CHFFA BOND FINANCING PROGRAM
EXECUTIVE SUMMARY

Applicant:	CommonSpirit Health (CommonSpirit) 444 W. Lake Street Chicago, IL 60606	**Amount Requested:**	$1,020,000,000
		Requested Loan Term:	Up to 40 years
		Authority Meeting Date:	October 8, 2020
		Resolution Number:	443

Project Sites: See Exhibit 1
Facility Type: Acute Care Hospital
Eligibility: Government Code Section 15432(d)(1)
Prior Borrower: Yes (last CHFFA issue, November 2016 as Dignity Health)
Obligated Group: The Obligated Group is comprised of the former Dignity Health Obligated Group and certain Catholic Health Initiatives (CHI) entities.

Background: CommonSpirit is a Colorado nonprofit system headquartered in Chicago, formerly known as CHI that was created with an agreement to combine CHI and Dignity Health, a California nonprofit public benefit corporation, into a single nonprofit health system effective February 1, 2019. CommonSpirit became the sole corporate member of Dignity Health. CommonSpirit is a nonprofit corporation whose affiliates own and operate health care facilities in 21 states. Comprised of 146 hospitals, of which 31 are in California (including unconsolidated joint venture facilities), CommonSpirit's facilities include academic health centers, major teaching hospitals, critical access facilities, community health service organizations, accredited nursing colleges, home health agencies, living communities, a medical foundation and other affiliated medical groups, and other facilities and services that span the inpatient and outpatient continuum of care.

Use of Proceeds: Bond proceeds will be used to refund prior California debt and fund the financing and/or reimbursement of expenditures accrued from the construction, expansion, remodeling, renovation, and equipping of multiple California facilities. Additionally, proceeds may be used to fund costs of issuance.

Type of Issue: Negotiated public offering, tax-exempt fixed rate and/or multimodal
Expected Credit Rating: Baa1/BBB+/BBB+; Moody's/S&P/Fitch
Financing Team: *Please see Exhibit 2 to identify possible conflicts of interest*

Financial Overview: CommonSpirit's consolidated income statement appears to display fluctuating operating results over the review period with total revenues ultimately growing from Fiscal Year (FY) 2017 to FY 2019. CommonSpirit's consolidated balance sheet appears to exhibit stability, displaying a net pro-forma FY 2019 debt service coverage ratio of 1.92x.

Estimated Sources of Funds:		**Estimated Uses of Funds:**	
Bond Proceeds	$1,020,000,000	Refunding	$587,800,000
Borrower funds	3,000,000	Reimbursement	425,000,000
		Financing costs	10,200,000
Estimated Total Sources	$1,023,000,000	Estimated Total Uses	$1,023,000,000

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

Staff Recommendation: Staff recommends the Authority approve Resolution Number 443 in an amount not to exceed $1,020,000,000 for CommonSpirit Health, subject to the conditions in the resolution, including a bond rating of at least investment grade by a nationally recognized rating agency. TAP International, Inc., the Authority's financial analyst, and KNN Public Finance, LLC, the Authority's municipal advisor, concur with the Authority's staff recommendation.

(MF)

I. PURPOSE OF FINANCING:

CommonSpirit is requesting bond proceeds to refund prior debt, composed of its 2004 Series K, 2005 Series H&I, and 2009 Series H Bonds (collectively, the "Pool Loan Bonds"), and the 2011 Series A Bonds. The Pool Loan Bonds were issued in connection with Dignity Health's pooled loan program established in 2004, pursuant to which loans were issued to participating Dignity Health Obligated Group Members for a variety of purposes. Each of the Pool Loan Bonds were secured by letters of credit issued by commercial banks. The refunding of the Pool Loan Bonds accomplishes several objectives including, restructuring the debt, reducing the burden of managing the pool loan program, and reducing its exposure to commercial banks' credit risk. The 2020 Series issuance is a part of CommonSpirit's plan to substantially consolidate all of the indebtedness of CHI and Dignity Health under a single Master Trust Indenture.

In addition to the refunding, CommonSpirit also plans to use bond proceeds to finance and/or reimburse approximately $425 million in prior expenditures accrued from various projects at numerous facilities in California as well as to fund the costs of issuance.

Refunding.. $587,800,000

<u>2004 Series K, 2005 Series H&I, 2009 Series H, 2011 Series A Bonds</u>

Bond proceeds will be used to refund all or a portion of the former Dignity Health Obligated Group's 2004 Series K, 2005 Series H&I, 2009 Series H, and 2011 Series A Bonds. The 2004 Series K Bonds financed the acquisition or construction of property used at health facilities across several locations. The bond proceeds of the 2005 Series H&I Bonds, as well as the 2009 Series H Bonds, were used to finance and refinance the cost of certain capital improvements and equipment acquisitions across multiple locations. The bond proceeds of the 2011 Series A Bonds were used to finance the Sequoia Hospital Redevelopment Project, which included construction and related expansion, remodeling, renovation, furnishing, and equipping of a four-story building. In addition, the 2011 Series A Bond proceeds were also used to refinance the 1993 Series A Bonds, 1996 Series E Bonds, 1997 Series A Bonds, and 1998 Series A Bonds. The 2011 Series A Bonds may alternatively be refunded, in part or in whole, with corporate taxable bonds, depending on market conditions and other factors.

Reimbursement 425,000,000

<u>New Projects</u>

Additionally, bond proceeds will be used to reimburse prior expenditures related to the acquisition, construction, expansion, remodeling, renovation, and equipping of various health facilities. The scope of projects ranges over 18 different locations that are owned and operated across California. Among other purposes, the projects include expansion of emergency services capacity, upgrading diagnostic and imaging equipment and services, new patient towers/hospital expansions, and seismic retrofitting construction and renovation on multiple hospital campuses.

