



Washington Township Health Care District

2000 Mowry Avenue, Fremont, California 94538-1716 | 510.797.1111

Kimberly Hartz, Chief Executive Officer

Board of Directors

Jacob Eapen, MD
William F. Nicholson, MD
Bernard Stewart, DDS
Michael J. Wallace
Jeannie Yee

BOARD OF DIRECTORS' MEETING

Monday, March 21, 2022 – 6:00 P.M.
Meeting Conducted by Teleconference
Dial In: 510-818-5900 Access Code: 6736

AGENDA

PRESENTED BY:

- | | |
|--|--------------------------------|
| I. CALL TO ORDER & PLEDGE OF ALLEGIANCE | Jeannie Yee
Board President |
| II. ROLL CALL | Dee Antonio
District Clerk |
| III. COMMUNICATIONS | |
| A. Oral
<i>This opportunity is provided for persons in the audience to make a brief statement, not to exceed three (3) minutes on issues or concerns not covered by the agenda. "Request to Speak" cards should be filled out in advance and presented to the District Clerk. For the record, please state your name.</i> | |
| B. Written | |
| IV. ACTION | |
| A. Consideration of Resolution No. 1238:
Authorize the Chief Executive Officer to enter into an Operating Agreement related to a proposed Joint Venture with UCSF for a Joint Cancer Center | |
| B. Consideration of Resolution No. 1239:
Authorize the Issuance and Sale, Determining to Proceed with Negotiated Sale of Certain General Obligation Bonds of the District in an Aggregate Principal Amount not to Exceed \$20,000,000, and Approving Certain Other Matters Relating to the Bonds | |
| V. ANNOUNCEMENTS | |

VI. CLOSED SESSION

Kimberly Hartz
Chief Executive Officer

- A. Action Item: Consideration of Closed Session Minutes: February 9, and 23, 2022
- B. Report of Medical Staff and Quality Assurance Committee, Health & Safety Code section 32155
 - Medical Staff Credentials Report
 - Medical Staff Committee Report
- C. Conference involving Trade Secrets pursuant to Health & Safety Code section 32106
 - Strategic Planning Discussion
- D. Conference involving Public Security, Facilities pursuant to California Government Code section 54957
 - Security of Public Buildings / Essential Public Services
- E. Conference involving Personnel Matters: Chief Executive Officer

VII. OPEN SESSION

Report on Permissible Actions Taken During Closed Session

Jeannie Yee
Board President

VIII. ADJOURNMENT

Jeannie Yee
Board President

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the District Clerk at (510) 818-6500. Notification two working days prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting.

RESOLUTION NO. 1238

**RESOLUTION OF THE BOARD OF DIRECTORS OF WASHINGTON
TOWNSHIP HEALTH CARE DISTRICT TO AUTHORIZE THE CHIEF
EXECUTIVE OFFICER TO ENTER INTO AN OPERATING AGREEMENT
RELATED TO A PROPOSED JOINT VENTURE WITH UCSF FOR A JOINT
CANCER CENTER**

WHEREAS, Washington Township Health Care District is a local health care district (“District”) which owns and operates a general acute care hospital and provides essential healthcare services to the population residing within the District’s political boundaries, including the cities of Fremont, Newark, Union City, parts of South Hayward and Sunol;

WHEREAS, the District entered into a Collaboration Agreement with the University of California, San Francisco (“UCSF”) under which the District and UCSF agreed to collaborate together on the delivery of high-quality care in the District and which contemplated that the District and UCSF would enter into one or more joint ventures for the delivery of health care services in the District;

WHEREAS, the District and UCSF have discussed forming a joint venture (the “Oncology Joint Venture”) that would involve the creation of a joint cancer center that will provide radiation oncology, medical oncology/hematology, and infusion services at Washington Hospital’s main campus in Fremont, California;

WHEREAS, the District and UCSF have negotiated the terms of an Operating Agreement that would implement, in part, the Oncology Joint Venture, and the Chief Executive Officer has recommended that the Board authorize her to enter into this agreement on behalf of the District; and

WHEREAS, the Board finds that it is in the best interest of the District to proceed with the proposed Oncology Joint Venture.

NOW, THEREFORE, be it resolved that:

1. The Chief Executive Officer is authorized to execute the Operating Agreement, a copy of which is attached hereto as Exhibit A.
2. The Board further authorizes the Chief Executive Officer to agree to additional modifications to the Operating Agreement prior to execution, provided that the Chief Executive Officer determines that the modifications are in the best interest of the District and consistent with the spirit of this Resolution.

3. The Chief Executive Officer is authorized to take any and all further actions, which in the determination of the Chief Executive Officer, are necessary and proper to consummate the transactions described above.

Passed and adopted by the Board of Directors of the Washington Township Health Care District this 21st day of March 2022 by the following vote:

AYES:

NOES:

ABSENT:

Jeannie Yee
President, Board of Directors
Washington Township Health Care District

William F. Nicholson, MD
Secretary, Board of Directors
Washington Township Health Care District

EXHIBIT A
OPERATING AGREEMENT

**OPERATING AGREEMENT
OF
WHHS & UCSF Health Cancer Services Joint Venture, LLC**

This Operating Agreement (this “*Agreement*”) of NewCo, LLC, a California limited liability company (“*Company*”), made and entered into as of [REDACTED], 2022] (the “*Execution Date*”), is made and entered into by and among Washington Township Health Care District, dba Washington Hospital Healthcare System a political subdivision of the State of California organized pursuant to the Local Health Care District Law (Div. 23 of the California Health and Safety Code) (“*WHHS*”), **The Regents of the University of California**, on behalf of **University of California San Francisco Health** (“*UCSF Health*”); and each other person that may become a member under the terms of this Agreement (each, referred to herein as a “*Member*,” and collectively as the “*Members*”).

Section 1. Organization.

1.1. Formation and Ownership of Company. The Company will be formed as a California limited liability company under the laws of the State of California upon the filing of Articles of Organization with the California Secretary of State following the execution of this Agreement. **Exhibit A** attached hereto sets forth the ownership of Company and will be updated by WHHS from time to time to reflect the then-current ownership of Company. WHHS and UCSF Health now wish to enter into this Agreement with respect to the operation of Company. The Company is a member-managed limited liability company and is managed by the Members through the Member Representatives described in Section 9 below. Member Representatives shall not be deemed “managers” under the Act or hold any role or position of management for the Company.

1.2. Name. The name of Company is WHHS & UCSF Health Cancer Services Joint Venture, LLC.

Section 2. Principal Corporate Business Office.

The principal corporate business address of Company is 2000 Mowry Avenue, Fremont, CA, 94538.

Section 3. Business; Purposes.

3.1. Purposes. Company has been formed to acquire, develop, manage and provide support services to the radiation oncology clinic, medical oncology/hematology clinic, and oncology infusion center affiliated with Washington Hospital Healthcare System located 39101 Civic Center Drive and 2500 Mowry Avenue in Fremont, California, and (ii) fund the construction and build-out of a new cancer center at 2500 Mowry Avenue in Fremont, California (collectively referred to herein as the “*Centers*”), and (b) to such other related enterprises as may be agreed

upon from time to time by unanimous vote of UCSF Health and WHHS (collectively, the “*Business*”). The Business of Company shall be operated in a manner that furthers the community-based health care purposes and mission of the Members by promoting health and expanding access to health care services for a broad cross section of the community. Specifically, and without limiting the generality of the foregoing, Company shall cause the Business to be operated in a manner that:

(a) Provides access to patient care services based on medical necessity, without regard to characteristics such as a person’s race, religion, creed, national origin, gender, age, sexual orientation, physical or mental disability, payer source or ability to pay; and

(b) Does not interfere with any Member’s ability to meet its patient care obligations to individuals covered by Medicare, Medicaid/Medi-Cal and other federal and state governmental payment programs.

