

**CHFFA REVENUE BOND FINANCING PROGRAM  
EXECUTIVE SUMMARY**

<p><b>Applicant:</b> Marin General Hospital dba MarinHealth Medical Center (MarinHealth) 250 Bon Air Road Greenbrae, CA 94904 Marin County</p> <p><b>Project Sites:</b> <i>(See Exhibit 1)</i></p> <p><b>Facility Type:</b> General Acute Care Hospital</p> <p><b>Eligibility:</b> Government Code Section 15432(d)(1)</p> <p><b>Prior Borrower:</b> Yes (Date of last CHFFA Issue, January 1993)</p>	<p><b>Amount Requested:</b> \$20,000,000</p> <p><b>Requested Loan Term:</b> Up to 10 years</p> <p><b>Authority Meeting Date:</b> June 30, 2022</p> <p><b>Resolution Number:</b> E-27</p>																
<p><b>Background:</b> MarinHealth is a 501(c)(3) nonprofit organization and has a 327-bed independent hospital that has been meeting the healthcare needs of the North Bay since first opening its doors as Marin General Hospital in 1952. To keep up with the North Bay’s burgeoning population and meet California’s latest earthquake safety standards, in fall 2020 MarinHealth opened Oak Pavilion, a new 260,000-square-foot, state-of-the-art replacement hospital.</p>																	
<p><b>Use of Proceeds:</b> Note proceeds will be used to finance and/or refinance costs incurred with the implementation of an electronic health record system (EHR).</p>																	
<p style="text-align: center;"><b>Type of Issue:</b> Private placement of a tax-exempt equipment note</p> <p><b>Expected Credit Rating:</b> Unrated – (please see Guideline discussion on page 3)</p> <p><b>Financing Team:</b> <i>See Exhibit 2 to identify possible conflicts of interest</i></p>																	
<p><b>Financial Overview:</b> MarinHealth’s income statement appears to show increasing revenue during the review period from FY 2019 to FY 2021. MarinHealth’s balance sheet appears to have a solid financial position with a proforma net debt service coverage ratio of 2.07x.</p>																	
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Borrower funds <sup>(1)</sup>	10,000	Cost of issuance	10,000														
Total Estimated Sources	\$20,010,000	Total Estimated Uses	\$20,010,000														
<p><sup>(1)</sup> Borrower intends to pay costs of issuance directly, but, to maintain flexibility, may later decide to pay from note proceeds. The total costs of issuance are still being determined.</p>																	
<p><b>Due Diligence:</b> Staff has received and reviewed the Eligibility, Legal Review, and Religious Affiliation Due Diligence documentation, and the certifications for Pass-Through Savings and Community Service Obligation. All documentation satisfies the Authority’s requirements.</p>																	
<p><b>Staff Recommendation:</b> Staff recommends the Authority approve Resolution Number E-27 in an amount not to exceed \$20,000,000, subject to the conditions in the resolution. TAP International, Incorporated, the Authority’s financial analyst, and KNN Public Finance, LLC, the Authority’s financial advisor, concur with the Authority’s staff recommendation.</p>																	

**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 was prepared solely for members of the CHFFA Board and to satisfy certain provisions of the California Health Facilities Financing Authority Act [California Government Code §15430 - §15463]. 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:**

MarinHealth is requesting to issue tax-exempt notes through the Authority’s Tax-Exempt Equipment Loan Program to finance and/or refinance costs incurred with the implementation of a state-of-the-art Epic Electronic Health Record (EHR) system to replace their existing Paragon/Allscripts EHR system. MarinHealth is purchasing the Epic EHR in collaboration with their strategic partner University of California San Francisco Medical Center (UCSF), which will allow them to share the build and design costs of the Epic EHR. The Epic EHR will enhance MarinHealth’s ability to provide care to the residents of Marin County and will integrate with its existing ambulatory EHR. The tax-exempt note will be privately placed with Banc of America Public Capital Corp.

