

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

Resolution No. 2005-02

Consent to Substitute Credit/Liquidity Facilities for Authority bonds (Adventist Health System/West), Series 2002 A&B

February 24, 2005

Background: The Authority issued two series of variable rate bonds in March 2002 on behalf of Adventist Health System/West (“Adventist Health”). The Authority has been advised by Adventist Health that it intends to deliver a Substitute Credit Facility and Substitute Liquidity Facility from Wachovia for each series of the bonds, to become effective on March 17, 2005, and requests the Authority’s consent.

Staff is recommending adoption of two resolutions, one specifically to approve the substitute facilities for the 2002 bonds (Resolution 2005-02), and a resolution delegating authority for similar occurrences in the future (see Tab 8, Resolution No. 2005-03).

Resolution 2005-02 –Substitution of credit facility for 2002 Authority bonds (Adventist Health)

The indentures and loan agreements permit the delivery of a Substitute Credit Facility and a Substitute Liquidity Facility without Bondholder consent with:

- the written consent of the Authority,
- a provision that any Substitute Credit Facility will be materially the same as the existing Credit Facility, and
- confirmation that the credit ratings on the bonds will not be lowered or withdrawn as a result of the substitution.

Adventist Health also requests Authority consent of its intent to replace the existing Remarketing Agent with Wachovia Bank, N.A. Wachovia is listed on the State Treasurer’s list of underwriters approved for negotiated offerings.

Staff Recommendation: Staff recommends the Authority approve a resolution consenting to a Substitute Credit Facility for each of the 2002 Series A&B bonds, providing that such Facility will be materially the same as the existing Facility, subject to maintenance of current bond ratings, and the delivery of a favorable opinion of bond counsel. Staff further recommends approval of a replacement of the Remarketing Agent, to be selected from the Treasurer’s list of approved underwriters.