Financing Costs			**10,200,000**
	Estimated cost of issuance	$5,100,000	
	Estimated underwriter's discount	5,100,000	
Total Estimated Uses of Funds			**$1,023,000,000**

II. PROPOSED COVENANTS, SECURITY PROVISIONS AND DISCLOSURES:

This executive summary and recommendations include 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.

In calendar year 2019, substantially all of the indebtedness of CHI and Dignity Health was consolidated under a single Master Indenture, with CommonSpirit as the Obligated Group Agent. CommonSpirit undertakes most of its borrowing activities under a Master Indenture. The Master Indenture creates a "Credit Group," which consists of the Obligated Group Members and Restricted Affiliates[1]. The financial performance of Restricted Affiliates is taken into account in measuring compliance by the Obligated Group Members with certain covenants in the Master Indenture; however, Restricted Affiliates do not guarantee payment of the obligations issued under the Master Indenture. Under the Master Indenture, only the Obligated Group Members have agreed to be jointly and severally obligated for the payment of the obligations issued under the Master Indenture. None of the entities affiliated with CommonSpirit, other than the Obligated Group Members, have assumed any financial obligation related to payment of or security for any of the Bonds or any other obligations incurred under the Master Indenture.

After reviewing CommonSpirit's proposed credit profile, including its current financial profile, prior CommonSpirit bond transactions, and current market requirements, CommonSpirit; KNN Public Finance, LLC (KNN), the Authority's municipal advisor; and the underwriters have concluded that the covenants listed below align with the interests of CommonSpirit, the Authority, and the investors and that CommonSpirit's current financial situation does not suggest additional covenants should be required.

<u>The covenants listed below are applicable to this transaction.</u>

Unconditional Obligation to Pay. *Each Obligated Group Member jointly and severally covenants and agrees promptly to pay or cause to be paid the Required Payments at the place, on the dates and in the manner provided in the Master Indenture, in the Supplemental Master Indenture or in the Obligation. "Required Payments" means any payment obligation, whether at maturity, by acceleration, upon proceeding for prepayment or redemption or otherwise, including, Financial Product Payments, Financial Product Extraordinary Payments and the purchase price of Indebtedness tendered or deemed tendered for purchase pursuant to its terms, required to be made by any Obligated Group Member under the Master Indenture, any Supplemental Master Indenture or any Obligation.*

[1] There is currently only one "Restricted Affiliate" as defined under the Master Trust Indenture, which is CHI St. Luke's Health Baylor College of Medicine Medical Center.

Pledge of Gross Revenues. *As security for the payment of the Required Payments and the performance by each Obligated Group Member of its other obligations under the Master Indenture, pursuant to the Master Indenture, each Obligated Group Member pledges and assigns to the Master Trustee and grants to the Master Trustee a security interest in, all its right, title and interest, whether now owned or thereafter acquired, in and to its Gross Revenues.*

Covenant Against Liens. *The Master Indenture provides that no Obligated Group Member shall, and no Controlling Member[2] shall permit a Restricted Affiliate to, create or incur or permit to be created or incurred or to exist any Lien on any Property of any Credit Group Member securing Obligations, other Indebtedness or Financial Product Agreements, except Permitted Encumbrances.*

Debt Service Coverage Requirements. *In the Master Indenture, if in any fiscal year the Historical Debt Service Coverage Ratio is less than 1.10x to 1.00x, the Master Trustee will require the Obligated Group Agent at its expense to retain a Consultant to make recommendations with respect to the rates, fees and charges of the Credit Group Members, and their respective methods of operation and other factors affecting their financial condition in order to increase such Historical Debt Service Coverage Ratio to at least 1.10x to 1.00x, subject to certain exceptions provided for in the Master Indenture. Failure to achieve a Historical Debt Service Coverage Ratio of at least 1.00x for any fiscal year is an Event of Default under the Master Indenture.*

Limitations on Additional Indebtedness. *In the Master Indenture, each Obligated Group Member covenants that, so long as the long-term unenhanced rating on the indebtedness of the Credit Group is below "Aa3" by Moody's or "AA-" by Standard & Poor's or "AA-" by Fitch, then, except for Permitted Indebtedness, the Obligated Group Members shall not incur Indebtedness after August 21, 2019, directly, indirectly or contingently, and each Controlling Member covenants that, except for Permitted Indebtedness, no such Controlling Member shall permit its Restricted Affiliates to incur additional Indebtedness, directly, indirectly or contingently.*

Limitations on Consolidation, Merger, Sale or Conveyance. *In the Master Indenture, each Obligated Group Member agrees that it will not merge into, or consolidate with, one or more Persons that are not Obligated Group Members, or allow one or more of such Persons to merge into it, or sell or convey all or substantially all of its Property to any Person who is not an Obligated Group Member unless authorized by various limiting measures set out in the Master Indenture.*

Disposition of Assets. *In the Master Indenture, each Obligated Group Member agrees not to sell, lease, remove, release from the provisions of the Master Indenture, transfer, assign, convey or otherwise dispose of any Property, including Current Assets, of the Obligated Group Members, unless authorized by various limiting measures set out in the Master Indenture.*

---

[2] "Controlling Member" means the Obligated Group Member designated by the Obligated Group Agent to establish and maintain control over a Restricted Affiliate under the Master Trust Indenture.

Comply with SEC Rule 15c2-12. *CommonSpirit, on behalf of the Obligated Group, will take such action as is necessary to assist the underwriters in complying with Securities and Exchange Commission Rule 15c2-12 (SEC Rule). CommonSpirit will contractually agree, while any of the Bonds remain outstanding, to disclose certain financial information and operating data to the SEC web site (EMMA) and to report certain "listed events" with respect to the Bonds within the time frame set forth in the SEC Rule.*

Staff has reviewed the contents of this financing package and find these documents and proposed covenants to be acceptable. KNN Public Finance, LLC has reviewed the Master Indenture, 2020 Bond Indenture, and 2020 Loan Agreement associated with this financing package and find these documents and proposed covenants to be acceptable.