***Equipment*..... 20,000,000**

MarinHealth will use the Epic EHR throughout its hospital and clinics. Epic EHR is an electronic medical record software application that supports 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. MarinHealth began installing the Epic EHR system in August 2021 and anticipates it will be fully implemented and in service by August 6, 2022. The Epic EHR has an expected useful life of seven years.

***Financing costs* ..... 10,000**

- Estimated cost of issuance..... \$10,000

***Total Estimated Uses of Funds* ..... \$20,010,000**

## II. GUIDELINE DISCUSSION:

The MarinHealth Series 2022 Revenue Note (the Note) will be an unrated bank private placement with Banc of America Public Capital Corp (BAPCC). The following guidelines have been applied to the issuance of the Note:

Must be privately placed with and transferred only to an Affiliate<sup>(1)</sup> or a “Qualified Institutional Buyer” (QIB) as defined by SEC Rule 144A, promulgated under the Securities Act of 1933;

- No partial transfers of the Note<sup>(2)</sup>;
- The Note is non-recourse; only secured by equipment and escrowed funds;
- Investor Letter required at issuance;
- Note transfer restrictions must be stated conspicuously on the Note itself; and
- The Note must be physically delivered.

All of the foregoing requirements are designed to maximize the likelihood that the unrated Note will be placed with sophisticated investors given the higher risk typically perceived to be associated with unrated debt. The Note is not rated at this time because the purchaser does not require the Note to be rated. The purchaser is required to be a QIB under SEC Rule 144A and will make an independent credit determination to purchase the Note. The foregoing will be reflected in the investor letter.

- (1) Affiliate means, with respect to the Lessor, any entity that, directly or indirectly, controls, or is controlled by, or is under common control with, the Lessor. 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.
- (2) MarinHealth requested an exception to the Authority’s Guidelines for Unrated Debt for this transaction to exclude the minimum denomination of \$250,000. The minimum denomination does not apply as there will be a single Note in the total aggregate par amount and the Note cannot be partially transferred.

Staff has completed its due diligence, and KNN has reviewed the Term Sheet provided by BAPCC to MarinHealth, Master Financing Agreement, and Equipment Schedule associated with this financing package and found these documents and proposed guidelines for unrated debt to be acceptable.

### III. FINANCIAL STATEMENTS AND ANALYSIS:

**Marin General Hospital dba MarinHealth Medical Center**  
**Statement of Activities**  
(In Thousands)

	<b>For the Year Ended December 31,</b>		
	2021	2020	2019
<b>Net Assets Without donor restrictions</b>			
<b>Revenues, gains, and other support:</b>			
Net patient service revenue	\$ 434,180	\$ 368,148	\$ 385,454
Capitation revenue	42,824	45,596	29,757
Contract revenue	89,560	61,773	63,245
Contributions	6,996	12,990	2,034
Other	19,901	18,605	15,963
Net assets released from restrictions used for operations	462	1,122	930
<b>Total revenues, gains, and other support</b>	<b>593,923</b>	<b>508,234</b>	<b>497,383</b>
<b>Operating Expenses</b>			
Salaries and employee benefits	294,454	275,553	263,302
Purchased services	151,446	126,953	119,647
Supplies	68,281	55,199	58,443
Depreciation and amortization	23,837	18,575	18,546
Rentals and leases	18,681	17,949	17,565
Referral claims	15,863	16,118	4,332
Interest	7,515	4,155	6,667
Loss on impairment	2,214	-	-
Other	25,781	23,408	23,226
<b>Total operating expenses</b>	<b>608,072</b>	<b>537,910</b>	<b>511,728</b>
Loss from operating expenses	(14,149)	(29,676)	(14,345)
Gain on sale of MGH/SCA LLC	-	-	2,260
Retirement benefit gain	3,944	1,663	112
Investment income, net	1,544	2,669	3,062
Net unrealized gains on investments	1,531	4,373	6,278
Deficiency of Revenues Over Expenses	(7,130)	(20,971)	(2,633)
Benefit plan related changes	12,776	(11,310)	823
Other	49	167	1,055
Sale of MGH/SCA LLC	-	-	(10,941)
Noncontrolling interest acquired	2,054	-	-
Net assets released from restrictions for plant and equipment	9,019	11,190	11,207
<b>Increase (Decrease) in Net Assets</b>			
<b>Without Donor Restrictions</b>	<b>16,768</b>	<b>(20,924)</b>	<b>(489)</b>
<b>Net Assets With Donor Restrictions</b>			
Contributions	9,311	5,310	5,806
Net assets released from restrictions	(9,481)	(12,312)	(12,137)
<b>Decrease in Net Assets With Donor Restrictions</b>	<b>(170)</b>	<b>(7,002)</b>	<b>(6,331)</b>
<b>Change in Net Assets</b>	<b>16,598</b>	<b>(27,926)</b>	<b>(6,820)</b>
<b>Net Assets, beginning of year</b>	<b>161,750</b>	<b>189,676</b>	<b>196,496</b>
<b>Net Assets, end of year</b>	<b>\$ 178,348</b>	<b>\$ 161,750</b>	<b>\$ 189,676</b>