3.2. Operation in Manner Consistent with Exempt Purposes.

(a) The Company’s operations shall be conducted and managed in a manner that will not (i) cause UCSF Health to act in a manner inconsistent with its tax-exempt purpose, or (ii) adversely affect UCSF Health’s tax-exempt status under Section 501(c)(3) of the IRC. Other than distributions to Members with respect to their membership interests and withdrawals or returns of capital as permitted or contemplated by this Agreement, no part of the net earnings of the Company shall inure to the benefit of, or be distributable to, its members, directors, trustees, officers, or other private persons, except that the Company is expressly authorized and empowered to pay Reasonable Compensation for services rendered and to make payments and distributions in the furtherance of the purposes set forth herein. The Company shall ensure that all transactions involving payment for services are within the range of Reasonable Compensation for the services involved and that all transactions involving payment for property or the right to use property are within the range of Fair Market Value for the property or right to use property involved in the transaction and reasonably calculated to ensure that neither UCSF Health nor the Company participates in an excess benefit transaction as defined in IRC §4958. In no event may the Company (i) make any direct or indirect financial contribution to, or otherwise directly or indirectly endorse or oppose, any candidate for public office, (ii) carry on any Lobbying Activities, or (iii) engage in any other activities not permitted to be carried on by UCSF Health as an organization exempt from federal income tax under Section 501(c)(3) of the IRC.

(b) The Members shall not cause the Company to engage in any activities or take any action which is materially inconsistent with the tax-exempt status of UCSF Health or would create material unrelated business taxable income to UCSF Health. All Members are aware of the limitations on the activities of the Company under this Section 3.2 and agree that the decision of the Members to forego an action or activity which would be inconsistent with the tax-exempt status of UCSF Health shall not be a breach of the duty of loyalty or any other duty of the Members.

(c) The Company’s operations and the operations of the Company Subsidiaries shall be conducted and managed in a manner that will not (i) cause WHHS to act in a manner inconsistent with its tax-exempt purpose, or (ii) adversely affect WHHS’s tax-exempt status. Other than distributions to Members with respect to their membership interests and withdrawals or

returns of capital as permitted or contemplated by this Agreement, no part of the net earnings of the Company shall inure to the benefit of, or be distributable to, its members, directors, trustees, officers, or other private persons, except that the Company is expressly authorized and empowered to pay Reasonable Compensation for services rendered and to make payments and distributions in the furtherance of the purposes set forth herein. The Company shall ensure that all transactions involving payment for services are within the range of Reasonable Compensation for the services involved and that all transactions involving payment for property or the right to use property are within the range of Fair Market Value for the property or right to use property involved in the transaction and reasonably calculated to ensure that neither WHHS nor the Company participates in an excess benefit transaction as defined in IRC §4958. In no event may the Company (i) make any direct or indirect financial contribution to, or otherwise directly or indirectly endorse or oppose, any candidate for public office, (ii) carry on any Lobbying Activities, or (iii) engage in any other activities not permitted to be carried on by WHHS as an organization exempt from federal income tax.

(d) The Members shall not cause the Company to engage in any activities or take any action which is materially inconsistent with the tax-exempt status of WHHS or would create material unrelated business taxable income to WHHS. All Members are aware of the limitations on the activities of the Company under this Section 3.2(d) and agree that the decision of the Members to forego an action or activity which would be inconsistent with the tax-exempt status of WHHS shall not be a breach of the duty of loyalty or any other duty of the Members.

3.3. Tax Exemption Considerations. In the event of any Tax Impediment, the Members shall meet and confer in good faith as soon as reasonably practicable after an actual or potential Tax Impediment is identified in order to discuss the reasonable alternatives and solutions to resolve such Tax Impediment in a manner that will: (a) allow the Members and their Affiliates to retain their respective federal, state or local tax-exempt status; (b) ensure that a Member's distributions from the Company are not subject to unrelated business income tax under IRC §511(a) to such extent that may impair the tax-exempt status of a Member or its Affiliates; and (c) allow a Member and its Affiliates to maintain and issue or have issued for their benefit tax-exempt bonds, certificates of participation or other tax-exempt financial obligations. The Members shall negotiate in good faith with respect to alternatives and solutions to resolve such Tax Impediment, including any modifications or amendments to this Agreement that may be necessary or appropriate to resolve such Tax Impediment. If the Members are unable to resolve a Tax Impediment in a manner that satisfies clauses (a), (b) and (c) above to their mutual satisfaction in accordance with this Section 3.3 within sixty (60) days after a Member provides notice to the other Member of an actual or potential Tax Impediment (the "*Tax Impediment Negotiation Period*"), then UCSF Health and/or WHHS (as applicable) may exercise the Tax Impediment Put Right or the Tax Impediment Call Right pursuant to Section 12.

3.4. Other Activities. Subject to the covenants of the Members set forth in Section 18 hereof, except as may otherwise be agreed by Members from time to time: (i) each of the Members may, notwithstanding the existence of this Agreement or any fiduciary relationship created hereby, engage in whatever activities such Member chooses in any area located outside the Region, regardless of whether such activities are competitive with the service offerings of the Company, any Company Subsidiary or otherwise, without having or incurring any obligation to offer any interest in such activities to the Company, any Company Subsidiary or any Member and (ii) neither

this Agreement nor any activity undertaken pursuant to this Agreement shall prevent any Member from independently engaging in similar activities or require a Member to permit the Company, any Company Subsidiary or any other Member to participate in any such activities in any area outside the Region.

3.5. Regents. Each Member acknowledges that The Regents of the University of California (“*The Regents*”) has entered into this Agreement solely on behalf of and with respect to UCSF Health, and any medical center, hospital, clinic, medical group, physician, or health or medical plan or program, business or operating unit, enterprise, or facility, that is or may be owned or controlled by, UCSF Health. The Regents has not entered into this Agreement on behalf of or with respect to any other division, business or operating unit, enterprise, facility, group, plan or program that is or may be owned, controlled, governed or operated by, or affiliated with, The Regents, including, without limitation, any other university, campus, health system, medical center, hospital, clinic, medical group, physician, or health or medical plan or program (collectively, the “*Excluded UC Affiliates*”). In light of the foregoing, each Member further acknowledges and agrees that, notwithstanding any other provision contained in this Agreement:

(a) All obligations of UCSF Health under this Agreement shall be limited to The Regents as and when acting solely on behalf of or with respect to UCSF Health and shall in no way obligate, be binding on or restrict the business or operating activities (whether conducted inside or outside of the “*Region*”) of any of the Excluded UC Affiliates or The Regents as and when acting on behalf of or with respect to any of such Excluded UC Affiliates;

(b) None of the Excluded UC Affiliates shall constitute or be deemed to constitute an “Affiliate” of UCSF Health for any purpose under this Agreement, and none of the Excluded UC Affiliates shall be subject to any limitations set forth herein that may otherwise be applicable to Affiliates; and

(c) UCSF Health, through The Regents or otherwise, shall have the right to participate in, provide services under, contract as part of, and otherwise be involved in the management or operation of, any health or medical insurance or benefit plan, program, service or product that is sponsored or offered in whole or in part by The Regents on a system-wide basis.

Section 4. Definitions.

4.1. “*Act*” shall mean the Revised Uniform Limited Liability Company Act, codified in the California Corporations Code, Section 17701.01 et seq., as the same may be amended from time to time.

4.2. “*Additional Capital Contributions*” has the meaning set forth in Section 6.2(a).

4.3. “*Adjusted Capital Account Deficit*” means, with respect to each Member, the deficit balance, if any, in such Member’s Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments: (a) credit to such Capital Account of amounts that such Member is obligated to restore pursuant to any provision of this Agreement or is deemed to be obligated to restore pursuant to the penultimate sentences of Treas Reg §§ 1.704-2(g)(1) and 1.704-2(i)(5), and (b) debit to such Capital Account the items described in Treas Reg §§ 1.704-

1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), and 1.704-1(b)(2)(ii)(d)(6). The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Treas Reg § 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

4.4. “Adverse Consequences” means all actions, suits, proceedings, hearings, investigations, charges, complaints, claims, demands, Court Orders, dues, penalties, fines, costs, amounts paid in settlement, liabilities, obligations, taxes, encumbrances, losses, damages, deficiencies, costs of investigation, court costs and other expenses (including interest, penalties and reasonable attorneys’ fees and expenses), whether in connection with third-party claims or claims among the Members related to the enforcement of the provisions of this Agreement.

