goals. Due to these efforts, volumes have recovered significantly.

Additionally, total revenue increased by approximately 12% from FY 2012 to FY 2013 from $2.5 billion to $2.8 billion, respectively and total revenues grew to $2.9 billion in FY 2014, an increase of 2%. According to CSMC management, the growth in FY 2013 was driven by strong outpatient revenue growth. The slowing of growth in FY 2014 was driven by a combination of decreased volume and the absence of the hospital provider fee which was not approved until FY 2015.

According to CSMC management, CSMC continues to monitor and assess the many facets of the Affordable Care Act. While CSMC has seen significant expansion of Medi-Cal and commercial exchange patients, it expects to be prepared to continue to meet the growing demand and continue to provide high quality care.

Particular Facts to Note:

- CSMC incurred an increase in unrestricted net assets from $34.2 million in FY 2012 to $503.7 million in FY 2013. However, FY 2014 decreased to $424.8 million. According to CSMC management, the increase in unrestricted net assets from FY 2012 to FY 2014 is driven substantially by income from operations increasing from $95 million in FY 2012 to $439 million in FY 2014. To a lesser extent, investment income increased by $171 million during that time from negative $16 million in FY 2012 to $155 million in FY 2014 as well as other changes related to pension liabilities and net assets released from restrictions increasing $75 million.

- CSMC displayed an increase in investment income associated with future operating and capital needs over the review period, with FY 2014 showed a difference of $172 million compared to FY 2012. According to CSMC management, their investment income fluctuates broadly depending on general market conditions.

Financial Discussion – Statement of Financial Position (Balance Sheet)

CSMC's balance sheet appears solid with increasing net assets and a strong 2014 pro-forma operating debt service coverage ratio at 6.16x.

CSMC's balance sheet appears to continue growing with total net assets increasing from approximately $2 billion in FY 2012 to $3 billion in FY 2014, an increase of 48.3%. According to CSMC management, net assets increases are primarily related to income from operations and investment earnings. CSMC's debt service coverage ratio remained strong during the review period, with 3.09x in FY 2012, 5.96x in FY 2013, and 5.06x in FY 2014. With the expected savings from the proposed refunding, the proforma debt service coverage ratio appears to increase to 6.16x.

Particular Facts to Note:

- CSMC's prepaid expenses and other assets decreased approximately $137.1 million in FY 2012 to $96.1 million in FY 2014. According to CSMC management, these changes are purely related to the timing of payments from year to year.

- CSMC's short-term investments increased from $448.4 million in FY 2014 to $780.4 million in FY 2013. CSMC management attributes the increase in short term investments to operational results.

- CSMC's debt-to-unrestricted net assets ratio reduced each year of the review period from 0.74 in FY 2012 to 0.44 in FY 2014. This reduction improved the borrower's financial position as long-term debt decreased from approximately $1.1 billion in FY 2012 to approximately $1 billion in FY 2014.

IV. DUE DILIGENCE:

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

- **Section 15438.5(a) of the Act (Savings Pass Through):** CSMC properly completed and submitted the "Pass-Through Savings Certification," in addition to a narrative explaining how it intends to pass through savings.

  According CSMC management, CSMC provided approximately $100 million of community benefit programs and education and training for physicians and other health professionals in FY 2014.

  Health Professions Education
  As an academic medical center, CSMC offers graduate medical education and many other education programs for a variety of health professionals. They include offering graduate education training programs in over 80 physician specialty and subspecialty areas; and other health professions education programs including degree programs and extensive educational resources for aspiring and current nurses, dieticians, psychologists, paramedics, pathologists, researchers, rehabilitation professionals and chaplains.

