Minutes of the Open Session of the Special Meeting of the
El Camino Healthcare District Board of Directors
Wednesday, August 10, 2016
El Camino Hospital | Conference Rooms E, F & G
2500 Grant Road, Mountain View, CA 94040

<table>
<thead>
<tr>
<th>Board Members Present</th>
<th>Board Members Absent</th>
<th>Members Excused</th>
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<tbody>
<tr>
<td>Dennis Chiu</td>
<td>None</td>
<td>None</td>
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<td>Peter C. Fung, MD</td>
<td>None</td>
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<td>Julia Miller</td>
<td>None</td>
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<td>David Reeder</td>
<td>None</td>
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<td>John Zoglin</td>
<td>None</td>
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### Agenda Item

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<th>Agenda Item</th>
<th>Comments/Discussion</th>
<th>Approvals/Action</th>
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<tr>
<td><strong>1. CALL TO ORDER/ ROLL CALL</strong></td>
<td>The open session meeting of the El Camino Healthcare District Board of Directors (the “Board”) was called to order at 6:07pm by Chair Peter C. Fung, MD. All members were present.</td>
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<td><strong>2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES</strong></td>
<td>Chair Fung asked if any Board members may have a conflict of interest with any of the items on the agenda. No conflicts were noted.</td>
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<td><strong>3. PUBLIC COMMUNICATION</strong></td>
<td>There were no comments from the public.</td>
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<td><strong>4. PROPOSED REFINANCING OF THE DISTRICT’S 2006 GENERAL OBLIGATION BONDS/AUTHORIZATION OF PROVISION OF NOTICE</strong></td>
<td>Itikhar Hussain, CFO, provided an overview of the attractive environment and good timing for the District to refinance its bonds, including historically low rates and high demand. He described the plans to issue $270 million in revenue bonds (with respect to the Hospital), and refinance $93 million — the callable portion — of the District’s General Obligation bonds. The due diligence process for both sets of bonds is currently underway. Mr. Hussain explained that going to the market was part of the long-term plan, but the exact timing had not been determined. He also explained that the GO bond refinancing will produce savings of $1.74/year per $100,000 of assessed value for District residents. This equates to $21 million in savings over the life of the bonds. District residents will see a reduction in their taxes. He provided an outline of the timing for pricing, Board and California Health Facilities Financing Authority approval, and completion of the audit process. The bond issuance is planned for early November. In response to Director Fung’s question, Mr. Hussain explained that additional interest expense would be $8 million per year. He also commented that the District maintains a healthy debt ratio and rating, well above the median margin of 3.5%. Director Zoglin noted that this would take the Hospital to the maximum of the its borrowing capacity. Director Chiu commented that this is a good time to go to the bond market.</td>
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and leverage the current environment to finance the Hospital’s planned expansion projects. He suggested financing these projects will help to maintain business, grow, and stay competitive.

Mary Rotunno, General Counsel, explained that this agenda item is for information and described the upcoming notice to be posted regarding the GO bond refinancing. Mr. Hussain reported that staff will bring a request for approval of the GO bond refinancing to the District in October.

5. APPROVAL OF EXPENDITURES FOR CAMPUS DEVELOPMENT PROJECTS

Ken King, CASO, reported that, in June, the District approved development plans for the MV campus. Now, the District is requested to approve capital expenditures for two of the projects that exceed $25 million, including the Behavioral Health Services Building and the Integrated Medical Office Building. He noted that the funding has been approved by the Hospital Board and that the Hospital bond financing will support these projects.

Motion: To approve the expenditures for the Campus development projects as described in the Board materials.

Movant: Reeder
Second: Chiu
Ayes: Chiu, Fung, Miller, Reeder, Zoglin
Noes: None
Abstentions: None
Absent: None
Recused: None

6. ADJOURNMENT

Motion: To adjourn at 6:20 pm.

Movant: Chiu
Second: Miller
Ayes: Chiu, Fung, Miller, Reeder, Zoglin
Noes: None
Abstentions: None
Absent: None
Recused: None

Meeting adjourned at 6:20 pm.

Attest as to the approval of the foregoing minutes by the Board of Directors of El Camino Healthcare District:

Peter C. Fung, MD
Chair, ECHD Board

Julia Miller
ECHD Board Secretary

Prepared by: Cindy Murphy, Board Liaison
Sarah Rosenberg, Contracts & Board Services Coordinator