4.5. “Affiliate” means, with respect to any specific Person (a “*Specified Person*”), any other Person who either directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, the Specified Person. For purposes of this definition, the terms “*controls*,” “*controlled by*” and “*under common control with*” mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract, or otherwise.

4.6. “Agreement” means this Operating Agreement of Company, as may be amended in the future from time to time.

4.7. “Assignee” has the meaning given to the term in Section 11.2.

4.8. “Assignor” means a Person that either voluntarily or involuntarily Transfers an interest in Company.

4.9. “Bankruptcy” means (a) the assignment by a Member for the benefit of creditors; (b) the commencement of a voluntary bankruptcy case by a Member; (c) the adjudication of a Member as bankrupt or insolvent; (d) the filing by a Member of a petition or answer seeking for such Member any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or rule; (e) the filing by a Member of an answer or other pleading admitting or failing to contest the material allegations of a petition filed against such Member in any proceeding of this nature; (f) seeking, consenting to or acquiescing in the appointment of a trustee, receiver or liquidator for a Member or of all or any substantial part of such Member’s property; (g) the commencement of an involuntary bankruptcy case against a Member that has not been dismissed on or before the one hundred twentieth (120th) day after the commencement of the case; or (h) the appointment, without a Member’s consent, of a trustee, receiver or liquidator either of such Member or of all or any substantial part of such Member’s property, which appointment is not vacated or stayed on or before the ninetieth (90th) day after appointment or is not vacated on or before the ninetieth (90th) day after expiration of any such stay.

4.10. “Business” has the meaning set forth in Section 3.1.

4.11. “Capital Account” means, with respect to any Member, the Capital Account maintained for such Member in accordance with the following provisions:

(a) To each Member’s Capital Account there shall be credited (i) such Member’s Capital Contribution, (ii) such Member’s distributive share of Profits and any items in

the nature of income or gain that are specially allocated pursuant to Section 10.4 or Section 10.5, and (iii) the amount of any Company liabilities assumed by such Member or that are secured by any Property distributed to such Member;

(b) To each Member's Capital Account there shall be debited (i) the amount of money and the Gross Asset Value of any Property distributed to such Member pursuant to any provision of this Agreement, (ii) such Member's distributive share of Losses and any items in the nature of expenses or losses that are specially allocated pursuant to Section 10.4 or Section 10.5, and (iii) the amount of any liabilities of such Member assumed by Company or that are secured by any Property contributed by such Member to Company;

(c) A Member's Capital Account shall be reduced by the Member's share of any expenditures of Company described in Internal Revenue Code §705(a)(2)(B) or that are treated as IRC Section 705(a)(2)(B) expenditures under Treasury Regulation §1.704-1(b)(2)(iv)(1) (including syndication expenses and losses nondeductible under Internal Revenue Code §267(a)(1) or §707(b));

(d) In the event that any Member shall have a deficit balance in its Capital Account, such Member shall have no obligation, during the term of Company or upon dissolution or liquidation thereof, to restore such negative balance or make any Capital Contributions to Company by reason thereof, except as may be required by applicable law or in respect of any negative balance resulting from a withdrawal of capital or dissolution in contravention of this Agreement;

(e) Each Member's Capital Account shall be increased or decreased as necessary to reflect a revaluation of Company's property assets in accordance with the requirements of Treasury Regulation §§1.704-1(b)(2)(iv)(f) and 1.704-1(b)(2)(iv)(g), including the special rules under Treasury Regulation §1.701-1(b)(4), as applicable.

(f) In the event that assets of Company other than money are distributed to a Member in liquidation of Company, or in the event that assets of Company other than money are distributed to a Member in kind, in order to reflect unrealized gain or loss, the Capital Accounts of the Members will be adjusted for the hypothetical "book" gain or loss that would have been realized by Company if the distributed assets had been sold for their Gross Asset Values in a cash sale. In the event of the liquidation of a Member's interest in Company, in order to reflect unrealized gain or loss, the Capital Accounts of the Members will be adjusted for the hypothetical "book" gain or loss that would have been realized by Company if all Company assets had been sold for their Gross Asset Values in a cash sale.

(g) In the event a Fractional Interest, or any part thereof, is Transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the Transferred Fractional Interest; and

(h) In determining the amount of any liability for purposes of subparagraphs (a) and (b) above there shall be taken into account IRC § 752(c) and any other applicable provisions of the Code and Regulations.

The foregoing provisions and the other provisions of this Agreement relating to maintenance of Capital Accounts are intended to comply with Treas Reg § 1.704-1(b), and shall be interpreted and applied in a manner consistent with such Regulations. In the event WHHS determines that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto are determined (including, without limitation, debits or credits relating to liabilities that are secured by contributed or distributed Property or that are assumed by Company or any Member), WHHS may make such modification, *provided* that it is not likely to have a material effect on the amounts distributed to any Person pursuant to Section 13 upon dissolution of Company. WHHS also shall (i) make any adjustments that are necessary or appropriate to maintain equality between the Capital Accounts of the Members and the amount of capital reflected on Company's balance sheet, as computed for book purposes, in accordance with Treas Reg § 1.704-1(b)(2)(iv)(q), and (ii) make any appropriate modifications in the event unanticipated events might otherwise cause this Agreement not to comply with Treas Reg § 1.704-1(b).

4.12. "Capital Contribution" means, with respect to any Member of Company, the amount of money and the initial Gross Asset Value of any Property (other than money) contributed to Company by such Member pursuant to Sections 6.1 and 6.2 below.

4.13. "Cash Available for Distribution" means cash balances of Company on the last day of each calendar quarter, as determined in accordance with generally accepted accounting principles, net of any short-term working capital advances from any source. Cash funds obtained as Capital Contributions and cash funds obtained from loans to Company shall be excluded from Cash Available for Distribution. The following may also be deducted from Cash Available for Distribution: (a) provision for the timely payment of the next payment due on loans made to Company; and (b) provision for planned capital expenditures and other reasonable working capital reserves.

4.14. "Centers" has the meaning set forth in Section 3.1.

4.15. "Change in Control" with respect to UCSF Health means (i) any transaction or series of related transactions involving UCSF Health and an Independent Third Person (including, without limitation, merger or consolidation, amendment to the Articles of Incorporation or Bylaws or Standing Orders, substitution or addition of new members, or other contract or arrangement) that results in such Independent Third Person securing a membership interest in, equity in, or the right to appoint 50% or more of the governing board seats on or otherwise direct the affairs or policies of the company operating substantially all of the UCSF Health hospital enterprise, (ii) the sale, transfer or lease to an Independent Third Person, in a single transaction or series of related transactions, of (A) substantially all of the assets of the UCSF Health hospital enterprise or (B) any hospital other than Mt. Zion or Benioff Children's Hospital Oakland, (iii) a joint venture or other transaction with an Independent Third Person that results in such joint venture or Independent Third Person becoming the owner or operator of all or substantially all of the UCSF Health hospital enterprise, (iv) a management contract with an Independent Third Person that results in the Independent Third Person managing all or substantially all hospital operations owned or operated by UCSF Health; or (v) the closure of all or substantially all of the hospitals that, immediately prior to the transaction or series of related transactions, had been operated or controlled by UCSF Health. Notwithstanding anything in this Agreement to the contrary, any

restructuring organization in which UCSF Health continues to be controlled by The Regents or one of its Affiliates shall not constitute a Change in Control with respect to UCSF Health.

4.16. “*Change in Control*” with respect to WHHS means (i) any transaction or series of related transactions involving WHHS and an Independent Third Person (including, without limitation, merger or consolidation, amendment to the Articles of Incorporation or Bylaws or Standing Orders, substitution or addition of new members of WHHS, or other contract or arrangement) that results in such Independent Third Person securing a membership interest in, equity in, or the right to appoint 50% or more of the governing board seats on or otherwise direct the affairs or policies of the corporation operating substantially all of the WHHS hospital enterprise, (ii) the sale, transfer or lease to an Independent Third Person, in a single transaction or series of related transactions, of (A) substantially all of the assets of the WHHS hospital enterprise or (B) any hospital other than those on the WHHS campus, (iii) a joint venture or other transaction with an Independent Third Person that results in such joint venture or Independent Third Person becoming the owner or operator of all or substantially all of the WHHS hospital enterprise, (iv) a management contract with an Independent Third Person that results in the Independent Third Person managing all or substantially all hospital operations owned or operated by WHHS; or (v) the closure of all or substantially all of the hospitals that, immediately prior to the transaction or series of related transactions, had been operated or controlled by WHHS. Notwithstanding anything in this Agreement to the contrary, any restructuring organization in which the WHHS hospital enterprise continues to be controlled by WHHS or one of its Affiliates shall not constitute a Change in Control with respect to WHHS.