III. FINANCIAL STATEMENTS AND ANALYSIS:

Effective February 1, 2019, CHI changed its name to CommonSpirit Health while simultaneously becoming the sole corporate member of Dignity Health. Due to this agreement to combine both CHI and Dignity Health in February of 2019, the audited financial statements for FY 2019 include a full 12 months of CHI's operations but only five months of Dignity Health's operations.

In order to display comparable information across all three years of review, FYs 2017 and 2018 are shown using unaudited pro-forma numbers as if the agreement to combine had occurred on July 1, 2016. The unadited pro-forma numbers were provided to Authority staff by CommonSpirit and were included in the prior 2019 bond issuance offering documents.

The unaudited pro-forma numbers for FYs 2017 and 2018 are derived from each of the individual audited consolidated financial statements (for a full 12 months) of Dignity Health and CHI. Staff and TAP International, Inc. (TAP), the Authority's financial analyst, reviewed the unaudited pro-forma numbers in conjunction with the individual audited financial statements of Dignity Health and CHI, all of which is reflected in the following analysis.

CommonSpirit's FY 2020 audited financial statements will be available after the completion of this staff report, but prior to the CHFFA board meeting. Staff and TAP will review CommonSpirit's 2020 audited financial statements prior to the board meeting to ensure they are consistent with staff's recommendation.

Further references in this Section III to "CommonSpirit" means CommonSpirit and its consolidated affiliates and subsidiaries[3].

[3] Comprised of Dignity Health entities and certain CHI entities.

CommonSpirit Health
Statement of Activities
(Income Statement)

	As of June 30, (In Millions) 2019	2018	2017
Unrestricted revenues and other support			
Net patient revenue	$ 26,570	$ 26,820	$ 25,535
Premium revenue	1,034	955	812
Revenue from health-related activities, net	104	145	187
Other operating revenue	1,090	1,222	1,309
Contributions	63	62	50
Total revenues	28,861	29,204	27,893
Expenses			
Salaries and benefits	14,154	14,071	14,215
Supplies	4,519	4,427	4,313
Purchased services and other	8,495	8,360	7,794
Depreciation and amortization	1,423	1,458	1,431
Interest expense, net	492	472	485
Total expenses	29,083	28,788	28,238
Operating income (loss) before special charges and other costs	(222)	416	(345)
Special charges and other costs	(360)	172	363
Operating income (loss)	(582)	244	(708)
Nonoperating income (loss)			
Investment income, net	558	891	1,185
Loss on early extinguishment of debt	-	-	(68)
Income tax expense	(23)	1	(40)
Change in fair value and cash payments of interest rate swaps	(150)	70	166
Contribution from business combination	(53)	-	-
Other	(4)	4	2
Total nonoperating income, net	328	966	1,245
Excess of revenues over expenses	$ (254)	$ 1,210	$ 537
Less excess of revenues over expenses attributable to noncontrolling interests	36	84	62
Excess of revenues over expenses attributable to CommonSpirit	$ (290)	$ 1,126	$ 475

CommonSpirit Health
Statements of Financial Position
(Balance Sheet)

	As of June 30, (In Millions) 2019	2018	2017
Assets			
Current assets:			
Cash and cash equivalents	$ 1,569	$ 1,441	$ 1,392
Short-term investments	2,511	2,564	2,261
Collateral held under securities lending program	-	30	52
Assets limited as to use	2,315	1,652	1,840
Patient accounts receivable, net of allowance for doubtful accounts	3,726	3,816	3,880
Broker receivables for unsettled investment trades	291	19	42
Provider fee receivable	964	1,017	907
Assets held for sale	223	196	1,188
Other current assets	1,403	1,287	1,315
Total current assets	13,002	12,022	12,877
Assets limited as to use:			
Designated assets for:			
Capital projects and other	7,519	8,130	7,985
Held for self-insured claims	1,551	1,596	1,635
Under bond indenture agreements for debt service	31	45	61
Donor-restricted	879	861	803
Other	397	228	208
Less amount required to meet current obligations	(2,315)	(1,652)	(1,840)
Assets limited as to use, net	8,062	9,208	8,852
Property and equipment, net	15,266	12,915	13,327
Ownership interests in health-related activities	3,145	3,531	2,778
Goodwill	242	504	822
Intangible assets, net	714	210	400
Other long-term assets, net	194	274	290
Total assets	$ 40,625	$ 38,664	$ 39,346
Liabilities			
Current liabilities:			
Current portion of long-term debt	$ 3,475	$ 2,814	$ 2,925
Demand bond subject to short-term liquidity arrangements	820	841	850
Accounts payable	1,362	1,326	1,475
Payable under security lending program	-	30	52
Accrued salaries and benefits	1,348	1,312	1,337
Self-insured reserves and claims	423	105	112
Pension and other postretirement liabilities, current	-	244	293
Broker payables for unsettled investment trades	403	11	227
Liabilities held for sale	162	252	492
Derivative instruments	-	133	177
Provider fee payables	335	332	263
Other accrued liabilities	1,190	1,187	1,132
Total current liabilities	9,518	8,587	9,335

(continued)

	As of June 30, (In Millions)		
	2019	**2018**	**2017**
Other liabilities - long-term:			
Self-insured reserves and claims	1,104	1,280	1,277
Pension and other postretirement benefit liabilities	3,692	2,008	2,546
Derivative instruments	214	-	-
Other	1,094	1,190	1,289
Total other liabilities - long-term	6,104	4,478	5,112
Long-term debt, net of current portion	9,212	10,066	10,163
Total liabilities	24,834	23,131	24,610
Net assets			
Without donor restrictions - attributable to CommonSpirit Health	14,428	14,146	13,307
Without donor restrictions - noncontrolling interests	486	531	623
With donor restrictions	877	857	803
Total net assets	15,791	15,534	14,733
Total liabilities and net assets	$ 40,625	$ 38,665	$ 39,343

FINANCIAL RATIOS

	Pro-forma FYE June 30, 2019	**2019**	**2018**	**2017**
Debt Service Coverage (x) - Operating	1.58	0.40	0.64	0.52
Debt Service Coverage (x) - Net Assets	1.92	0.49	0.80	1.27
Debt to Unrestricted Net Assets (x)	0.97	0.94	0.97	1.05
Operating Margin (%)		-2.02%	0.87%	-2.37%
Current Ratio (x)		1.37	1.40	1.38

Financial Discussion - Statement of Activities (Income Statement)

CommonSpirit's income statement appears to display fluctuating operating results over the review period with total revenues ultimately growing from FY 2017 to FY 2019.