**Marin General Hospital dba MarinHealth Medical Center**  
**Statement of Financial Position**  
(In Thousands)

	As of December 31,		
	2021	2020	2019
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 65,673	\$ 88,351	\$ 79,531
Short-term investments	96,889	98,891	91,805
Patient accounts receivable, net	66,760	66,811	60,975
Other receivables	23,587	26,127	18,214
Contract receivables	22,196	8,782	7,504
Inventories	8,329	7,403	6,056
Estimated third-party payor settlements	3,064	4,469	2,785
Assets limited as to use	1,864	807	6,383
Prepaid expenses and deposits	8,970	9,031	12,756
Total current assets	297,332	310,672	286,009
Pledges receivable, net of current portion	3,645	4,516	5,782
Assets limits as to use, net of current portion	24,976	56,143	94,511
Plant and equipment, net	197,680	172,358	111,177
Operating lease right-of-use assets	63,010	62,917	74,348
Beneficial interest in trusts	1,332	1,074	1,044
Other noncurrent assets	30,490	10,846	12,030
Total assets	\$ 618,465	\$ 618,526	\$ 584,901
<b>Liabilities and Net Assets</b>			
<b>Current liabilities</b>			
Accounts payable	\$ 49,485	\$ 35,128	\$ 32,938
Accrued salaries and related benefits	38,631	37,999	25,483
Other accrued expenses	8,622	9,802	7,935
Current maturities of long-term debt	1,074	-	2,772
Current maturities of operating lease liabilities	15,224	10,752	10,867
Government contract liability	34,564	18,922	-
Total current liabilities	147,600	112,603	79,995
<b>Noncurrent liabilities</b>			
Long term debt, net of current maturities	177,310	178,813	182,325
Operating lease liabilities, net of current maturities	56,076	59,535	70,099
Government contract liability, net of current portion	-	36,447	-
Contract liability	25,609	20,000	20,000
Workers compensation obligation, net of current portion	4,940	5,362	6,214
Pension benefit obligation, net of current portion	18,798	31,743	22,123
Post-retirement health obligation, net of current portion	8,371	10,758	10,164
Professional liability obligation	1,413	1,515	4,305
Total noncurrent liabilities	292,517	344,173	315,230
Total liabilities	440,117	456,776	395,225
<b>Net assets</b>			
Without donor restriction	149,986	135,272	156,196
Noncontrolling interests	2,054	-	-
With donor restriction	26,308	26,478	33,480
Total net assets	178,348	161,750	189,676
Total liabilities and net assets	\$ 618,465	\$ 618,526	\$ 584,901

**Financial Ratios:**

	<b>Proforma<sup>(a)</sup></b>			
	<b>FYE 12/31/2021</b>	2021	2020	2019
Debt Service Coverage - Operating (x)	0.8 <sup>(b)</sup>	1.06	-0.39	0.52
Debt Service Coverage - Net (x)	2.07 <sup>(b)</sup>	2.76	0.10	1.18
Debt to Unrestricted Net Assets (x)	1.77	1.64	1.84	1.70
Operating Margin (%)		-2.38	-5.84	-2.88
Current Ratio (x)		2.01	2.76	3.58

<sup>(a)</sup> Recalculates FY 2021 audited results to include the impact of this proposed financing.

