

Kaweah Delta Health Care District Board of Directors Meeting

Health is our Passion. Excellence is our Focus. Compassion is our Promise.



DATE POSTED: August 18, 2026

NOTICE

Date: Thursday, August 20, 2026

Location: Kaweah Health – Executive Office Conference Room

Address: 305 W. Acequia Avenue, Visalia, California

Please join my meeting from your computer, tablet or smartphone.

<https://meet.goto.com/KelsieD/kawahdeltahealthcaredistrictboardofdirectorsmeet>

You can also dial in using your phone.

Access Code: 460-561-181

United States: [+1 \(646\) 749-3122](tel:+16467493122)

SCHEDULE:

- **9:30 AM** – Open Session

AMERICANS WITH DISABILITIES ACT (ADA) NOTICE:

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Board Clerk at (559) 624-2330. Notification at least 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to the meeting.

POSTING NOTICE:

All Kaweah Delta Health Care District regular Board and committee meeting notices and agendas are posted at least **72 hours** prior to the meeting (and **24 hours** prior to special meetings) in the Kaweah Health Medical Center, Mineral King Wing, near the Mineral King entrance, in accordance with Government Code §54954.2(a)(1).

PUBLIC RECORDS:

Disclosable public records related to this agenda are available for public inspection at:

Kaweah Health Medical Center – Acequia Wing, Executive Offices (1st Floor)

400 West Mineral King Avenue, Visalia, CA 93291

You may also request records by contacting the Board Clerk at (559) 624-2330 or

kedavis@kaweahhealth.org, or by visiting the District's website at www.kaweahhealth.org.

Mike Olmos • Zone 1
Board Member

Jonna Schengel • Zone 2
Board Member

Dean Levitan, MD • Zone 3
Secretary/Treasurer

David Francis • Zone 4
President

Armando Murrieta • Zone 5
Vice President

Kaweah Delta Health Care District

Board of Directors Meeting

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KAWEAH DELTA HEALTH CARE DISTRICT

Dean Levitan, M.D, Secretary/Treasurer

Prepared by:

A handwritten signature in blue ink, appearing to read "Kelsie K. Davis".

Kelsie K. Davis

Board Clerk / Executive Assistant to the CEO

DISTRIBUTION:

Governing Board, Legal Counsel, Executive Team, Chief of Staff, www.kaweahhealth.org

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Vice President

Kaweah Delta Health Care District SPECIAL Board of Directors Meeting

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KAWEAH DELTA HEALTH CARE DISTRICT SPECIAL BOARD OF DIRECTORS MEETING

Kaweah Health Medical Center – Executive Office Conference Room
305 W. Acequia Avenue, Visalia, CA

Thursday August 20, 2026 {Special Meeting}

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OPEN MEETING AGENDA {9:30AM}

- 1. CALL TO ORDER**
- 2. PUBLIC PARTICIPATION** – Members of the public may comment on agenda items before action is taken and after it is discussed by the Board. Each speaker will be allowed five minutes. Members of the public wishing to address the Board concerning items not on the agenda and within the jurisdiction of the Board are requested to identify themselves at this time.
- 1. APPROVAL OF RESOLUTION 2297:** Authorizing execution and delivery of the second amendment to the loan and security agreement for the Distressed Hospital Loan Program.
- 3. ADJOURNED**

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Agenda Posting and Public Records

Agendas are posted at least 72 hours in advance of regular meetings. Disclosable public records may be obtained by contacting the Board Clerk at 400 W. Mineral King Avenue, Visalia, CA, or by email at kedavis@kaweahhealth.org, or on the District website.

Thursday August 20, 2026

Mike Olmos • Zone 1
Board Member

Jonna Schengel • Zone 2
Board Member

Dean Levitan, MD • Zone 3
Secretary/Treasurer

David Francis • Zone 4
President

Armando Murrieta • Zone 5
Vice President

FINANCE DIVISION MEMORANDUM

TO: Board of Directors, Chief Executive Officer and Executive Team

FROM: Stephen Forney, Interim Chief Financial Officer
Jennifer Stockton, Director of Finance

DATE: August 17, 2026

SUBJECT: Distressed Hospital Loan Program – Loan Modification Resolution 2297

On August 20, 2026, Kaweah Health’s Board of Directors (the “Board”) will be asked to approve Resolution 2297 related to the Department of Health Care Access and Information (HCAI) and California Health Care Facilities Finance Authority (CHFFA) Distressed Hospital Loan Program (DHLP). The Loan Program was established through Chapter 6, Statutes of 2023 (Assembly Bill 112) to offer interest-free, working capital loans to non-profit and publicly-operated distressed hospitals in California that are facing a risk of closure, while they implement turnaround strategies and regain financial viability. Kaweah Health applied for a loan in the amount of \$75 million and was awarded a loan in the amount of \$20.75 million. The loan proceeds were received in February 2024 and were utilized in accordance with Kaweah’s turnaround plan outlined in the loan application.