CommonSpirit experienced a growth in total revenues, from approximately $27.9 billion in FY 2017 to approximately $28.9 billion in FY 2019. Although revenues increased, CommonSpirit's operating margins were -2.37%, 0.87%, and -2.02% in FY 2017, FY 2018, and FY 2019, respectively. CommonSpirit's management explains that key drivers related to the negative operating performance in FY 2017-2019 were the Kentucky and Texas markets, labor productivity, revenue cycle and supply chain expense management. CommonSpirit's management further explains that it put into place a financial performance improvement plan to address labor management, revenue cycle, supply chain, non-labor overhead, organic growth, information technology, and clinical and program rationalization. CommonSpirit's new management team put in place a goal to realize over $2 billion in operational merger related synergies over a four-year period.

CommonSpirit's management explains that through February 2020, CommonSpirit had made strong progress with solid operating performance prior to the COVID-19 pandemic. Moving forward, CommonSpirit's management explains that it is focused on returning to its baseline pre-pandemic operating performance, delivering on its long-term 8% EBITDA margin (earnings before interest, tax, depreciation and amortization, and nonoperating income) and prioritizing and moderating capital spending.

CommonSpirit's management states that due to the COVID-19 pandemic, CommonSpirit has experienced a reduction in EBITDA for the periods of March through June 2020 of approximately $1.3 billion. CommonSpirit took actions to stabilize the organization during the pandemic by initiating temporary salary deductions, flextime and furloughs, reduction in non-essential costs, assertive productivity and labor management, as well as deferring capital contributions. As of August 31, 2020, CommonSpirit has received $1.3 billion in funding from the Coronavirus Aid, Relief, and Economic Security Act. CommonSpirit also received $2.6 billion under Centers for Medicare & Medicare Service's (CMS) Medicare Accelerated and Advance Payment Program. The accelerated payments are advances that will be recouped by CMS by withholding future Medicare fee-for-service payments. Additionally, CommonSpirit also has applied for reimbursement for qualifying expenses under the Federal Emergency Management Agency Disaster Relief Fund and anticipates deferring approximately $410 million in employer payroll taxes to December 2021 and 2022.

<u>Financial Discussion - Statement of Financial Position (Balance Sheet)</u>

CommonSpirit's balance sheet appears to exhibit stability, displaying a net pro-forma FY 2019 debt service coverage ratio of 1.92x.

Although CommonSpirit's net debt service coverage ratio declined from 1.27x in FY 2017 to 0.49x in FY 2019, as a result of the CHI and Dignity Health business arrangement, CommonSpirit has recently restructured much of its debt since the end of FY 2019. Considering the proposed CHFFA 2020 Series Bonds and the recent debt restructuring, the net pro-forma FY 2019 debt service coverage ratio improves to a solid 1.92x. CommonSpirit's unrestricted net assets grew from approximately $13.3 billion in FY 2017 to approximately $14.4 billion in FY 2019. With net assets increasing, CommonSpirit's debt to unrestricted net assets ratio has also gradually improved over the review period, being 1.05x, 0.97x, and 0.94x in FY 2017, FY 2018, and FY 2019, respectively. The additional debt slightly increases CommonSpirit's pro-forma FY 2019 debt to unrestricted net assets ratio to 0.97x.

CommonSpirit's indicators of financial liquidity appear to consistently strengthen over the review period, with cash and cash equivalents increasing from approximately $1.4 billion in FY 2017 to approximately $1.6 billion in FY 2019. Short-term investments grew from approximately $2.3 billion in FY 2017 to approximately $2.5 billion in FY 2019. CommonSpirit's current ratio was 1.37x in FY 2019, signaling its ability to meet short-term debt obligations.

IV. DUE DILIGENCE:

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

- **Section 15438.5(a) of the Act (Pass-Through Savings):** CommonSpirit properly completed and submitted the Pass-Through Savings Certification.

- **Section 15459.1 of the Act (Community Service Obligation):** CommonSpirit will properly complete and submit the Community Service Obligation certification by the time of the Bonds' closing as required and will indicate that Medicare and Medi-Cal patients are accepted. Below is a link to Dignity Health's list of Community Benefit Reports by location, which covers all CommonSpirit hospitals located in California:

  https://www.dignityhealth.org/about-us/community-health/community-health-programs-and-reports/community-benefit-reports

- **Compliance with Seismic Regulations:** CommonSpirit properly submitted a description of how it is complying with the Office of Statewide Health Planning and Development's seismic evaluation regulations.

- **Compliance with Section 15455(b) of the Act (California Environmental Quality Act):** CommonSpirit properly submitted relevant documentation addressing California Environmental Quality Act.

- **Religious Affiliation:** CommonSpirit properly completed and submitted relevant documentation to meet the religious affiliation due diligence requirement.

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

- **Iran Contracting Act Certificate:** The underwriters, Morgan Stanley & Co. LLC; Citigroup Global Markets, Inc.; J.P. Morgan Securities LLC; Goldman Sachs & Co. LLC; Barclays Capital Inc.; and SMBC Nikko Securities America, Inc., each properly completed and submitted the Iran Contracting Act Certificate to the Authority.

