



**West Contra Costa Healthcare District
Board of Directors
Special Meeting**

**Tuesday, October 18, 2011
5:00 PM
Doctors Medical Center, Auditorium
2000 Vale Road
San Pablo, CA 94806**

WEST CONTRA COSTA HEALTHCARE DISTRICT

**WEST CONTRA COSTA HEALTHCARE
DISTRICT BOARD OF DIRECTORS
SPECIAL MEETING
October 18, 2011 – 5:00 pm
Doctors Medical Center – ACR
2000 Vale Road, San Pablo, CA 94806**

**Board of Directors
Irma Anderson, Chair
Eric Zell, Vice Chair
Beverly Wallace, Treasurer
Deborah Campbell, Secretary
Nancy Casazza, Assistant Secretary**

AGENDA

1. Call to Order
2. Roll Call
Irma Anderson
Eric Zell
Beverly Wallace
Deborah Campbell
Nancy Casazza
3. Public Comments
[At this time persons in the audience may speak on any items not on the agenda and any other matter within the jurisdiction of the District Board] I. Anderson
4. Gemino Healthcare Finance – Resolution# 2011-5 D. Gideon
 - a. Presentation
 - b. Discussion
 - c. Public Comment
 - d. *ACTION: Approval of the Gemino Healthcare Finance \$8,000,000 Revolving Line of Credit as presented in the Term Sheet, authorize the CEO or her designees to do all things and take such actions as they, in his or her discretion, deem appropriate to complete, effectuate and carry out this transaction on behalf of the District and DMC, including execution of all the agreements and ancillary documents that may be necessary for completion of the transaction as presented.*
5. Announcements
6. Adjournment

**RESOLUTION 2011-05
AUTHORIZING WEST CONTRA COSTA HEALTHCARE DISTRICT
TO INCUR INDEBTEDNESS AND TO EXECUTE DOCUMENTS
IN CONNECTION WITH REVOLVING LINE OF CREDIT FROM GEMINO
HEALTHCARE FINANCE**

WHEREAS, West Contra Costa Healthcare District, a political subdivision of the State of California (the "District") owns and operates Doctors Medical Center, a community acute care facility.

WHEREAS, West Contra Costa Healthcare District is a political subdivision of the State of California ("District").

WHEREAS, to enable the District to continue to offer quality health care to members of the public, the District has need of immediate funding.

WHEREAS, Gemino Healthcare Finance ("Lender") agreed to provide the District with a Revolving Line of Credit. The Revolving Line of Credit is referred to as the "Loan."

WHEREAS, the principal amount of the Loan is Eight Million Dollars (\$8,000,000). Interest on the outstanding principal balance shall be repaid monthly, and all principal is due and owing on November 1, 2014.

WHEREAS, the Loan is secured by a pledge of accounts receivable which is created under the terms of a Security Agreement and perfected by means of the filing of a UCC 1 and the lender shall be directly assigned, or otherwise granted equitable control over, the cash proceeds of such Accounts.

WHEREAS, District shall create one or more new bank accounts and a lock box arrangement with Citizen Bank, N.A. for which accounts District shall enter into certain banking resolutions in form and substance satisfactory to Lender and Citizens Bank (the "Citizens Bank Documents").

WHEREAS, Lender and District will execute a number of written agreements including a Loan Agreement, Promissory Note, Security Agreement, and other documents referred to in the Loan Agreement, to document the Loan (collectively, the "Loan Documents"). The Loan Documents shall conform to the terms of the Commitment Letter received by the District on October 14, 2011, from the Lender (the "Commitment Letter"). A Copy of the Commitment Letter is attached and by this reference incorporated into this Resolution.

WHEREAS, the District desires to borrow money from the Lender, and the Lender desires to make the Loan to the District.

WHEREAS, it is in the best interests of the healthcare needs of the West Contra Costa County community and for the District to enter into the Loan with the Lender and, specifically, to execute and enter into the Loan Documents.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of West Contra Costa Healthcare District, as follows:

1. That all the actions and findings of the Board of Directors described above are hereby severally ratified, confirmed, approved and adopted in all respects.

2. That the terms and provisions of the Loan Documents described in the Commitment Letter are hereby approved in all respects.

3. That the execution of the Loan Documents consistent with the terms of the Commitment Letter by the District's Chief Executive Officer and/or Chief Financial Officer is hereby authorized and approved.

4. That the execution of the Citizens Bank Documents in form and substance satisfactory to Lender and Citizens Bank by the District's Chief Executive Officer and/or Chief Financial Officer is hereby authorized and approved.

4. That the Chief Executive Officer and any person or persons designated and authorized to act by the CEO, are hereby authorized and directed to secure the Loan and to take such other steps and perform such acts, including additions or omissions to the documents and agreements, all as in their respective individual judgments may be necessary, appropriate or desirable on behalf of and in the name of the District, consistent with and to effectuate the intent of this Resolution.

PASSED AND ADOPTED on this ___ day of October, 2011, by the Board of Directors.

AYES:

NO:

ABSTAIN:

Irma Anderson, Chair, Board of Directors

**CERTIFICATE OF SECRETARY
MARIN GENERAL DISTRICT,
a California non profit corporation**

The undersigned, _____, being the Secretary of West Contra Costa Healthcare District (the "District"), hereby certifies for and on behalf of the District that the foregoing and attached Resolution is a true and correct copy of this Resolution of the District, as adopted by the Board of Directors at a properly noticed meeting at which a quorum was present, and that the same is in full force and effect and that Dawn Gideon, Chief Executive Officer of the Corporation is fully authorized to carry out and implement the terms of this Resolution.

DATED this __ day of October, 2011.

Deborah Campbell, Secretary, Board of Directors

Summary of Key Terms
\$8,000,000 AR Financing From Gemino

Lender: Gemino Healthcare Finance

Amount: \$8,000,000 Revolving Line of Credit

Closing Date: November 1, 2011

Purpose: General working capital

Term: 3 years

Security: Accounts Receivable

Advance Rate: 80% of billed accounts and 60% of unbilled accounts

Interest Rate: LIBOR + 495 basis points (6.95% floor)

Fees: \$80,000 Commitment Fee, 0.5% annual unused line fee, 0.75% of outstanding balance monthly

Prepayment Fee: 2% for year 1; 2% for year 2, and 1% for year 3

Minimum balance: \$2,000,000

Covenants: Will include but not necessarily be limited to:

a. Minimum Fixed Charge Coverage Ratio of 1.10:1.0 through 6/13 and 1.2:1.0 thereafter where Minimum Fixed Charge Coverage Ratio is:

(A) EBITDA divided by (B) Interest + Current Maturities of Long Term Debt and Capital Leases + Taxes + Rent + Unfinanced Capital Expenses + dividends, distributions, loans and advances to officers, shareholders, and affiliates (collectively, "Restricted Payments"), all as determined for the Borrowers on a consolidated basis in accordance with GAAP.

b. Minimum EBITDA of \$800,000 through 6/12, \$1,675,000 through 9/13, and \$1,750,000 thereafter.

Reporting: Annual Audited Statement within 120 days of year end; monthly and YTD financial statements and compliance certificate monthly.

Lock Box: Lock box to be established for District receivables.