<sup>(b)</sup> The pro-forma calculations consider the average principal payments for the 2018A bonds during the expected life of the 2022 Note.

## **Financial Discussion**

### **MarinHealth's income statement appears to show increasing revenue during the review period from FY 2019 to FY 2021.**

MarinHealth's primary source of revenue comes from net patient service revenue, which fluctuated from approximately \$385.5 million, to \$368.1 million, and then to \$434.2 million for FY 2019, FY 2020, and FY 2021, respectively. According to MarinHealth's management, this is due to patient volume decreases in 2020 resulting from the COVID-19 pandemic. However, patient volumes rebounded in 2021 due to increased demand for elective surgery and non-emergency procedures that were previously delayed. MarinHealth also received funding through the Coronavirus Aid, Relief and Economic Security Act of approximately \$8.4 million in FY 2020 and approximately \$4.5 million in FY 2021, but does not have any loans through the Paycheck Protection Program.

MarinHealth's total revenues, gains, and other support increased by 19.4% from approximately \$497.4 million in FY 2019 to approximately \$593.9 million in FY 2021, driven by various sources of income. According to MarinHealth's management, the increase in total revenues, gains, and other support was due to the addition of a new capitation arrangement, effective January 2020, with prepaid health plans to provide medical services to subscribing participants. MarinHealth also received increased contract revenues from UCSF as well as experienced a 22% increase in total outpatient visits from FY 2020 to 2021.

As operating expenses exceeded revenues during each year of the review period, MarinHealth's margins were negative each year; from -2.9%, -5.8%, and -2.4% for FY 2019, FY 2020, and FY 2021, respectively. Total operating expenses increased by 18.8% from approximately \$511.7 million in FY 2019 to approximately \$608.1 million in FY 2021. According to MarinHealth's management, the increase in total operating expenses was due to salaries and benefits increasing because of a labor shortage, additional staffing needs related to the opening of five new clinics since FY 2019, as well as increasing supply costs. MarinHealth's management anticipates improving margins in FY 2022 with a focus on cost management, including reduced labor costs; aggressive growth plans; and increasing volumes at the new hospital, which should exceed pre-pandemic levels. According to MarinHealth, the first five months of FY 2022 are resulting in a positive operating margin of just over 3% vs. a negative 4% operating margin from the same period last year.

### **MarinHealth's balance sheet appears to have a solid financial position with a proforma net debt service coverage ratio of 2.07x.**

MarinHealth's net debt service coverage ratio in FY 2021 is a solid 2.76x. With the proposed tax-exempt loan financing, the FY 2021 proforma net debt service coverage ratio continues to be solid at 2.07x. MarinHealth did have one year reflecting a net debt service coverage ratio below 1x in FY 2020 as hospital and outpatient volumes fell during the COVID-19 pandemic, leading to a dip in net patient service revenue and less income available for debt service payments that year.

Cash and cash equivalents decreased from \$79.5 million in FY 2019 to about \$65.7 million in FY 2021. MarinHealth's management attributes this to repayment in FY 2021 of a \$20.2 million Medicare Advance received in April 2020, which was partially offset by increased cash collections due to revenue cycle improvements.

Over the review period, MarinHealth's balance sheet grew with total assets increasing from approximately \$584.9 million in FY 2019 to just about \$618.5 million in FY 2021, an increase of approximately 5.7%. MarinHealth's management attributes the increase in total assets to increases in plant and equipment for capitalization of costs related to finalizing the new Oak Pavilion replacement hospital and the Epic EHR system.

**[INTENTIONALLY LEFT BLANK]**

#### IV. DUE DILIGENCE:

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

- **Section 15438.5(a) of the Act (Pass-Through Savings):** MarinHealth properly completed and submitted the Pass-Through Savings Certification.
- **Section 15491.1 of the Act (Community Service Obligation):** MarinHealth properly completed and submitted the Community Service Obligation Certification and indicated that Medi-Cal and Medicare patients are accepted. In addition to a narrative explaining how it addresses the health care needs of its community, below is a link to MarinHealth's 2021 Community Benefits Report.