V. OUTSTANDING DEBT

As of June 30, 2019, CommonSpirit's, including that of Dignity Health, consolidated outstanding long-term debt totaled approximately $13.5 billion. Following the proposed issuance of up to $1.02 billion and the planned concurrent issuance of taxable bonds, as well as considering CommonSpirit's recent restructuring of much of its prior debt, CommonSpirit's total consolidated outstanding debt will be approximately $14.0 billion, with approximately $1.9 billion being Authority issued debt.

VI. UTILIZATION STATISTICS

	Fiscal Year Ending June 30,		
	2019	**2018**	**2017**
Licensed and Acute Beds	21,421	21,453	22,221
Acute Admissions	832,727	852,756	872,001
Acute Patient Days	3,805,583	3,849,766	3,943,291
Adjusted Admissions(1)	1,640,581	1,663,852	1,692,459
Adjusted Patient Days(1)	7,497,496	7,511,458	7,653,497
Acute Average Length of Stay (days)	4.57	4.51	4.52
Medicare PPS Acute Care Average Length of Stay (days)	4.58	4.35	4.40
Inpatient Surgeries	240,150	238,951	248,690
Outpatient Surgeries	347,093	355,618	368,217
Outpatient ED Visits	3,994,286	3,458,317	3,518,062
Outpatient Visits (excluding ED visits)	25,695,847	24,327,644	25,857,477
Outpatient Revenue as a % of Total Patient Service Revenue	49.2%	48.7%	48.5%
Home Health Visits	1,464,803	1,480,930	1,441,894

(1) Adjusted Admissions and Adjusted Patient Days consist of inpatient admissions plus a factor for outpatient volumes.

VII. BACKGROUND AND LICENSURE

Background

CommonSpirit is a Colorado nonprofit system headquartered in Chicago, formerly known as CHI that was created with an agreement to combine CHI and Dignity Health, a California nonprofit public benefit corporation, into a single nonprofit health system effective February 1, 2019. CommonSpirit became the sole corporate member of Dignity Health. CommonSpirit is a Catholic healthcare system sponsored by the public juridic person, Catholic Health Care Federation (CHCF). Due to the circumstances of the business combination between CHI and Dignity Health, through the alignment under CHCF, the transaction qualified for acquisition accounting with CommonSpirit as the accounting acquirer of Dignity Health.

CommonSpirit affiliates own and operate health care facilities in 21 states, and CommonSpirit is the sole corporate member of other primarily nonprofit corporations. The CommonSpirit system is comprised of 146 hospitals, of which 31 are in California (including unconsolidated joint venture facilities), including academic health centers, major teaching hospitals, critical access facilities, community health services organizations, accredited nursing colleges, home health agencies, living communities, a medical foundation and other affiliated medical groups, and other facilities and services that span the inpatient and outpatient continuum of care.

CommonSpirit's mission is a healthier future for all—inspired by faith, driven by innovation, and powered by its humanity. CommonSpirit is committed to building healthier communities, advocating for those who are poor and vulnerable, and innovating how and where healing can happen—both inside of its hospitals and out in the community. CommonSpirit's commitment to serve the common good is delivered through the dedicated work of thousands of physicians, advanced practice clinicians, nurses, and staff; through clinical excellence delivered across a system of hospitals and other care centers, being accessible to nearly one in four U.S. residents; and through more than $4 billion annually in charity care, community benefits, and government program services.

Licensure and Accreditation

Each of the hospitals located and operated in California by a CommonSpirit affiliate is licensed through the California Department of Public Health for the level of care it delivers and is certified to participate in the Medicare program and its state's Medicaid program, and each is accredited by The Joint Commission. In addition, each skilled nursing facility unit located and operated in California by a CommonSpirit affiliate is certified to participate in the Medicare and Medicaid programs. Mercy McMahon Terrace, a California residential care facility for the elderly operated by a CommonSpirit affiliate, is certified by the California Department of Social Services.

EXHIBIT 1

PROJECT SITES

- 345 S. Halcyon Road, Arroyo Grande, CA 93420
- 420 34th Street, Bakersfield, CA 93301
- 1401 Grand Avenue, Los Angeles, CA 90015
- 1555 Soquel Drive, Santa Cruz, CA 95065
- 1911 Johnson Avenue, San Luis Obispo, CA 93401
- 1420 S. Central Avenue, Glendale, CA 91204
- 1400 E. Church Street, Santa Maria, CA 93454
- 4001 J Street, Sacramento, CA 95819
- 400 Old River Road, Bakersfield, CA 93311
- 2175 Rosaline Avenue, Redding, CA 96001
- 914 Pine Street, Mount Shasta, CA 96067
- 6501 Coyle Avenue, Carmichael, CA 95608
- 900 Hyde Street, San Francisco, CA 94109
- 170 Alameda de las Pulgas, Redwood City, CA 94062
- 155 Glasson Way, Grass Valley, CA 95945
- 2101 N. Waterman Avenue, San Bernardino, CA 92404
- 2309 Antonio Avenue, Camarillo, CA 93010
- 1600 N. Rose Avenue, Oxnard, CA 93030
- 1050 Linden Avenue, Long Beach, CA 90813
- 3865 J Street, Sacramento, CA 95816

EXHIBIT 1

PROJECT SITES
(*continued*)

- 1800 N. California Street, Stockton, CA 95204
- 1325 Cottonwood Street, Woodland, CA 95695
- 7500 Hospital Drive, Sacramento, CA 95823
- 333 Mercy Avenue, Merced, CA 95340
- 450 Stanyan Street, San Francisco, CA 94117
- 2215 Truxtun Avenue, Bakersfield, CA 93301
- 18300 Roscoe Boulevard, Northridge, CA 91328
- 1805 Medical Center Drive, San Bernardino, CA 92411
- 2550 Sister Mary Columba Drive, Red Bluff, CA 96080
- 1650 Creekside Drive, Folsom, CA 95630
- 2510 N. California Street, Stockton, CA 95204