In January 2025, the loan modification process for hospitals that have received funds under the DHLP was approved by CHFFA and HCAI. Loan modification consists of a two-step process when certain eligibility measures are met. Borrowers can first apply for a 12-month extension of the deferral period and maturity date. If step one is approved, borrowers may later apply for step two, if still experiencing financial distress, which would forgive the following 12-months of debt service payments.

Kaweah previously applied for and received a 12-month extension under step one. This resolution relates to Kaweah’s application for step two of the process to forgive the 12 months of debt service due from September 1, 2026 through August 31, 2027 totaling \$4,611,111. The application was approved by CHFFA.

Information regarding the original loan and the proposed modification is as follows:

Distressed Hospital Loan Program	
Initial Loan amount	\$20,750,000
Interest Rate	0.0%
Loan Fee	1%
Loan Maturity	2/1/2031 (as modified)
Use of Funds	working capital

Resolution 2297 -The resolution ratifies the submission of the loan modification application, authorized Stephen Forney, Interim Chief Financial Officer, to execute the loan documents, and approves the Second Amendment to the Loan and Security Agreement.

For any questions regarding the documents, please contact Stephen Forney at 624-4065 or Jennifer Stockton at 624-5536.

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

DISTRESSED HOSPITAL LOAN PROGRAM

SECOND AMENDMENT TO LOAN AND SECURITY AGREEMENT

This Second Amendment to Loan and Security Agreement (the “Second Amendment”), is entered into by and between the CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY, a public instrumentality of the State of California, having its principal place of business at 915 Capitol Mall, Suite 440, Sacramento, California 95814 (together with its successors and assigns, the “Authority” or the “Lender”) and **Kaweah Delta Health Care District DBA Kaweah Health**, a California public hospital having its principal place of business at **400 W Mineral King Avenue, Visalia, California 93291** (“Borrower”), under the Distressed Hospital Loan Program pursuant to Health and Safety Code section 129380 et seq. Lender and Borrower are at times referred to collectively herein as the “Parties.” This Second Amendment is effective and dated as of the date of the execution by the Authority of this Second Amendment (the “Second Amendment Effective Date”).

RECITALS

A. Borrower and the Lender are parties to that certain Loan and Security Agreement, dated as of February 21, 2024, as amended by that certain First Amendment to Loan and Security Agreement, dated as July 31, 2025 (the “First Amendment”) (as amended, supplemented or otherwise modified and in effect immediately prior to the Second Amendment Effective Date, the “Original Loan Agreement” and the Original Loan Agreement, as amended by this Second Amendment, is referred to herein as the “Loan Agreement”);

B. Pursuant to the Loan Agreement, Borrower has instituted a Turnaround Plan but despite Borrower’s best efforts, Borrower remains in financial distress;

C. Borrower has submitted to the Authority and the California Department of Health Care Access and Information (the “Department”) a Loan Modification Application under the Distressed Hospital Loan Program (the “Loan Program”);

D. The Authority, the Department and the California Department of Finance have determined that Borrower’s Loan Modification Application meets the eligibility requirements of the Loan Program thereby providing for the forgiveness of the next twelve (12) months of debt service payments on the Loans (as defined herein) as set forth herein; and

E. Borrower and the Lender wish to amend the Original Loan Agreement in certain respects as set forth herein;

NOW, THEREFORE, in consideration of the foregoing, the Parties agree as follows:

1. **Certain Defined Terms.** Except as otherwise defined in this Second Amendment, terms defined in the Loan Agreement are used herein as defined therein.