4.17. “*Code*” or “*IRC*” means the Internal Revenue Code of 1986, as amended from time to time, or the corresponding provisions of any subsequent, superseding revenue laws.

4.18. “*Company*” means WHHS & UCSF Health Cancer Services Joint Venture, LLC, the limited liability company created under the Act and governed by this Agreement.

4.19. “*Company Minimum Gain*” has the same meaning as the term “partnership minimum gain” in Treas Reg §§ 1.704-2(b)(2) and 1.704-2(d).

4.20. “*Company Subsidiary*” or “Company Subsidiaries” shall mean any subsidiary or subsidiaries of the Company formed to conduct operational activities.

4.21. “*Deadlock*” has the meaning set forth in Section 9.3(b).

4.22. “*Deadlock Notice*” has the meaning set forth in Section 9.3(b).

4.23. “*Depreciation*” means, for each Fiscal Year, an amount equal to the depreciation, amortization or other cost recovery deduction allowable with respect to Property for such Fiscal Year, except that if the Gross Asset Value of Property differs from its adjusted basis for federal income tax purposes at the beginning of such Fiscal Year, Depreciation shall be an amount that bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization or other cost recovery deduction for such Fiscal Year bears to such beginning adjusted tax basis; *provided, however*, that if the adjusted basis for federal income tax purposes of Property at the beginning of such Fiscal Year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by WHHS.

4.24. “*Disqualifying Event*” means, with respect to a Member, the occurrence of any one or more of the following: (a) the Member is adjudicated as bankrupt or makes an assignment for the benefit of its creditors; (b) the Member files a petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, or similar relief under any Law or files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against such Member in a proceeding of such nature; (c) the Member seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of the Member or all or any substantial part of the Member’s property; (d) the Member is unable to get dismissed, within one hundred twenty (120) days after its commencement, any proceeding against the Member seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any Law; (e) the Member is unable to stay or vacate, within ninety (90) days after its commencement, the appointment without the Member’s consent or acquiescence of a trustee, receiver or liquidator of the Member or of all or any substantial part of the Member’s property and if the appointment is stayed as hereinabove provided, the appointment is not vacated within ninety (90) days after the expiration of any such stay; (f) the Member Transfers, or attempts to Transfer, all or any portion of the Member’s Fractional Interest in the Company in violation of this Agreement; or (g) the Member is excluded from participation in any Government Health Care Program pursuant to a final determination by the Secretary of Health and Human Services pursuant to 42 U.S.C. § 1320a-7, as amended from time to time, or the corresponding Government Authority in the State of California.

4.25. “*Distributions*” means cash from any source or other Property distributed to the Members, but shall not include (a) any payments to WHHS or UCSF Health as reimbursement for Company expenses or as compensation for services rendered; or (b) payment or repayment of any loans to Company, including without limitation principal, interest, fees and charges.

4.26. “*Due Date*” has the meaning set forth in Section 6.2(b).

4.27. “*EBITDA*” means earnings before interest, taxes, depreciation and amortization.

4.28. “*Fair Market Value*” of any property shall mean the price at which a willing and able seller would sell, and a willing and able buyer would buy, such property (a) in an arm’s-length transaction, and (b) assuming that both the buyer and selling party have reasonable knowledge of relevant facts.

4.29. “*Final Resolution Period*” has the meaning set forth in Section 9.3(b)(ii).

4.30. “*Fiscal Year*” means (a) the period commencing on the Operational Date of the Contribution Agreement and ending on **June 30, 2023**, and (b) any subsequent period commencing on July 1st and ending on the earlier to occur of (i) the following June 30th, or (ii) the date on which all Company Property is distributed pursuant to Section 13.

4.31. “*Fractional Interest*” has the meaning set forth in Section 6.1.

4.32. “*GAAP*” means United States generally accepted accounting principles as in effect from time to time, consistently applied.

4.33. “Governmental Authority” means any federal, state (including the State of California) or local government; any political subdivision thereof; any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, department (including the California Department of Health Care Services), bureau, commission or entity; or any entity that contracts with a governmental entity to administer or assist in the administration of a government program (including any Medicare or Medicaid administrative contractors and the Medicare Advantage Program).

4.34. “Gross Asset Value” means with respect to any Property, the Property’s adjusted basis for federal income tax purposes, except as follows:

(a) the initial Gross Asset Value of any asset contributed by a Member to the Company shall be the Fair Market Value of such asset, as determined by an Independent Appraiser as mutually agreed by the Member and the Company or, if they do not agree on such Independent Appraiser, then as determined under Section 12.5.

(b) the Gross Asset Values of all Company Property shall be adjusted to equal their Fair Market Values, as of: (i) the acquisition of an additional interest in the Company by any existing Member or additional Member in exchange for more than a de minimis Capital Contribution; (ii) the distribution by the Company to a Member of more than a de minimis amount of Property of the Company as consideration for an interest in the Company; and (iii) the liquidation of the Company within the meaning of IRC Regulation §1.704-1(b)(2)(ii)(g); provided, however, that adjustments pursuant to clause (i) and clause (ii) of this sentence shall be made only if the Company reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members in the Company; and

(c) the Gross Asset Value of any Company Property distributed to any Member shall be the Fair Market Value of such asset on the date of distribution; provided, however, if the Gross Asset Value of a Property has been determined or adjusted pursuant to subsection (a) or subsection (b) above, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such Property for purposes of computing Net Income and Net Loss.

4.35. “Independent Appraiser” means a Person (a) that is a member of a recognized professional organization for appraisers having at least five years’ experience in appraising or valuing assets similar to the asset that is being valued; (b) that performed a majority of its assignments during the immediately preceding three (3) year period for Persons other than the Company, WHHS, UCSF or any of their respective Affiliates; (c) that does not have any material direct or indirect financial ownership interest in the Company, WHHS or UCSF or any of their respective Affiliates; and (d) that will provide the Members a written “reasoned opinion” as that term is defined in IRC Regulation §53.4958-1(d)(4)(iii), including the certification required by IRC Regulation §53.4958-1(d)(4)(iii)(C).

4.36. “Independent Third Person” means any Person that is not the Company, UCSF Health, WHHS, or an Affiliate of the Company, UCSF Health or WHHS.

4.37. “Irreconcilable Deadlock” has the meaning set forth in Section 9.3(b).

4.38. “Law” means any federal, state or local law, statute, code, ordinance, regulation, rule, consent agreement, constitution or treaty of any Governmental Authority, including the Act and common law

4.39. “Lobbying Activities” are those activities that would constitute propaganda, or otherwise attempting, to influence legislation within the meaning of IRC §501(c)(3).

4.40. “Management Services Agreement” means that certain management services agreement entered into between Company and WHHS.

4.41. “Member” has the meaning set forth in the first paragraph of this Agreement.

4.42. “Member Nonrecourse Debt” has the meaning ascribed to the term “partner nonrecourse debt” in Treas Reg § 1.704-2(b)(4).

4.43. “Member Nonrecourse Debt Minimum Gain” means an amount, with respect to each Member Nonrecourse Debt, equal to Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Treas Reg § 1.704-2(i)(3).

4.44. “Member Nonrecourse Deductions” has the meaning ascribed to the term “partner nonrecourse deductions” in Treas Reg §§ 1.704-2(i)(1) and 1.704-2(i)(2).

4.45. “Member Representative” has the meaning set forth in Section 9.2(a).

4.46. “Nonrecourse Deductions” has the meaning set forth in Treas Reg §§ 1.704-2(b)(1) and 1.704-2(c).

4.47. “Nonrecourse Liability” has the meaning set forth in Treas Reg § 1.704-2(b)(3).

4.48. “Person” means any natural person, partnership, corporation, trust, association or other legal entity.

