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[www.pih.net](http://www.pih.net)

January 31, 2012

Ms. Julie Hommel,  
Account Manager  
U.S. Bank  
Corporate Trust Services  
633 West Fifth Street, 24<sup>th</sup> floor  
Los Angeles, CA 90071

RE: Annual Disclosure/ Officer's Certification for Series 2009 \$280,000,000 City of Whittier Health Facility Revenue Bonds (Presbyterian Intercommunity Hospital) \$74,000,000 Series A, \$74,000,000 Series B, \$74,000,000 Series C, and \$58,000,000 Series D and Series 2011 \$41,305,000 City of Whittier Health Facility Revenue Bonds (Presbyterian Intercommunity Hospital)

Dear Ms. Hommel:

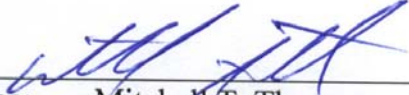
In accordance with the Master Trust Indenture for the Series 2009 \$280,000,000 City of Whittier Health Facility Revenue Bonds (Presbyterian Intercommunity Hospital) \$74,000,000 Series A, \$74,000,000 Series B, \$74,000,000 Series C, and \$58,000,000 Series D and Series 2011 \$41,305,000 City of Whittier Health Facility Revenue Bonds (Presbyterian Intercommunity Hospital) obligations, the following is enclosed:

- Audited financial statements for InterHealth Corp. and related organizations for
- Officer's Certificate for Issuance of Continuing Disclosure
- Calculation of Debt Service Coverage Ratio and other information
- Insurance Consultant Report w/ Certification

Please contact me at (562) 698-0811 extension 2449 or via e-mail at [MThomas2@pih.net](mailto:MThomas2@pih.net) if you have any questions or concerns.

Sincerely,

By:



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Name: Mitchell T. Thomas  
Title: Senior Vice President and Chief  
Financial Officer

cc: Ronald Yoshihara, Vice President & Controller  
Meredith Johnson, Vice President of Finance, Bright Health Physicians  
Christopher Davy, Assistant Treasurer, Bank of New York  
Kevin Duthoy, Esq. , Bewley Miller Lassleben  
Kathleen Leak, Esq., Orrick Herrington

**OFFICER'S CERTIFICATE REGARDING  
ISSUANCE OF CONTINUING DISCLOSURE**

The undersigned, Mitchell T. Thomas, hereby certifies as follows:

1. I am the Senior Vice President of Finance and Chief Financial Officer of InterHealth Corp. (the "Corporation"), Presbyterian Intercommunity Hospital, Inc. (the "Hospital") and IHC Management Corp. ("IHC"), each a nonprofit public benefit corporation organized and existing under the laws of the State of California.

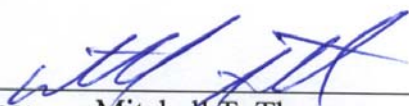
2. Pursuant to the provisions of that certain Master Indenture of Trust, dated as of May 1, 2009 (the "Master Indenture of Trust") and Supplemental Obligations 1 through 4, among the Corporation, the Hospital and IHC (each a "Member of the Obligated Group," and hereinafter collectively referred to as the "Members of the Obligated Group"), and The Bank of New York Trust Company, N.A., I am an Authorized Representative of the Obligated Group and am authorized to execute and deliver an Officer's Certificate.

3. I have read Sections 3.01 through 3.12 of the Master Indenture of Trust dated as of May 1, 2009 between the Obligated Group Representative and the Master Trustee, relating to the particular covenants of the Members: Rates and Charges; Debt Coverage. and Filing of Financial Statements, Reports and Other Information. I have also read the Continuing Disclosure Agreement dated May 1, 2009 between the Obligated Group and the Trustee (U.S. Bank National Association) with regard to Series 2009 D (\$58,000,000) of the City of Whittier Health Facility Revenue Bonds.

4. The Historical Debt Coverage Ratio is met in accordance with the provisions set forth in the Master Indenture of Trust. The supporting calculations and the updated tables as set forth in the Master Indenture of Trust and Continuing Disclosure Agreement dated May 1, 2009 are included in the schedules attached. To the best of my knowledge based on reasonable investigation, nothing has come to my attention which would lead me to believe that any Event of Default has occurred during this reporting period.

IN WITNESS WHEREOF, this Certificate is executed and delivered this  
31st day of January, 2012.