2. **Amendment.** Subject to the satisfaction of the conditions precedent set forth in Section 5 of this Second Amendment, the Second Amendment shall be effective as of the date hereof:

(a) Section 2(d) of the Original Loan Agreement is hereby amended and restated in its entirety to read as follows (additions shown in **double underline bold** and deletions in ~~strikethrough~~):

“(d) **Repayment; Maturity.** Borrower agrees to repay the Loans in equal monthly installments, commencing on the first day of the ~~thirty-first (31st)~~ **forty-third (43rd)** month from the Effective Date until the principal sum of the Loans is paid in full, which shall occur no later than eighty-four (84) months from the date of this Agreement (the “Maturity Date”). If Borrower commences a restructuring under chapter 11 of the Bankruptcy Code before the Maturity Date and seeks debtor-in-possession financing from the Lender, the Lender agrees to “roll up” the Loans under this Facility into a debtor-in-possession financing facility on a dollar-for-dollar basis and on such other terms and conditions acceptable to the Lender.

The principal amount of \$4,611,111.12 representing the payments due on the Loans during the twelve (12) month period commencing on September 1, 2026, through August 31, 2027 is hereby permanently forgiven and shall no longer be due or payable by Borrower. As of the effective date of the Second Amendment, the outstanding principal amount of the Loans is \$16,138,888.88.”

(b) Exhibit E of the Original Loan Agreement is hereby amended and restated in its entirety with such Exhibit attached hereto as Annex A.

3. **Reaffirmation.** Borrower (a) acknowledges and consents to all of the terms and conditions of this Second Amendment, (b) agrees that this Second Amendment and any documents executed in connection herewith do not operate to reduce or discharge Borrower’s obligations under the Loan Documents, and (c) agrees that this Second Amendment and any documents executed in connection herewith shall not impair or otherwise adversely affect any of the guarantees or liens provided or granted pursuant to the Loan Documents. Each other Loan Document and all guarantees, pledges, grants, security interests and other agreements thereunder shall continue to be in full force and effect and Borrower reaffirms the Loan Document and all guarantees, pledges, grants, security interests and other agreements thereunder.

4. **Representations and Warranties.**

To induce the Lender to enter into this Second Amendment, Borrower hereby represents and warrants to the Lender that as of the Second Amendment Effective Date and, until the Note is paid in full and all obligations under the Loan Agreement are performed in full, that:

(a) Borrower has the requisite right, power and authority to execute and deliver this Second Amendment and the performance of the Loan Agreement.

(b) Borrower has duly authorized, executed and delivered this Second Amendment.

(c) This Second Amendment constitutes the legal, valid and binding obligations of Borrower, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting the enforcement of creditors' rights, to the application of equitable principles, regardless of whether enforcement is sought in a proceeding at law or in equity, to public policy and to the exercise of judicial discretion in appropriate cases.

(d) The execution and delivery by Borrower of this Second Amendment and the performance by Borrower of this Second Amendment and the performance by Borrower of the Loan Agreement will not: conflict with or constitute a breach of, violation or default (with due notice or the passage of time or both) under the articles of incorporation or bylaws of Borrower, any applicable law or administrative rule or regulation or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement, evidence of indebtedness or instrument to which Borrower is a party or to which or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of Borrower, which conflict, violation, breach, default, lien, charge or encumbrance might have consequences that would materially and adversely affect the performance of Borrower of the Loan Agreement.

(e) The representations and warranties set forth in Section 4 of the Loan Agreement, and in each of the other Loan Documents, are true and complete on the date hereof as if made on and as of the date hereof (or, if any such representation or warranty is expressly stated to have been made as of a specific date, such representation or warranty shall be true and correct as of such specific date), and as if each reference in said Section 4 to "this Agreement" included reference to this Second Amendment.

5. **Conditions Precedent.** The amendments set forth in Section 2 shall not become effective until the Lender is satisfied that all of the following conditions have been met:

(a) Borrower shall have delivered to the Lender a duly executed Second Amendment.

(b) Borrower shall have delivered to the Lender a resolution of Borrower's board of directors or governing body duly authorizing the execution and delivery by it of this Second Amendment and the performance of the Loan Agreement.

(c) Borrower shall have delivered to the Lender any other documents reasonably required by the Lender in connection with carrying out the purposes of this Second Amendment.

6. **Miscellaneous.**

(a) References in the Loan Agreement to “this Agreement” (and indirect references such as “hereunder”, “hereby”, “herein” and “hereof”) and references to the Loan Agreement in other Loan Documents shall in each case be deemed to be references to the Loan Agreement as amended hereby.