4.49. “Profits” and “Losses” mean, for each Fiscal Year, an amount equal to Company’s taxable income or loss for such Fiscal Year, determined in accordance with IRC § 703(a) (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to IRC § 703(a)(1) shall be included in taxable income or loss), with the following adjustments (without duplication):

(a) Any income of Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this definition of “Profits” and “Losses” shall be added to such taxable income or loss;

(b) Any expenditures of Company described in IRC § 705(a)(2)(B) or treated as IRC § 705(a)(2)(B) expenditures pursuant to Treas Reg § 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses pursuant to this definition of “Profits” and “Losses,” shall be subtracted from such taxable income or loss;

(c) In the event the Gross Asset Value of any Property is adjusted pursuant to subparagraphs (b) or (c) of the definition of “*Gross Asset Value*,” the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the Gross Asset Value of the Property) or an item of loss (if the adjustment decreases the Gross Asset Value of the Property) from the disposition of such Property and shall be taken into account for purposes of computing Profits or Losses;

(d) Gain or loss resulting from any disposition of Property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the Property disposed of, notwithstanding that the adjusted tax basis of such Property differs from its Gross Asset Value;

(e) In lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year, computed in accordance with the definition of Depreciation;

(f) To the extent an adjustment to the adjusted tax basis of any Property pursuant to IRC § 734(b) is required, pursuant to Treas Reg § 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member’s interest in Company, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the Property) or loss (if the adjustment decreases such basis) from the disposition of such Property and shall be taken into account for purposes of computing Profits or Losses; and

(g) Notwithstanding any other provision of this definition, any items that are specially allocated pursuant to Section 10.4 or Section 10.5 shall not be taken into account in computing Profits or Losses.

The amounts of the items of Company income, gain, loss or deduction available to be specially allocated pursuant to Sections 10.4 and 10.5 hereof shall be determined by applying rules analogous to those set forth in subparagraphs (a) through (f) above.

4.50. “Property” means all real and personal property owned by Company (including cash) and any improvements thereto, and shall include both tangible and intangible property.

4.51. “Put/Call Exercise Notice” has the meaning set forth in Section 9.3(b).

4.52. “Reasonable Compensation” as applied to the value of services shall mean the amount that would ordinarily be paid for like services by like enterprises (whether taxable or tax-exempt) under like circumstances. The standards set forth at IRC §162, § 501(c)(3) and § 4958 shall apply in determining reasonableness of compensation, taking into account the aggregate benefits provided to a Person and the rate at which any deferred compensation accrues.

4.53. “The Regents” means The Regents of the University of California, a California constitutional corporation.

4.54. “Region” is defined as the areas listed in **Exhibit C**. For clarification, a transaction is within the Region only if and to the extent of assets and enrollees located within the Region.

4.55. “Regulations” or “Treas Reg” means U.S. Treasury regulations issued under the Code. All references to sections of the Regulations shall include any corresponding provision or provisions of succeeding or similar or substitute proposed, temporary or final regulations.

4.56. “Second Deadlock Notice” has the meaning set forth in Section 9.3(b).

4.57. “Securities Act” means the Securities Act of 1933, as amended.

4.58. “Tax Impediment” means any Law passed, adopted or implemented by any Governmental Authority, or any decision, finding, interpretation or action by any Governmental Authority which, in the written reasoned opinion of independent tax counsel engaged by UCSF Health or WHHS, as applicable, for such purpose and approved by the other party, which approval shall not be unreasonably withheld, as a result or consequence, in whole or in part, of the arrangement between the Members set forth in this Agreement, or a Member’s ownership interest in the Company, could reasonably be expected: (a) to result in or present a material risk of revocation of the federal tax- exempt status of the affected Member, The Regents or any Affiliate of The Regents or UCSF Health (with respect to UCSF Health) or their respective tax-exempt financial obligations; (b) to result in distributions from the Company being subject to unrelated business income tax under IRC §511(a) and which may reasonably be expected to result in a material adverse effect on the tax-exempt status of a Member, The Regents or their respective Affiliate, or any other Affiliate of a Member; or (c) to prohibit or restrict the ability of a Member, The Regents or their respective Affiliate, or any other Affiliate of a Member to issue or have issued for their benefit tax-exempt bonds, certificates of participation, or other tax-exempt financial obligations.

4.59. “Transfer” means, with respect to any interest in Company, as a noun, any voluntary or involuntary assignment, sale or other transfer or disposition of such interest (which shall include, without limitation and notwithstanding any provision of the Act to the contrary, a pledge, or the granting of a security interest, lien or other encumbrance in or against any interest in Company), and, as a verb, to voluntarily or involuntarily assign, sell or otherwise transfer or dispose of such interest. A direct or indirect change of control of WHHS or UCSF Health, including as a result of a change in control or ownership of the parent company of WHHS or UCSF Health, shall not be deemed a “Transfer” under this Agreement.

4.60. “Triggering Event” has the meaning set forth in Section 11.6.

4.61. “UCSF Health” means The Regents acting through the University of California San Francisco Health System.

4.62. “WHHS” means Washington Township Health Care District, dba Washington Hospital Healthcare System a political subdivision of the State of California organized pursuant to the Local Health Care District Law (Div. 23 of the California Health and Safety Code).

4.63. “WHHS Designee” has the meaning set forth in Section 9.1(b).

Section 5. Term.

This Agreement shall commence on the Operational Date of the Contribution Agreement and shall continue thereafter unless dissolved by mutual agreement of all of the Members or as provided in Section 13 below.

Section 6. Fractional Interest; Additional Capital Contributions; Loans; Limitation of Member Liability.

6.1. Fractional Interests; Initial Capital Contributions.

(a) UCSF Health and WHHS shall make their initial Capital Contributions pursuant to a separate Contribution Agreement.

(b) On the Operational Date of the Contribution Agreement, the Members shall be deemed to hold the fractional interest of Company (the “*Fractional Interest*”) as set forth in **Exhibit A**.

(c) UCSF Health’s initial Capital Contribution is described on **Exhibit A-1**. WHHS’s initial Capital Contribution is described on **Exhibit A-2**.

6.2. Additional Capital Contributions; Loans.

(a) Whenever the Member Representatives determine that Company’s capital is or is likely to become insufficient for conduct of its business, the Member Representatives may, subject to prior approval of WHHS and UCSF Health pursuant to Section 9.3 below, call for additional contributions to the capital of Company (“*Additional Capital Contributions*”) from the Members by written notice to all Members. Except as approved by WHHS and UCSF Health pursuant to Section 9.3(a) below, no Member shall have the right or be obligated to make any additional Capital Contribution to Company.

(b) Any required Additional Capital Contributions that have been approved by WHHS and UCSF Health in accordance with Section 9.3 shall be payable in cash no later than the date specified in the notice thereof (“*Due Date*”); *provided, however*, that each Member shall be afforded at least fifteen (15) calendar days after the notice is received to pay its share of Additional Capital Contributions. Each Member’s share of Additional Capital Contributions shall be in proportion to its Fractional Interest. A Member may assign its right and obligation to make an Additional Capital Contribution to an Affiliate that wholly owns, is wholly owned by or is wholly owned by a common parent with, such Member, in which event the Affiliate will be deemed a transferee of a pro rata portion of the Member’s Fractional Interest in accordance with Section 11 hereof. In the event that a Member fails to comply with its obligation to contribute its portion of the Additional Capital Contribution on or before the Due Date, the remaining Members shall have the following options:

(i) The Member Representatives shall determine the total value of Company’s Property in good faith and, in doing so, the Member Representatives may, but shall not be required to, book-up (or book-down) the value of Company’s Property, including without

limitation intangible Property such as contract rights, goodwill and going concern value, to the then current fair market value of such Property, and then adjust the Fractional Interests of the Members accordingly based on such determination; or

(ii) The Additional Capital Contributions, and any contributions made by the remaining Members on behalf of the Member failing to make the required Additional Capital Contribution, shall be determined to be loans to Company to bear interest at the then current prime rate per annum (as published in the Wall Street Journal) and to be repaid to such Members who have made the Additional Capital Contributions upon such terms and conditions as the remaining Members shall agree at such time.