  Community Health Improvement
  - Clinical services are provided to underserved communities daily, through an on-site primary adult care clinic; and through mobile medical units and free and community clinics throughout Los Angeles – all serving underserved, uninsured and underinsured populations.
  - Each year, CSMC takes part in community-based activities including health fairs, exercise programs, and screening programs for conditions such as cardiovascular disease, depression, diabetes and hypertension, as well immunization programs, lectures and workshops. Also offered are disease-specific support groups, patient education programs and program affiliates.
  - CSMC plans and implements long-term comprehensive strategies to meet the health needs of underserved communities. Signature Community Benefit programs seek to improve health in communities by building strong partnerships, building community capacities and providing direct education.

    http://www.cedars-sinai.edu/Community-Benefit/index.aspx

- **Section 15491.1 of the Act (Community Service Requirement)**: CSMC properly completed and submitted this certification and indicated that Medi-Cal and Medicare patients are accepted.

- **Compliance with Seismic Regulations:** CSMC properly submitted a description of how it is complying with OSHPD seismic evaluation regulations.

- **Compliance with Section 15455(b) of the Act (California Environmental Quality Act)**: CSMC properly submitted documentation to the Authority, where applicable, demonstrating that each proposed project has either complied with Division 13 (commencing with Section 21000) of the Public Resources Code, or is otherwise not a "project" under that division.

- **Religious Due Diligence**: CSMC properly completed and submitted the "Religious Due Diligence" questionnaire.

- **Legal Review**: CSMC properly completed and submitted relevant documentation for the Authority's Legal Questionnaire.

- **Iran Contracting Act Certificate**: CSMC properly completed and submitted the "Iran Contracting Act" certificate.

[Intentionally left blank]

EXHIBIT 1

PROJECT SITES

Cedars-Sinai Medical Center Health Facilities

- 8700, 8750, and 8758 West Beverly Blvd., Los Angeles, California 90048
- 310 N. San Vicente Blvd., Los Angeles, California 90048
- 8723 Gracie Allen Dr., Los Angeles, California 90048
- 8730 Alden Dr., Los Angeles, California 90048
- 8575 West Third St., Los Angeles, California 90048
- 116 George Burns Dr., Los Angeles, California 90048
- 444 S. San Vicente Blvd., Los Angeles, California 90048
- 120 North Robertson Blvd., Los Angeles, California 90048
- 116 and 200 North Robertson Blvd., Beverly Hills, California 90211

EXHIBIT 2

FINANCING TEAM

Borrower:	Cedars-Sinai Medical Center
Agent for Sale:	California State Treasurer
Issuer's Counsel:	Office of the Attorney General
Issuer's Financial Advisor:	Fieldman, Rolapp & Associates
Issuer's Financial Analyst:	Macias Gini & O'Connell, LLP
Corporation Counsel:	Paul Hastings LLP
Borrower's Financial Advisor:	Kaufman, Hall & Associates
Bond Counsel:	Orrick, Herrington & Sutcliffe, LLP
Underwriter:	Barclays
Underwriter Counsel:	Sidley Austin LLP
Trustees:	The Bank of New York Mellon
Auditor:	Ernst & Young LLP
Rating Agencies:	Moody's Investors Service, Inc. Fitch Ratings, Inc.

EXHIBIT 3

UTILIZATION STATISTICS

Cedars-Sinai Medical Center

	Fiscal Year Ended June 30,		
	2014	**2013**	**2012**
Average length of stay (Days) [1]	5.17	5.11	5.18
Patient Days [1]	234,271	251,803	255,010
Admissions, excluding newborns [1]	45,344	49,268	49,186
Average available beds	862	877	888
Occupancy %	74.5%	78.7%	78.7%
Emergency room visits	85,082	85,305	83,336
Outpatient visits	662,055	630,269	611,557
Outpatient surgeries	14,392	13,327	12,916
Medicare case mix index	2.06	1.95	1.91

[1] Average length of stay is defined as patient days divided by admissions.