(b) This Second Amendment shall constitute a Loan Document for purposes of the Loan Agreement and the other Loan Documents, and except as specifically modified by this Second Amendment, the Loan Agreement and the other Loan Documents shall remain unchanged and shall remain in full force and effect and are hereby ratified and confirmed.

(c) The execution, delivery and performance of this Second Amendment shall not constitute a forbearance, waiver, consent or amendment of any other provision of, or operate as a forbearance or waiver of any right, power or remedy of the Lender under the Loan Agreement or any of the other Loan Documents, all of which are ratified and reaffirmed in all respects and shall continue in full force and effect. This Second Amendment does not constitute a novation of rights, obligations and liabilities of the respective parties existing under the Loan Documents.

(d) This Second Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all counterparts shall together constitute one and the same instrument.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties to this Second Amendment have caused this Second Amendment to be executed and delivered as of the date of execution of this Second Amendment by the Authority.

LENDER: **CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY**, a public instrumentality of the State of California

By: _____

Name: Carolyn Aboubechara

Title: Executive Director

Date: _____

BORROWER: **KAWEAH DELTA HEALTH CARE DISTRICT DBA KAWEAH HEALTH**,
A California public hospital

By: _____
(Authorized Officer)

Name: _____

Title: _____

RESOLUTION NO. 2297

RESOLUTION OF KAWEAH DELTA HEALTH CARE DISTRICT AUTHORIZING EXECUTION AND DELIVERY OF THE SECOND AMENDMENT TO LOAN AND SECURITY AGREEMENT, AND CERTAIN ACTIONS IN CONNECTION THEREWITH

DISTRESSED HOSPITAL LOAN PROGRAM

WHEREAS, Kaweah Delta Health Care District (the “Borrower”) is a California public hospital, as defined in Section 129381 of the California Health and Safety Code;

WHEREAS, Borrower and the California Health Facilities Financing Authority (the “Lender”) are parties to that certain Loan and Security Agreement, dated as of February 21, 2024, as amended by that certain First Amendment to Loan and Security Agreement, dated as July 31, 2025 (the “First Amendment”) (as amended, supplemented or otherwise modified from time to time, the “Loan Agreement”);

WHEREAS, pursuant to the Loan Agreement, Borrower has instituted a turnaround plan to prevent closure of the hospital but despite Borrower’s best efforts, Borrower continues to experience financial distress;

WHEREAS, Borrower has submitted to the Lender a Loan Modification Application under the Distressed Hospital Loan Program (the “Loan Program”) and, if such Loan Modification Application is approved, proposes to enter into that certain Second Amendment to Loan and Security Agreement (the “Second Amendment”), with the Lender; and

WHEREAS, the Board of Directors has determined that it is advisable and in the best interests of Borrower to enter into the Second Amendment and the documents and transactions contemplated in connection therewith;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Borrower as follows:

Section 1. The Board of Directors of Borrower hereby **ratifies** the submission to the Lender of a Loan Modification Application under the Loan Program and any related materials submitted in connection therewith.

Section 2. Stephen Forney, Interim Chief Financial Officer, an “Authorized Officer”, is hereby authorized and directed, for and on behalf of Borrower, to do any and all things and to execute and deliver any and all documents that such Authorized Officer(s) deem(s) necessary or advisable to enter into the Second Amendment and otherwise to effectuate the purposes of this Resolution and the transactions contemplated hereby.

Section 3. The proposed form of the Second Amendment is hereby approved. The Authorized Officer is hereby authorized and directed, for and on behalf of Borrower, to execute and deliver the Second Amendment in substantially such form, with such changes, additions, or deletions therein as the Authorized Officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of Kaweah Delta Health Care District held on the 20th day of August, 2026.

SECRETARY'S CERTIFICATE

I, Kelsie Davis, Board Clerk of Kaweah Delta Health Care District, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a special meeting of the Board of Directors of Kaweah Health Care District duly and regularly held at the special meeting place thereof on the 20th day of August, 2026, of which meeting all of the members of said Board of Directors had due notice and at which the required quorum was present and voting and the required majority approved said resolution by the following vote at said meeting:

Ayes:

Noes:

Absent:

I further certify that I have carefully compared the same with the original minutes of said meeting on file and of record in my office; that said resolution is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that said resolution has not been amended, modified or rescinded since the date of its adoption, and is now in full force and effect.

Board Clerk

Date: _____