(c) The election to treat such payments by the Members as Additional Capital Contributions or as loans shall be made within ninety (90) days after the Due Date. If the payments are treated as Additional Capital Contributions, WHHS is authorized by the Members to update **Exhibit A** accordingly (including the date of such update) and provide such update to each of the Members.

(d) Before calling for Additional Capital Contributions, the Member Representatives may, but shall not be required to, seek additional financing on behalf of Company from a commercial third-party lender to satisfy Company's capital needs; *provided, however*, that any such loans shall be on terms that the Member Representatives determine in good faith to be commercially fair and reasonable. Any additional financing, debt, leases or other obligations created or assumed for the benefit of Company shall be secured by, and be the responsibility of, Company. No Member shall be required to guarantee or otherwise be obligated for any indebtedness, lease or other obligation of Company. Notwithstanding the foregoing, to the extent any lessor or creditor of any additional financing, debt, lease or other obligation of Company requires guarantees from the Members and the Members unanimously approve such guarantees, then: (i) Company shall use commercially reasonable efforts to negotiate several and not joint guarantees by the Members and (ii) each Member shall guarantee any such additional financing, debt, lease or other obligation of Company in accordance with its respective Fractional Interest. If, however, any lessor or lender, in connection with any such additional financing, debt, lease or other obligation of Company, requires guarantees, such lease or financing is approved in accordance with Section 9.2 or Section 9.3 (as applicable), but one or more other Members do not approve or deliver such guarantees, WHHS may (but shall not be obligated to), in substitution for any other Member who does not approve or deliver such guaranty, guarantee such other Member's proportionate share of such additional financing, debt, lease or other obligation of Company in exchange for payment of an annual guarantee fee during the term of the guarantee from the non-guaranteeing Member(s) equal to two percent (2%) of the proportionate amount so guaranteed by WHHS in substitution of the non-guaranteeing Member(s).

(e) If Company, after using reasonable efforts to obtain financing as contemplated in the preceding subparagraph (d), is unable to obtain financing on commercially reasonable terms from a financial institution or other third-party commercial lender, then each of the Members may, but shall not be obligated to, loan funds to the Company in an amount sufficient to enable the Company to pay its debts and obligations as they become due and payable, subject to the following terms, conditions and limitations:

(i) Loans made under this subparagraph (e) shall bear interest at a commercially reasonable rate determined in good faith by the Member Representatives, not to exceed the prime rate plus two percent (2%) until paid, and shall have a term not exceeding twelve (12) months; and

(ii) Company shall not make any distributions to the Members pursuant to Section 10 or Section 13.3 of this Agreement at any time that principal or accrued interest remains outstanding on any indebtedness incurred by Company pursuant to this subparagraph (e), it being understood and agreed by the Members that any available funds of Company shall first be used to repay all principal and accrued interest on any such indebtedness owed to any Members.

6.3. No Priorities of Members. Except as set forth in this Agreement, no Member has the right to withdraw such Member's Capital Contributions, and no Member has the right to demand or to receive Property other than cash in return for such Member's Capital Contributions or has priority over the other Members, either as to the return of Capital Contributions or as to distributions or allocations of income, gain, losses, deductions, credits, or items thereof.

6.4. Interest on Capital Contributions. No Member shall receive interest on such Member's Capital Contribution, Capital Account balance or share of unallocated Profits.

6.5. Limitation of Member Liability. The debts, obligations and liabilities of Company, whether arising in contract, tort or otherwise, shall be solely the responsibility of Company, and except as otherwise expressly provided in this Agreement or in non-waivable provisions of the Act, no Member or manager of Company shall have any personal liability for any such debts, liabilities or obligations of Company solely by reason of being a Member or manager of Company or be required to return any distributions received from Company. Without limiting the foregoing, the failure to observe any formalities relating to the management or administration of Company shall not be grounds for imposing upon any Member personal liability to third parties for Company's debts, obligations and liabilities.

Section 7. Title to Company Property; No Partition.

Except as otherwise provided in the Agreement or those agreements referenced herein, title to all Property shall be taken in the name of Company. Each Member hereby irrevocably waives during the term of the Company and during any period of dissolution of Company any right that such Member may have to maintain any action for partition with respect to any Company Property.

Section 8. [Reserved].

Section 9. Management of the Company.

9.1. Management by Members.

(a) The management and the exercise of powers of the Company is fully vested in the Members acting in their membership capacities. Decisions and actions of the Members will be made through the Member Representatives (the “*Member Representatives*”).

(b) No Member acting individually without the express authority of the other Member shall be an agent of the Company or shall have authority to bind the Company or incur a debt or liability on behalf of the Company. Any Member who binds or obligates the Company for any debt or liability or causes the Company to act, except in accordance with this Agreement, shall be liable to the Company and to the other Members for any such debt, liability or act.

9.2. Member Representatives.

(a) Purpose, Authority and Actions of the Member Representatives. To facilitate the orderly and efficient management of the Company, each Member shall select Member Representatives, whose decisions shall inform the decision of such Member. Such Member Representatives shall not be deemed “managers” under the Act.

(b) Number and Designation of Member Representatives. As of the Operational Date of the Contribution Agreement, the Member Representatives shall consist of six (6) members, three (3) of whom shall be designated by WHHS (each, a “*WHHS Designee*”), and three (3) of which shall be designated by UCSF Health (each a “*UCSF Health Designee*”). The initial Member Representatives are listed on **Exhibit B** attached hereto. Each Member Representative shall serve until his or her removal, resignation, death or incapacity to serve. Each Member shall have the right to remove (with or without cause) any Member Representative designated by such Member at any time. In addition, a Member Representative appointed by a Member may be removed upon the reasonable request of the other Member in case of fraudulent or dishonest acts of the Member Representative. In the event of such removal or in the event of any vacancies created by the resignation, death or incapacity of any Member Representative, the appointing Member may designate a replacement Member Representative.

(c) Governance.

(i) Meetings of Members. Regular meetings of the Members, through the Member Representatives, shall be held at such times and places as shall be designated from time to time by resolution of the Member Representatives, provided that such meetings shall be held no less frequently than quarterly.

(ii) Special Meetings. Special meetings of the Members may be called by any Member Representative. The Person or Persons authorized to call special meetings of the Members may fix any place, either within or outside the State of California, as the place for holding such meeting.

(iii) Notice. Notice of the date, time and place of any special meeting of the Members shall be given in a manner reasonably likely to be received by the Member Representatives at least five (5) days before the meeting by any means provided by law. The business to be transacted at, and the purpose of, any regular or special meeting of the Members shall be specified in the notice or waiver of notice of such meeting, and no other business may be transacted at such meeting without the approval of at least two (2) WHHS Designees and two (2) UCSF Health Designees then serving in office.

(iv) Waiver of Notice. A Member Representative may at any time waive any notice required by law or this Agreement. A Member Representative's attendance at or participation in a meeting waives any required notice to the Member Representative of the meeting unless the Member Representative, at the beginning of the meeting, or in writing prior to the meeting, objects to holding the meeting or transacting business at the meeting and, in the case of a Member Representative, does not thereafter vote for or assent to action taken at the meeting. Attendance at a meeting by a Member Representative shall be deemed a waiver of any right to object to the consideration of matters required to be described in the notice of the meeting and not so included, unless the objection is expressly made at the meeting or in writing prior to the meeting.

(v) Quorum; Vote. A quorum shall exist for the transaction of business at a meeting of the Members if a minimum of at least two (2) WHHS Designees and at least two (2) UCSF Designees are present in person or by proxy. The WHHS Designees shall hold the voting power associated with the Fractional Interest in the Company owned by WHHS and the UCSF Health Designees shall hold the voting power associated with the Fractional Interest in the Company owned by of UCSF Health. At any meeting at which a quorum is present, the affirmative vote of a members who own majority of the Fractional Interests in the Company shall be the act of the Members.

(vi) Chair and Vice Chair. The Chair shall preside at all meetings of the Member Representatives attended by the Chair. For any meeting of the Member Representatives in which the Chair is absent, the Vice Chair shall preside. The initial Chair shall be designated by the WHHS Member Representatives and the Vice Chair shall be designated by the UCSF Member Representatives.