<https://www.mymarinhealth.org/about-us/community-benefit>

As a not-for-profit, independent district hospital, MarinHealth is fully committed to serving the healthcare needs of the surrounding community. In addition to being the county's only full-service acute care facility, MarinHealth give extensive charitable resources to benefit the community through access to care, education, prevention and support programs, and more.

In 2021, MarinHealth provided more than \$973,000 in financial assistance (charity care) costs where no reimbursement is received and \$46.4 million in Medi-Cal and other programmatic shortfalls, which is the difference between what the hospital is reimbursed for care to beneficiaries and the actual cost of providing that care. During 2021, MarinHealth made more than \$78.6 million in community benefit contributions. Of that, \$76.7 million (97%) of the total community benefit contribution helped to improve access to care, increase healthy eating and active living, reduce homelessness, address mental health and substance use, and reduce violence and prevent injuries. The remainder was allocated for community building, community benefit operations, and health professions education.

- **Compliance with Section 15455(b) of the Act (California Environmental Quality Act):** CEQA will not apply for this transaction.
- **Religious Affiliation Due Diligence:** Not applicable, MarinHealth has no religious affiliation.
- **Legal Review:** MarinHealth properly completed and submitted relevant documentation for the Authority's Legal Status Questionnaire.
- **Iran Contracting Act Certificate:** The Iran Contracting Act Certificate applies to underwriters, and therefore is not applicable to private placement transactions.



**V. OUTSTANDING DEBT**

**MarinHealth Medical Center**

<u>Date Issued</u>	<u>Original Amount</u>	<u>Amount Outstanding As of December 31, 2021<sup>(a)</sup></u>	<u>Estimated Amount Outstanding after Proposed Financing</u>
<b>-EXISTING LONG-TERM DEBT:</b>			
Revenue Bonds Series 2018A			
California Statewide Communities Development Authority	\$ 91,100,000	\$ 91,100,000	\$ 91,100,000
Revenue Bonds Series 2018B			
California Statewide Communities Development Authority	66,835,000	66,835,000	66,835,000
Equipment note payable			
Bank of America	22,429,000	14,867,000	14,867,000
<b>- PROPOSED NEW DEBT:</b>			
<i>CHFFA Series 2022 Tax-exempt Note</i>		-	<b>20,000,000</b>
<b>- TOTAL DEBT</b>		<u><b>\$ 172,802,000</b></u>	<u><b>\$ 192,802,000</b></u>

<sup>(a)</sup> Includes current portion of long-term debt.

## **VI. BACKGROUND AND LICENSURE**

### **Background**

MarinHealth is a 501(c)(3) nonprofit organization and has a 327-bed independent hospital with deep roots in the community. MarinHealth has been meeting the healthcare needs of the North Bay since first opening its doors as Marin General Hospital in 1952. To keep up with the North Bay's burgeoning population and meet California's latest earthquake safety standards, MarinHealth opened a 260,000 square-foot, state-of-the-art new replacement hospital in the fall of 2020 called Oak Pavilion.

As Marin's only full-service, acute care hospital, MarinHealth provides comprehensive care across all major service lines. The level III trauma center and emergency department receives 70% of the county's ambulance traffic, and they provide life-saving care for stroke and heart attack patients. MarinHealth also offers the only hospital-based labor and delivery unit in Marin.

### **Licensure and Accreditation**

MarinHealth's hospital facilities are licensed by the State of California Department of Public Health to operate as a General Acute Care Hospital.