By:

  
\_\_\_\_\_  
Name: Mitchell T. Thomas  
Title: Senior Vice President and Chief  
Financial Officer

## IHC Obligated Group Compliance Certificate - Schedule I

	For the Period Ended:	FY2011	FY2011	FY2011	FY2011	Rolling 4 Quarters
		Q1	Q2	Q3	Q4	10/1/10 - 9/30/11
Section 4.22 - Financial Covenants						
(a) Debt Service Coverage						
Excess of revenue over expenses		\$ 33,595,300	\$ 24,506,614	\$ 4,788,599	\$ (61,237,752)	\$ 1,652,761
Plus:						
Depreciation and amortization		\$ 5,329,708	\$ 5,253,075	\$ 5,167,176	\$ 5,394,213	\$ 21,144,172
Interest expense		\$ 1,149,220	\$ 1,038,903	\$ 1,056,170	\$ 1,016,040	\$ 4,260,333
Interest swap payments		\$ 1,590,130	\$ 1,599,124	\$ 1,608,148	\$ 1,606,643	\$ 6,404,045
Unrealized investment losses (gains), including OTTI		\$ (2,033,035)	\$ (7,272,143)	\$ (872,560)	\$ 31,133,839	\$ 20,956,101
Change in value of interest rate swap		\$ (15,801,794)	\$ (3,056,446)	\$ 7,904,734	\$ 20,878,888	\$ 9,925,382
Pension related changes (change in unrestricted net assets)		\$ -	\$ -	\$ -	\$ 16,444,669	\$ 16,444,669
Net Income Available for Debt Service		\$ 23,829,529	\$ 22,069,127	\$ 19,652,267	\$ 15,236,540	\$ 80,787,463
Maximum Annual Debt Service on all Outstanding Indebtedness						\$ 18,891,111
Debt Service Coverage Calculated						4.28
Debt Service Coverage required	minimum 1.25 X					
(b) Liquidity Covenant						
Unrestricted Cash and Investments		\$ 350,045,495	\$ 375,093,399	\$ 382,990,930	\$ 349,557,852	\$ 349,557,852
Operating Expenses		\$ 95,589,240	\$ 98,186,179	\$ 98,389,995	\$ 122,697,591	\$ 414,863,005
Less:						
Depreciation and amortization		\$ 5,329,708	\$ 5,253,075	\$ 5,167,176	\$ 5,394,213	\$ 21,144,172
Bad Debt Expense		\$ 3,492,007	\$ 4,341,371	\$ 3,488,407	\$ 2,873,234	\$ 14,195,019
		\$ 86,767,525	\$ 88,591,733	\$ 89,734,412	\$ 114,430,144	\$ 379,523,814
Day of Cash Operating Expenses		92	90	91	92	365
Days Cash on Hand Calculated		371	381	388	281	336
Minimum Days Cash on Hand required	90 days					
(c) Leverage Ratio						
Total Indebtedness (Short Term + Long Term)		273,931,768	314,744,955	308,104,956	308,097,102	
Unrestricted Net Assets		438,187,294	462,693,908	467,482,507	406,244,754	
Leverage Ratio Calculated		38%	40%	40%	43%	
Leverage Ratio required	maximum 60%					
Long Term Indebtedness (excluding Short Term portion)		267,301,768	308,114,955	300,729,956	300,722,102	
Unrestricted Net Assets		438,187,294	462,693,908	467,482,507	406,244,754	
Leverage Ratio Calculated		38%	40%	39%	43%	
Leverage Ratio required	maximum 60%					
(d) Credit Rating						
Senior Unenhanced Debt Rating of the Corporation		A+	A+	A+	A+	
Minimum Senior Unenhanced Debt Rating required	BBB+					
		Pass/Fail	Pass/Fail	Pass/Fail	Pass/Fail	
		Pass	Pass	Pass	Pass	



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Direct Line: 213-607-6321  
Direct Fax: 213-607-6301  
E-mail: [Mary.kubacki@willis.com](mailto:Mary.kubacki@willis.com)

January 23, 2012

Ms. Peggy Chulack, Chief Administrative Officer  
InterHealth Corp.  
12401 Washington Blvd.  
Whittier, CA 90602-1006

Re: Master Trust Indenture Insurance Program Review

Dear Peggy:

This letter will confirm that we have reviewed the property and casualty insurance coverage in force that is applicable to InterHealth Corp. (IHC) and its subsidiaries, including Presbyterian Intercommunity Hospital.

With the exception of earthquake insurance, the absence of which we understand has been separately resolved with the appropriate parties, and helipad liability, which is in the process of being quoted, the limits, deductibles, and other terms and conditions of IHC's insurance program are usual and typical of organizations with similar exposures.

Please feel free to contact us to discuss any aspect of IHC's insurance program or exposure profile in greater detail.

Kind regards,

Mary F. Kubacki  
Vice President, Sr. Client Manager