



November 17, 2016

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ADMINISTRATIVE OFFICE

Mr. Jean Rousseau
County Administrative Officer
County of Fresno
2281 Tulare Street
Fresno, California 93721

Re: Request Regarding Conducting a Public Hearing and Consideration of Adoption of a Resolution Approving the Issuance of Tax-Exempt Revenue Bonds by the California Municipal Finance Authority for the Benefit of Community Medical Centers

Dear Mr. Rousseau:

Based on favorable interest rates, Community Hospitals of Central California, Fresno Community Hospital and Medical Center, Fresno Heart Hospital, LLC, and Sierra Hospital Foundation, which collectively operate as Community Medical Centers ("CMC"), wish to undertake a tax-exempt financing (the "Series 2017 Financing") to refinance and finance CMC health care facilities located in the County of Fresno (the "County"). CMC is contemplating issuance of tax-exempt revenue bonds in an amount not to exceed \$460 million.

CMC is undertaking the Series 2017 Financing (i) to refund tax-exempt debt issued in 2007, (ii) to refund all or a portion of tax-exempt debt issued in 2009 and (iii) to finance costs of a 100,000 square foot regional cancer treatment and research center, which will be located on the campus of Clovis Community Medical Center. Proceeds will also be applied to pay costs of issuing the revenue bonds and may be applied to fund a debt service reserve fund if required by the market. At the request of CMC, the California Municipal Finance Authority ("CMFA") has agreed to act as issuer for the Series 2017 Financing.

In order for CMC to undertake a tax-exempt financing and in order for CMFA to act as issuer in connection with such tax-exempt financing, CMC and CMFA are required to satisfy certain requirements set forth in the Internal Revenue Code, including requirements originally enacted in the Tax Equity and Fiscal Responsibility Act of 1982 (often referred to as TEFRA) and set forth in Section 147(f) of the Internal Revenue Code. Section 147(f) of the Internal Revenue Code requires that a public hearing be conducted and an approving resolution be adopted after the public hearing has been conducted. Since the CMC health care facilities being refinanced and financed are located within the County, CMC is requesting that the County Board of Supervisors agree to conduct the public hearing and consider adoption of an approving resolution in order to satisfy the requirements of Section 147(f) of the Internal Revenue Code and the related requirements of CMFA.

Should you have any questions or require any additional information concerning our request or our proposed Series 2017 Financing, please do not hesitate to contact me at (559) 324-4780.

Thank you for your consideration of our request.

Sincerely,

Joseph M. Nowicki, SVP
Corporate Chief Financial Officer