(vii) Meeting by Telephone Conference; Action without Meeting. The Members may hold a meeting, and any Member Representative may participate in any Members meeting, by telephone conference or similar communications equipment by means of which all Persons participating in the meeting can hear each other. Participation in such a meeting shall constitute presence in person at the meeting. Any action that is required or permitted to be taken by the Members at a meeting may be taken without a meeting if consent in writing setting forth the action so taken is signed by all of the Member Representatives entitled to vote on the matter. The action shall be effective on the date that the last signature is placed on the consent or at such earlier or later time as is set forth therein. Such consent shall have the same effect as a unanimous vote of the Member Representatives, and shall be filed with the minutes of Company.

(viii) Removal; Vacancies. Any Member Representative may be removed upon the demand of the Member who designated such Member Representative. In the event that a Member Representative resigns, is removed, or otherwise ceases to serve as a Member

Representative, the vacancy shall be filled with a Person designated by the Member who originally designated the resigned, removed or otherwise departed Member Representative.

9.3. Member Approval by Member Representatives. Except for those decisions requiring WHHS and UCSF Health approval pursuant to Section 9.4 below and those decisions delegated to WHHS pursuant to Section 9.5 below, the Company shall not take any of the following actions described on **Schedule 1** (Schedule 1 is attached hereto and incorporated herein by this reference).

9.4. Actions Requiring Separate Member Written Consent.

(a) Notwithstanding any other provision of this Agreement, neither the Member Representatives nor WHHS alone has authority, without first obtaining the written approval of both UCSF Health and WHHS for the actions described on **Schedule 2** (Schedule 2 is attached hereto and incorporated herein by this reference).

(b) Material Deadlock. In the event UCSF Health and WHHS fail to reach a decision on any material matter described in Section 9.4, and such matter remains unresolved for a period of ten (10) business days (“*Deadlock*”), either UCSF Health or WHHS may thereafter send to the other Member a written notice identifying the Deadlock and invoking the following procedures (the “*Deadlock Notice*”):

(i) A senior executive of UCSF Health and a senior executive of WHHS shall meet and confer in good faith to resolve a Deadlock as soon as reasonably practical, but in any event within sixty (60) calendar days of the Deadlock Notice. Any resolution of the matter by written agreement of UCSF Health and WHHS pursuant to this Section 9.3(b)(i) shall be a final and binding determination of the matter.

(ii) In the event a Deadlock is not resolved in accordance with the provisions of Section 9.3(b)(i) above, either UCSF Health or WHHS may by notice in writing (“*Second Deadlock Notice*”) to the other Member, request the matter be referred to non-binding mediation with the American Association of Arbitration, in accordance with the rules and procedures thereof, to use good faith and commercially reasonable efforts to resolve the Deadlock within thirty (30) days from the commencement of the mediation (“*Final Resolution Period*”). In the event that UCSF Health and WHHS are unable to resolve the Deadlock within the Final Resolution Period (an “*Irreconcilable Deadlock*”), then UCSF Health and WHHS shall each have the right, but not the obligation, to provide notice in writing to the other Member (“*Put/Call Exercise Notice*”), within thirty (30) calendar days immediately after the expiration of such Final Resolution Period, to initiate the UCSF Health Put Option or WHHS Call Option, as applicable, in accordance with the mechanism set forth in Section 11.7 below.

9.5. WHHS Delegated Authority. The Members hereby acknowledge their mutual intent that WHHS have such rights of control of Company as are necessary for WHHS to be able to consolidate the financial results of operations and the financial condition of WHHS under applicable requirements of GAAP, as such may change from time to time. Subject to the approval requirements and other limitations set forth in Section 9.3 and Section 9.4 above, the Members delegate to WHHS the authority to manage the day-to-day business and affairs of Company,

including, but not limited to, the actions described on **Schedule 3** (Schedule 3 is attached hereto and incorporated herein by this reference).

9.6. Use of Agents; Officers.

(a) The Members may, from time to time, retain any Person to provide services to the Company or the Members, and the Members are entitled to rely in good faith upon the recommendations, reports, advice or other services provided by any such Person.

(b) The Members may from time to time appoint such officers of the Company as they deem necessary, each such officer to have the authority and responsibility and serve for the term designated by the Members or as agreed to by such officer and the Company in a separate written agreement signed thereby that receives Member Approval. Any officer of the Company must be an employee or board member of a Member or the Company, and until the Company has employees that are serving as officers of the Company, at least one officer shall be an employee or board member of each of WHHS and UCSF Health, respectively. None of such officers shall be deemed “managers” as such term is used in the Act. Unless otherwise agreed by such officer and the Company in a separate written agreement signed thereby and approved by the Members, the Members in their sole discretion can remove such officer at any time and such officer may resign upon prior written notice to the Company. The Members may fill any vacancies in officers of the Company. The initial officers of the Company are set forth on **Exhibit B** attached hereto. If the Company appoints a CEO of the Company, in the event of such CEO’s resignation, retirement or removal, the Members shall direct and conduct the search for a replacement to serve as CEO of the Company.

(c) The Company may reimburse the officers of the Company for any actual and reasonable expenses incurred by such officers for their service on behalf of the Company, including, without limitation, travel and lodging, provided that such officers comply with the Company’s reimbursement policies and procedures in effect at such time.

9.7. Devotion of Time; Other Business Activities of the Members and Affiliates.

(a) WHHS shall devote such time to managing Company’s business and performing its duties hereunder as is reasonably necessary or appropriate to manage Company’s business in an efficient and profitable manner; *provided, however*, that WHHS is not obligated to devote full time to the affairs of Company.

(b) Each of the Members acknowledges that the other Member and such other Member’s Affiliates own, operate or are otherwise affiliated with other clinical and health care businesses and endeavors and other entities, all of which may compete directly or indirectly with Company. In light of the foregoing and the limited business purpose of Company as set forth in this Agreement, the Members hereby acknowledge and agree as follows:

(i) A Member and such Member’s Affiliates shall not be prohibited or restricted from engaging in or expanding its business operations and activities, or from pursuing, acquiring or holding any investment or business opportunity or prospective economic advantage for their own account, or from recommending or referring any such investment or business opportunity to Persons other than Company;

(ii) (A) Company, each Member and such Member's Affiliates shall not have any right in or to any other ventures or business activities in which any other Member (or any other Member's Affiliates) are involved or to the income or proceeds derived therefrom, and (B) none of the Members or their respective Affiliates shall be obligated to account to Company, any other Member or such other Member's Affiliates for any profits or income earned or derived from other such activities or businesses; and

(iii) No Member nor any of such Member's Affiliates shall be obligated to inform or present to Company or the other Members or make available to any of them any business opportunity of any type or description.

9.8. Liability and Indemnification; Member Insurance.

(a) Exculpation of Covered Persons.

(i) Covered Persons. As used in this Section 9.8, the term "*Covered Person*" means (A) each Member; (B) each officer, director, stockholder, partner, member, Affiliate, employee, agent or representative of each Member, and each of their Affiliates; and (C) each officer, employee, agent or representative of Company.

(ii) Exculpation. No Member shall be personally liable to any other Member for the return of capital or any contributions to Company by the Members. No Member (including WHHS), and no other Covered Persons (including those serving as Member Representatives), shall be liable, responsible or accountable in damages or otherwise to Company or to any of the Members or their respective Covered Persons, their successors or assigns, except by reason of acts or omissions due to gross negligence or willful misconduct. No Member has any liability to any other Member if, upon audit, the Internal Revenue Service disallows any deductions or allocations taken by Company or determines that Company should be taxed as an association taxable as a corporation.

(b) Indemnification.

(i) Indemnification. To the fullest extent permitted by the Act, as the same now exists or may hereafter be amended, substituted or replaced (but, in the case of any such amendment, substitution or replacement, only to the extent that such amendment, substitution or replacement permits Company to provide broader indemnification rights than the Act permitted Company to provide prior to such amendment, substitution or replacement), Company shall indemnify, hold harmless, defend, pay and reimburse any Covered Person against any and all losses, claims, damages, judgments, fines or liabilities, including reasonable legal fees or other expenses incurred in investigating or defending against such losses, claims, damages, judgments, fines or liabilities, and any amounts expended in settlement of any claims (collectively, "*Covered Losses*") to which such Covered Person may become subject by reason of:

(A) Any act or omission or alleged act or omission performed or omitted to be performed on behalf of Company or any direct or indirect subsidiary of Company in connection with the business or operations of Company or such subsidiary; or

(B) Such Covered Person being or acting in connection with the business or operations of Company as a Member, Affiliate, manager, director, officer, employee or agent of Company or any direct or indirect subsidiary of Company, or that such Covered Person is or was serving at the request of Company as a member, manager, director, officer, employee or agent of any other Person; provided, that such Covered Person's conduct did not constitute fraud, gross negligence or willful misconduct. In connection with the foregoing, the termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the Covered Person's conduct constituted fraud, gross negligence or willful misconduct.