EXHIBIT 2

FINANCING TEAM

Borrower:	CommonSpirit Health
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:	Dentons US LLP
Bond Counsel:	Polsinelli
Underwriters:	Morgan Stanley & Co. LLC Citigroup Global Markets, Inc. J.P. Morgan Securities LLC Goldman Sachs & Co. LLC Barclays Capital Inc. SMBC Nikko Securities America, Inc.
Underwriter's Counsel:	Norton Rose Fulbright US LLP
Master Trustee:	U.S. Bank National Association
Master Trustee's Counsel:	Dorsey & Whitney LLP
Bond Trustee:	The Bank of New York Mellon Trust Company, N.A.
Bond Trustee's Counsel:	The Law Office of Samuel D. Waldman
Rating Agencies:	Fitch Ratings, Inc. Moody's Investors Service, Inc. Standard & Poor's Financial Services, LLC
Auditor:	Ernst & Young LLP

RESOLUTION NO. 443

RESOLUTION OF THE CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY AUTHORIZING THE ISSUANCE OF REVENUE BONDS TO FINANCE AND REFINANCEPROJECTS AT THE HEALTH FACILITIES OF CERTAIN AFFILIATED CORPORATIONS OF COMMONSPIRIT HEALTH

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, CommonSpirit Health, a Colorado nonprofit corporation (the "Borrower"), is affiliated with Dignity Health, Dignity Community Care, Bakersfield Memorial Hospital, Community Hospital of San Bernardino, Mercy McMahon Terrace, Sierra Nevada Memorial-Miners Hospital, and Saint Francis Memorial Hospital, each a nonprofit public benefit corporation duly organized and existing under the laws of the State of California, and Port City Operating Company, LLC, a California limited liability company (collectively, the "California Affiliates"), which own and operate health care facilities in the State of California; and

WHEREAS, the Borrower has requested the assistance of the Authority in order to (i) finance or reimburse the Borrower or certain affiliates for certain costs incurred or to be incurred in connection with the construction, renovation, improvement, and equipping of certain health care facilities owned and operated by the California Affiliates and (ii) to refund all or a portion of certain revenue bonds issued for the benefit of one or more of the California Affiliates;

WHEREAS, the revenue bonds proposed to be refunded are the: (i) $60,000,000 California Health Facilities Financing Authority Variable Rate Health Facility Revenue Bonds (Catholic Healthcare West Loan Program) 2004 Series K (the "Series 2004K Bonds"), all of which are currently outstanding; (ii) $200,000,000 California Health Facilities Financing Authority Variable Rate Health Facility Revenue Bonds (Catholic Healthcare West Loan Program) 2005 Series H and I (the "Series 2005 H&I Bonds"), all of which are currently outstanding; (iii) $90,000,000 California Health Facilities Financing Authority Variable Rate Health Facility Revenue Bonds (Catholic Healthcare West Loan Project) 2009 Series H (the "Series 2009H Bonds"), all of which are currently outstanding; and (iv) $350,005,000 California Health Facilities Financing Authority Revenue Bonds (Catholic Healthcare West) 2011 Series A (the "Series 2011A Bonds" and collectively with the Series 2004K Bonds, Series 2005 H&I Bonds, and Series 2009H Bonds, the "Prior Bonds"), outstanding in the principal amount of $224,190,000;

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 $1,020,000,000, and make one or more loans of the proceeds thereof to the Borrower to (i) refund all or any portion of the outstanding Prior Bonds, incurred in connection with the construction, renovation, improvement and equipping of certain health care facilities (the "Prior Projects"), as more particularly described in Exhibit A hereto under the caption "Prior Projects", (ii) to finance or reimburse costs incurred in connection with the construction, renovation, acquisition, improvement, and equipping of certain health care facilities, as more particularly described in Exhibit A hereto under the caption "New Projects" (the "New Projects" and, together with the Prior Projects, the "Project"), (iii) at the sole option of the Borrower, pay costs of issuance of the Bonds (as defined below), and (iv) at the sole option of the Borrower, provide a bond reserve fund for the Bonds;

WHEREAS, to the extent required by subdivision (b) of Section 15455 of the Government Code, the Borrower has provided documentation to the Authority demonstrating, to the extent applicable, 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 such revenue bonds and various related matters is now sought;

NOW, THEREFORE, BE IT RESOLVED by the California Health Facilities Financing Authority, as follows:

Pursuant to the Act, revenue bonds of the Authority designated as the California Health Facilities Financing Authority Revenue Bonds (CommonSpirit Health) (the "Bonds"), in a total aggregate principal amount not to exceed $1,020,000,000 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 any of the bond trust 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 fifth recital above.

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 adoption 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 hereof) 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 Borrower, 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 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.

The proposed forms of the following documents:

(i) one or more loan agreements relating to the Bonds (each, a "Loan Agreement" and collectively, the "Loan Agreements"), between the Authority and the Borrower,

(ii) one or more bond trust indentures relating to the Bonds (each a "Bond Indenture" and collectively the "Bond Indentures"), between the Authority and The Bank of New York Mellon Trust Company, N.A., as bond trustee (the "Trustee"),

(iii) one or more bond purchase agreements, including the exhibits thereto (each, a "Purchase Contract" and collectively, the "Purchase Contracts"), among Morgan Stanley & Co. LLC, as representative (the "Representative") of itself and the other underwriters named therein (collectively, the "Underwriters"), the Treasurer and the Authority, and approved by the Borrower, and

(iv) one or more preliminary official statements relating to the Bonds (each, a "Preliminary Official Statement" and, collectively, the "Preliminary Official Statements"),

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 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 in the case of the Loan Agreements, the Bond Indentures, and the Purchase Contracts and by delivery thereof in the case of the Preliminary Official Statements. 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.