EXHIBIT 4

OUTSTANDING DEBT

Cedars-Sinai Medical Center
(Dollar Amounts Expressed in Thousands)

Date Issued	Original Amount	Amount Outstanding[(a)] As of June 30, 2014	Estimated Amount Outstanding after Proposed Financing
-EXISTING LONG-TERM DEBT:			
CHFFA Revenue Bonds, Series 2005	$ 518,820	$ 479,680	$ -
CHFFA Revenue Bonds, Series 2009	535,000	461,576	461,576
CHFFA Revenue Bonds, Series 2011	148,400	134,574	134,574
Other notes payable	14,000	14,000	14,000
- PROPOSED NEW DEBT:			
CHFFA Revenue Bonds, Series 2015			**458,000**
- TOTAL DEBT		**$ 1,089,830**	**$ 1,068,150**

(a) Includes current portion of long-term debt.

EXHIBIT 5

BACKGROUND, GOVERNANCE AND LICENSURE

Background

CSMC, a California nonprofit public benefit corporation, incorporated in 1961, owns and operates a major tertiary medical center in Los Angeles, California. CSMC is situated on an approximately 25-acre site and includes a 2.1 million square foot main medical center complex supported by an additional 1,331,000 square feet of space in adjacent research and ancillary facilities. In addition, CSMC owns an adjacent outpatient Surgery Center and the Mark Goodson Building, an offsite ambulatory care facility of approximately 269,000 square feet of space, including parking. As a teaching hospital, CSMC serves as a regional resource with a full complement of primary care, specialty and subspecialty services.

As one of the largest nonprofit hospitals in the western United States, CSMC has combined expertise in technology, research and the provision of patient care to create a standard of excellence in healthcare. The campus is comprised of multiple patient care buildings in which inpatient and outpatient services are delivered, and which contain additional space for administrative services. CSMC is currently licensed for 886 beds, of which 826 were available for use as of June 30, 2015. CSMC's facilities are in compliance with the California seismic safety requirements and will not require any construction, retrofitting or relocation of core services and facilities in order to fully comply with such requirements until 2030.

CSMC provides comprehensive health services to a diverse population of approximately 5.1 million people who reside in the central, western and southern portions of metropolitan Los Angeles and the southern San Fernando Valley.

Cedars-Sinai Medical Care Foundation ("The Foundation")

Formed as a California nonprofit public benefit corporation in December 1993, the Foundation operates and maintains multispecialty clinics, holds payor contracts and the assets of acquired physician and physician group practices, and contracts for physician services pursuant to professional services agreements. The Foundation is affiliated with approximately 1,049 physicians with practices situated on the west side of Los Angeles and manages approximately 42,000 commercial and senior managed care capitated lives.

Licenses and Contracts

CSMC is licensed by the State of California Department of Public Health. CSMC is accredited by the Joint Commission. CSMC has received several certifications, including: American Heart Association First Hour Designation, Emergency Department Approved for Pediatrics, Commission on Cancer Certificate of Approval, and American Diabetes Association Certificate of Recognition, Comprehensive Stroke and Mechanical Circulatory Support Certification by The Joint Commission. CSMC holds memberships in the American Hospital Association, the California Hospital Association, the Hospital Council of Southern California, the Association of Western Hospitals, the Voluntary Hospitals of America, and the Council of Teaching Hospitals of the Association of American Medical Colleges.

Governance

CSMC is governed by its Board of Directors, which shall consist of not less than 15 nor more than 40 members. Each member of the Board of Directors is elected initially to a one or two-year term at the December Board of Directors meeting and is subject to reelection for an unlimited number of subsequent one or two-year terms in accordance with CSMC's bylaws.