## VII. UTILIZATION STATISTICS

The following table shows utilization statistics of MarinHealth for the fiscal years ended December 31, 2019, 2020 and 2021:

	<u>As of December 31,</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Patient Volume</b>			
Discharges	8,664	7,507	8,658
Adjusted Discharges	17,874	14,866	16,992
Staffed Beds	196	196	186
Total Patient Days	43,247	33,262	42,084
Adjusted Patient Days	89,221	65,868	82,592
Outpatient Visits	146,081	120,231	143,281
Emergency Visits	34,378	29,235	37,157
Average Daily Census	118.5	90.9	115.3
Average Length of Stay	4.99	4.43	4.86
Case Mix Index - Adjusted Average Length of Stay	2.97	2.56	2.99
Case Mix Index	1.68	1.73	1.63
<b>Surgery Cases</b>			
Inpatient Surgical Cases	1,573	1,393	1,645
Outpatient Surgical Cases	4,317	3,306	3,585
Endoscopy	2,305	1,749	2,409
<b>Total Surgery Cases</b>	<b>8,195</b>	<b>6,448</b>	<b>7,639</b>

## **EXHIBIT 1**

### **PROJECT SITES**

The project is to finance and refinance costs incurred with the implementation of an electronic health record system to be owned by MarinHealth and accessed from the following locations, which are used as part of an integrated operation:

- 250 Bon Air Road, Greenbrae, California 94904
- 100A & 300A Drakes Landing, Greenbrae, California 94904
- 1100, 1240, 1260, & 1350 S Eliseo Drive, Greenbrae, California 94904
- 4000 Civic Center Drive, San Rafael, California 94903
- 75 Rowland Way, Novato, California 94945
- 1701 4th Street, Santa Rosa, California 95404

## EXHIBIT 2

### FINANCING TEAM

**Borrower:** MarinHealth Medical Center

**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, Incorporated

**Special Tax Counsel:** Orrick, Herrington & Sutcliffe LLP

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

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

**Auditor:** Moss Adams LLP

RESOLUTION NO. E-27

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 MARIN GENERAL 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 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, Marin General Hospital, doing business as MarinHealth 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 care facilities in the State of California; and

WHEREAS, the Corporation has requested that the Authority issue a note not to exceed \$20,000,000 and make a loan of the proceeds thereof, on a tax-exempt basis, to the Corporation to (i) finance and/or refinance costs incurred with the 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 in Novato, Santa Rosa, Greenbrae and San Rafael, California, and (ii) if the Corporation desires, pay costs of issuance of the 2022 Note (as defined below); and

WHEREAS, the 2022 Note will be purchased, or privately placed with an affiliate or successor company, by Banc of America Public Capital Corp or an affiliate thereof (“BAPCC”), for the purpose of financing and/or refinancing costs incurred with the implementation of the Equipment; and

WHEREAS, the Authority, BAPCC and the Corporation will enter into a Master Financing Agreement (the “Master Financing Agreement”) and an Equipment Schedule No. 1 (the “Schedule No. 1”) pursuant to which the Authority will issue the 2022 Note and BAPCC will purchase such 2022 Note to provide funds to the Corporation to finance and/or refinance costs incurred with the 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, that the Equipment 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 2022 Note, 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, a note of the Authority designated as the “California Health Facilities Financing Authority Program Revenue Note (Marin General Hospital), Series 2022” (with such additional identifying information as the Corporation and the Authority agree is necessary) (the “2022 Note”), in an aggregate principal amount of not to exceed \$20,000,000, on a tax-exempt basis, is authorized to be issued. The proceeds of the 2022 Note shall be used for the purposes set forth in the third recital above.

SECTION 2. The Treasurer is hereby authorized to sell the 2022 Note at private sale 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 No. 1,

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, Acting or Interim 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 (with respect to the 2022 Note, not exceeding 10 years from the date of issue), 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 the 2022 Note, shall be as provided in the Master Financing Agreement, the 2022 Note and Schedule No. 1, as finally executed.

SECTION 6. The 2022 Note, when so executed, shall be delivered to BAPCC or its designee and 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 the 2022 Note, and otherwise to effectuate the purposes of this Resolution, the Master Financing Agreement and Schedule No. 1. The Authority hereby approves any and all documents to be delivered in furtherance of the foregoing purposes, including without limitation, any 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. 2021-01 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: \_\_\_\_\_