The Authority hereby specifically finds and declares that the findings of the Authority set forth in the Loan Agreements are true and correct.

The dated dates, maturity dates (not exceeding 40 years from the respective date of issue), interest rates or manner of determining 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 applicable Bond Indenture, as finally executed.

The Underwriters are hereby authorized to distribute a Preliminary Official Statement for each issue of 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 Underwriters (in consultation with the Borrower), a preliminary official statement may not be used with respect to any specific series of Bonds. The Underwriters are hereby directed to deliver the applicable final official statement (each, an "Official Statement" and collectively, the "Official Statements") to all actual purchasers of such Bonds.

The Bonds, when executed, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee's Certificate of Authentication appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to or upon direction of the Representative, 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 Representative, as determined and confirmed by the Treasurer, upon payment of the purchase price thereof.

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 Indentures, Loan Agreements, Bond Purchase Contracts and Official Statements. The Authority hereby approves any and all documents to be delivered in furtherance of the foregoing purposes, including without limitation: (a) a tax 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 any series of the Bonds.

The provisions of the Authority's Resolution No. 2018-09 apply to the documents and actions approved in this Resolution.

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.

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

Date of Adoption: ______________________________

EXHIBIT A

Prior Projects:

Series 2011A Bonds Projects to be refinanced:

The (i) refinancing (including refinancing by refunding certain bonds previously issued by the Authority) of the "2011 Refinanced Debt" described below, the proceeds of which were used to finance the cost of improvements to certain health care facilities described under the "2011 Refinanced Projects" heading below, and (ii) financing of the cost of the construction, expansion, remodeling, renovation, furnishing, equipping and acquisition of certain health care facilities owned by an Obligated Group Member described under the caption "2011 New Money Projects" below.

2011 Refinanced Debt: the Authority's Insured Health Facility Revenue Bonds (Mercy Senior Housing) 1993 Series A (the "Series 1993A Bonds"), the Authority's Insured Revenue Bonds (Catholic Healthcare West) 1996 Series E (the "Series 1996E Bonds"), the Authority's Insured Revenue Bonds (Catholic Healthcare West) 1997 Series A (the "Series 1997A Bonds") and the Authority's Revenue Bonds (Catholic Healthcare West) 1998 Series A (the "Series 1998A Bonds"), the proceeds of which were used to finance the projects described below.

2011 Refinanced Projects:

Series 1993A Bonds Project: A portion of the proceeds of the Series 1993A Bonds was used to finance and refinance the cost of construction and equipping of Mercy McMahon Terrace, owned and operated by Mercy McMahon Terrace, an Obligated Group Member.

Series 1996E Bonds Project: A portion of the proceeds of the 1996 Series E Bonds was used to finance and refinance the cost of construction and equipping of Sequoia Hospital, owned and operated by Dignity Health, an Obligated Group Member.

Series 1997A Bonds Project: A portion of the proceeds of the Series 1997A Bonds was used to finance and refinance the cost of construction and equipping of Mercy General Hospital, Mercy San Juan Medical Center, Dominican Hospital Santa Cruz, St. Mary Medical Center Long Beach, Mercy Hospital Bakersfield-Downtown, Mercy Medical Center Redding, and St. Elizabeth Community Hospital, each owned and operated by Dignity Health.

Series 1998A Bonds Project: A portion of the proceeds of the Series 1998A Bonds was used to finance and refinance the cost of acquisition, construction and equipping of (i) St. Joseph's Medical Center of Stockton, owned and operated by Port City Operating Company, LLC and (ii) California Hospital Medical Center, Glendale Memorial Hospital and Health Center and Northridge Hospital Medical Center, each owned and operated by Dignity Health, an Obligated Group Member.

2011 New Money Projects:

Sequoia Hospital Redevelopment Project, 170 Alameda de las Pulgas, Redwood City, California: Construction and related expansion, remodeling, renovation, furnishing, and equipping of a four-story building for Sequoia Hospital.

Series 2004K Bonds, Series 2005H&I Bonds and Series 2009H Bonds:

Loans made to California Affiliates to finance and refinance the cost of certain capital improvements and equipment acquisitions at the health facilities owned and operated by those California Affiliates, including at certain of the locations set forth below under the heading "New Projects" and at the following additional locations: San Bernardino Community Hospital, Saint Francis Memorial Hospital, St. Elizabeth Community Hospital, Mercy Hospital of Folsom, Woodland Memorial Hospital, Methodist Hospital of Sacramento, Mercy Hospital Merced, St. Mary's Medical Center, Mercy Hospital Bakersfield – Downtown, Northridge Hospital Medical Center, St. Joseph Medical Center Stockton, Mercy McMahon Terrace, and St. Joseph Behavioral Health Center.

New Projects: The acquisition, construction, expansion, remodeling, renovation, furnishing, and equipping of health facilities owned and operated California Affiliates, including the following:

Arroyo Grande Community Hospital Project. 345 South Halcyon Road, Arroyo Grande, California. Acquisition, construction, expansion, remodeling, renovation, furnishing, and equipping of health facilities owned and operated by Dignity Health located at the Arroyo Grande campus, including an approximately 5,000 square foot expansion and renovation of the hospital's emergency department.

Bakersfield Memorial Hospital Project. 420 34th Street, Bakersfield, California. Acquisition, construction, expansion, remodeling, renovation, furnishing, and equipping of health facilities owned and operated by Bakersfield Memorial Hospital located at the Bakersfield Memorial Hospital campus, including an approximately 10,000 square foot burn center renovation, including patient rooms, outpatient clinic and support spaces, and an approximately 1,268 square foot catheterization laboratory renovation, including procedure room and support space renovations and related equipment.