[Intentionally left blank]

RESOLUTION NO. 408

RESOLUTION OF THE CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY AUTHORIZING THE ISSUANCE OF REFUNDING REVENUE BONDS RELATED TO THE REFINANCING OF PROJECTS AT CERTAIN HEALTH FACILITIES OF CEDARS-SINAI MEDICAL CENTER OR CERTAIN OF ITS 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 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;

WHEREAS, Cedars-Sinai Medical Center (the "Corporation") is a nonprofit public benefit corporation duly organized and existing under the laws of the State of California and owns and operates health facilities in the State of California; and

WHEREAS, the Authority has previously issued its Refunding Revenue Bonds (Cedars-Sinai Medical Center), Series 2005 (the "Prior Bonds"), in the aggregate principal amount of $518,820,000, of which $458,000,000 currently is outstanding, and loaned the proceeds thereof to the Corporation to refinance indebtedness incurred thereby in connection with the acquisition, construction, renovation, remodeling and equipping of health facilities, as more particularly described under the caption "Prior Project" in Exhibit A hereto (the "Prior Project"); and

WHEREAS, the Corporation has requested that the Authority issue one or more series of its revenue bonds in an aggregate principal amount not to exceed $458,000,000, and make one or more loans of the proceeds thereof to the Corporation to (i) refund all or any portion of the outstanding Prior Bonds, and (ii) if determined by the Corporation, pay costs of issuance of the Bonds (as defined below); 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, that the Prior 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 such revenue 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 Refunding Revenue Bonds (Cedars-Sinai Medical Center), Series 2015" (the "Bonds"), in a total aggregate principal amount not to exceed $458,000,000, are hereby authorized to be issued from time to time, in one or more series, with such other name or names of the Bonds or series thereof as designated in the bond indenture 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 fourth 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 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 Corporation, may determine. The Bonds shall, at issuance, be rated at investment grade by an active nationally recognized rating agency. The Bonds or any series of them may, at the sole option of the Corporation, 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 following documents:

(i) a Loan Agreement relating to the Bonds (the "Loan Agreement"), between the Authority and the Corporation,

(ii) a Bond Indenture relating to the Bonds (the "Bond Indenture"), between the Authority and The Bank of New York Mellon, as bond trustee (the "Bond Trustee"),

(iii) a Bond Purchase Contract, including the exhibits thereto, relating to the Bonds (the "Bond Purchase Contract"), among Barclays Capital Inc. (the "Underwriter"), the Treasurer and the Authority, and approved by the Corporation, and

(iv) a preliminary official statement relating to the Bonds (the "Preliminary Official Statement"),

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 other credit and/or liquidity facility and/or another security arrangement, at the sole option of the Corporation, 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 in the case of the Loan Agreement, the Bond Indenture and the Bond Purchase Contract and by delivery thereof in the case of the Preliminary Official Statement. The 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 payment dates, 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 the Bond Indenture, as finally executed.

SECTION 6. The Underwriter is hereby authorized to distribute the Preliminary Official Statement for the Bonds to persons who may be interested in the purchase of such Bonds offered in such issuance, it being understood that, at the discretion of the Underwriter (in consultation with the Corporation), a preliminary official statement may not be used with respect to any series of Bonds. The Underwriter is hereby directed to deliver the final official statement (the "Official Statement") to all actual purchasers of such Bonds.

SECTION 7. 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 Underwriter 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 Underwriter, as determined and confirmed by the Treasurer, upon payment of the purchase price thereof.

SECTION 8. 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, Bond Purchase Contract and Official Statement. 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.

SECTION 9. The provisions of the Authority's Resolution No. 2014-05 apply to the documents and actions approved in this Resolution.

SECTION 10. 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 11. This Resolution shall take effect from and after the date of adoption.

Date of Adoption: _____

EXHIBIT A

Prior Project:

Refinancing the acquisition, construction, renovation, remodeling and equipping of the health facilities located at 8700, 8750 and 8758 Beverly Blvd., 310 N. San Vicente Blvd., 8723 Gracie Allen Dr., 8730 Alden Dr., 8575 West Third St., 116 George Burns Dr., 444 South San Vicente Blvd., 116, 120 and 200 North Robertson Blvd., all of which are located in the Cities of Los Angeles and West Hollywood, California, each of which are owned and operated by the Corporation or one of its affiliates.