California Hospital Medical Center Project. 1401 Grand Avenue, Los Angeles, California. Acquisition, construction, expansion, remodeling, renovation, furnishing, and equipping of health facilities owned and operated by Dignity Community Care located at the California Hospital Medical Center campus, including an approximately 150,000 square foot new patient care tower, including emergency, trauma and maternity services and an enhanced imaging suite; as well as nuclear medicine renovations, fire alarm replacements, nurse call system updates, and elevator modernization for certain existing buildings.

Dominican Hospital Santa Cruz Project. 1555 Soquel Drive, Santa Cruz, California. Acquisition, construction, expansion, remodeling, renovation, furnishing, and equipping of health facilities owned and operated by Dignity Health located at the Dominican Hospital Santa Cruz Campus, including renovation of an existing surgery suite into a vascular imaging hybrid (cardiac and general) operating room and renovations to other staff and administrative areas in the hospital.

French Hospital Medical Center Project. 1911 Johnson Avenue, San Luis Obispo, California. Acquisition, construction, expansion, remodeling, renovation, furnishing, and equipping of health facilities owned and operated by Dignity Community Care located at the French Hospital Medical Center campus, including an approximately 8,850 square foot, one story expansion to the hospital's existing emergency department.

Glendale Memorial Hospital and Health Center Project. 1420 South Central Avenue, Glendale, California. Acquisition, construction, expansion, remodeling, renovation, furnishing, and equipping of health facilities owned and operated by Dignity Community Care located at the Glendale Campus, including seismic retrofit construction of the approximately 125,000 square foot, eight-story north tower located on the hospital campus.

Marian Regional Medical Center Project. 1400 East Church Street, Santa Maria, California. Acquisition, construction, expansion, remodeling, renovation, furnishing, and equipping of health facilities owned and operated by Dignity Health located at the Marian Campus, including an approximately 6,200 square foot expansion and renovation of the hospital's emergency department.

Mercy General Hospital Project. 4001 J Street, Sacramento, California. Acquisition, construction, expansion, remodeling, renovation, furnishing, and equipping of health facilities owned and operated by Dignity Health located at the hospital campus, including expansion and renovation of the emergency department.

Mercy Hospital Southwest Project. 400 Old River Road, Bakersfield, California. Acquisition, construction, expansion, remodeling, renovation, furnishing, and equipping of health facilities owned and operated by Dignity Health located at the Mercy Southwest Campus, including a four-story, 106-bed tower that includes an intensive care unit, neo-natal intensive care unit, and med-surg beds; expansion and renovation of imaging department, emergency department and surgery and recovery areas

Mercy Medical Center Redding Project. 2175 Rosaline Avenue, Redding, California Acquisition, construction, expansion, remodeling, renovation, furnishing, and equipping of health facilities owned and operated by Dignity Health located at the hospital campus, including seismic renovation costs for the hospital and installation of new diagnostic equipment for the hospital's stroke and vascular department and related renovations.

Mercy Mount Shasta Medical Center Project. 914 Pine Street, Mount Shasta, California. Acquisition, construction, expansion, remodeling, renovation, furnishing, and equipping of health facilities owned and operated by Dignity Health located at the hospital campus, including an expansion of the existing emergency department, adding two treatment rooms, two trauma bays, one triage room, a new waiting area, and other common areas.

Mercy San Juan Medical Center Project. 6501 Coyle Avenue, Carmichael, California. Acquisition, construction, expansion, remodeling, renovation, furnishing, and equipping of health facilities owned and operated by Dignity Health located at the hospital campus, including (i) construction of a new 40-bed Level III neonatal intensive care unit ("NICU") in the shelled space on the third floor of the McAuley Tower on the Mercy San Juan Campus and remodeling of the current NICU and Family Birth Center in the Russell Tower on the hospital campus into a 27-bed labor, delivery, recovery and postpartum unit; (ii) remodeling of the hospital's central sterile process department and replacement of related equipment; and (iii) construction and equipping of a new behavioral health crisis stabilization services unit on the hospital campus.

Sequoia Hospital Project. 170 Alameda de las Pulgas, Redwood City, California. Acquisition, construction, expansion, remodeling, renovation, furnishing, and equipping of health facilities owned and operated by Dignity Community Care located at the hospital campus, including the installation and replacement of equipment for the hospital's six electrophysiology/cardiac catheterization labs.

Sierra Nevada Memorial Hospital Project. 155 Glasson Way, Grass Valley, California. Acquisition, construction, expansion, remodeling, renovation, furnishing, and equipping of health facilities owned and operated by Sierra Nevada Memorial-Miners Hospital located at the hospital campus, including renovation of the hospital's emergency department adding three emergency rooms and renovation and addition of various common areas and support spaces, as well as renovation of the hospital's diagnostic and imaging department, involving the purchase of new equipment and renovation of diagnostic, imaging and special procedures rooms.

St. Bernardine Medical Center Project. 2101 N. Waterman Avenue, San Bernardino, California. Acquisition, construction, expansion, remodeling, renovation, furnishing, and equipping of health facilities owned and operated by Dignity Health located at the SBMC Campus, including seismic retrofit construction to the hospital's approximately 132,00 square foot, six story, central tower.

St. John's Regional Medical Center Project. 1600 North Rose Avenue, Oxnard, California. Acquisition, construction, expansion, remodeling, renovation, furnishing, and equipping of health facilities owned and operated by Dignity Health located at the St. John's Regional Medical Center campus, including a neurointerventional biplane angiography suite and renovations of the emergency department, neonatal intensive care unit and labor and delivery unit.

St. John's Pleasant Valley Hospital Project. 2309 Antonio Avenue, Camarillo, California. Acquisition, construction, expansion, remodeling, renovation, furnishing, and equipping of health facilities owned and operated by Dignity Health located at the St, John's Pleasant Valley Hospital campus, including an approximately 71,000 square foot hospital addition including private patient rooms, advanced surgical operating suites, a preoperative and post anesthesia care unit, and a cardiac catheterization laboratory.