(ii) Non-Exclusive Entitlement to Indemnity. The indemnification rights provided by this Section 9.8(b) shall not be deemed exclusive of any other rights to indemnification to which Covered Persons or others seeking indemnification may be entitled under any agreement or otherwise. The provisions of this Section 9.8(b) shall continue to afford protection to each Covered Person regardless of whether such Covered Person remains in the position or capacity pursuant to which such Covered Person became entitled to indemnification under this Section 9.8(b) and shall inure to the benefit of the executors, administrators, legatees and distributees of such Covered Person.

(iii) Funding of Indemnification Obligation. Notwithstanding anything contained herein to the contrary, any indemnity by Company relating to the matters covered in this Section 9.8(b) shall be first provided out of and to the extent of any available insurance purchased and maintained by Company pursuant to Section 9.8(c), and thereafter, only out of and to the extent of Company assets, and no Member (unless such Member otherwise agrees in writing) shall have personal liability on account thereof or shall be required to make Additional Capital Contributions to help satisfy such indemnity by Company.

(iv) Savings Clause. If this Section 9.8(b) or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then Company shall nevertheless have the power and authority to indemnify and hold harmless each Covered Person pursuant to this Section 9.8(b) to the fullest extent permitted by any applicable portion of this Section 9.8(b) that shall not have been invalidated and to the fullest extent otherwise permitted by applicable law.

(v) Amendment. The provisions of this Section 9.8(b) shall be a contract between Company, on the one hand, and each Covered Person who served in such capacity at any time while this Section 9.8(b) is in effect, on the other hand, pursuant to which Company and each such Covered Person intend to be legally bound. No amendment, modification or repeal of this Section 9.8(b) that adversely affects the rights of a Covered Person to indemnification for Covered Losses incurred or relating to a state of facts existing prior to such amendment, modification or repeal shall apply in such a way as to eliminate or reduce such Covered Person's entitlement to indemnification for such Covered Losses without the Covered Person's prior written consent.

(c) Insurance. To the extent available on commercially reasonable terms, Company shall have the authority to purchase, at its expense, insurance to cover Covered Losses under the foregoing indemnification provisions in Section 9.8(b) and to otherwise cover Covered Losses for any breach or alleged breach by any Covered Person of such Covered Person's duties in such amount and with such deductibles as the Members may reasonably determine; *provided*,

that the failure to obtain such insurance shall not affect the right to indemnification of any Covered Person under Section 9.8(b), including the right to be reimbursed or advanced expenses or otherwise indemnified for Covered Losses thereunder. If any Covered Person recovers any amounts in respect of any Covered Losses from any insurance coverage, then such Covered Person shall, to the extent that such recovery is duplicative, reimburse Company for any amounts previously paid to such Covered Person by Company in respect of such Covered Losses; *provided, however*, such portions, if any, of such insurance proceeds that are required to be reimbursed to the insurance carrier under the terms of its insurance policy shall not be deemed to be payments to such Covered Person hereunder. In addition, upon payment of indemnified amounts under the terms and conditions of this Agreement, Company shall be subrogated to such Covered Person's rights against any insurance carrier with respect to such indemnified amounts (to the extent permitted under such insurance policies). Such right of subrogation shall be terminated upon receipt by Company of the amount to be reimbursed by such Covered Person pursuant to this Section 9.8(c).

(d) Survival. The provisions of this Section 9.8 shall survive the dissolution, liquidation, winding up and termination of Company.

Section 10. Distributions; Allocations.

10.1. Distributions.

(a) Within forty-five (45) days following the end of each calendar quarter, or at such more frequent intervals as is required under Section 11.5 or the Members may in their discretion from time to time determine to be appropriate, Company shall distribute any Cash Available for Distribution to the Members. If, at the time any Cash Available for Distribution is to be distributed to a Member, the Member also intends or is required to make any Additional Capital Contribution under the terms of this Agreement, Company may treat an amount equal to the Additional Capital Contribution as being simultaneously distributed to the Member and contributed by the Member to Company. Subject to the foregoing, any distribution of Cash Available for Distribution shall be made to the Members in the following manner:

(i) First, to the Members in an amount up to, but not exceeding, each Member's respective positive Capital Account balance after giving effect to all Capital Contributions, distributions and allocations for all periods; and

(ii) Second, to the Members in accordance with their respective Fractional Interests.

10.2. Liquidating Distributions. Notwithstanding the provisions of Section 10.1, if Company is dissolved and its business and affairs are wound up, distributions shall be made pursuant to Section 13.3.

10.3. Allocations of Profits and Losses.

(a) Allocation of Profits. After giving effect to the special allocations set forth in Section 10.4 and Section 10.5 to the extent applicable, Profits for any Fiscal Year shall be allocated to the Members in the following manner:

(i) First, to each Member in an amount up to, but not exceeding, the aggregate amount of Losses previously allocated to that Member pursuant to Section 10.3(b)(i), pro rata among the Members to which the Losses in question were allocated;

(ii) Second, to each Member in an amount up to, but not exceeding, the aggregate amount of Losses previously allocated to that Member pursuant to Section 10.3(b)(ii), pro rata among the Members to which the Losses in question were allocated; and

(iii) Thereafter, to the Members in accordance with their respective Fractional Interests.

(b) Allocation of Losses. Except as provided in Section 10.3(c) and after giving effect to the special allocations set forth in Section 10.4 and Section 10.5 to the extent applicable, Losses for any Fiscal Year shall be allocated to the Members in the following manner:

(i) First, to the Members in accordance with their respective Fractional Interests in an amount equal to the remainder, if any, of (A) the cumulative Profits allocated pursuant to Section 10.3(a)(iii) for all prior Fiscal Years, over (B) the cumulative Losses allocated pursuant to this Section 10.3(b)(i) for all prior Fiscal Years;

(ii) Thereafter (to the extent of the Members' aggregate positive Capital Account balances), to each Member with a positive Capital Account balance in the same ratio that the amount of each Member's positive Capital Account balance bears to the aggregate total of all Members' positive Capital Account balances; and

(iii) Thereafter, to the Members in accordance with their respective Fractional Interests.

(c) Limitation on Allocation of Losses. Losses allocated pursuant to Section 10.3(b) shall not exceed the maximum amount of Losses that can be so allocated without causing any Member to have an Adjusted Capital Account Deficit at the end of any Fiscal Year. If some but not all of the Members would have Adjusted Capital Account Deficits as a consequence of an allocation of Losses pursuant to Section 10.3(b), the foregoing limitation shall be applied on a Member-by-Member basis so as to allocate the maximum permissible Losses to each Member under Treas Reg § 1.704-1(b)(2)(ii)(d).

10.4. Special Allocations. Notwithstanding anything in Section 10.3 above:

(a) Minimum Gain Chargeback. Except as provided in Treas Reg § 1.704-2(f), if there is a net decrease in Company Minimum Gain during any Fiscal Year, each Member shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, in subsequent Fiscal Years) in an amount equal to the portion of such Member's share of the net decrease in Company Minimum Gain that is allocable to the disposition of Property subject to a Nonrecourse Liability, which share of such net decrease shall be determined in accordance with

Treas Reg § 1.704-2(g)(2). Allocations pursuant to this Section 10.4(a) shall be made in proportion to the amounts required to be allocated to each Member under this Section 10.4(a). The items to be so allocated shall be determined in accordance with Treas Reg §§ 1.704-2(f)(6) and 1.704-2(j)(2). This Section 10.4(a) is intended to comply with the minimum gain chargeback requirement contained in Treas Reg § 1.704-2(f) and shall be interpreted consistently therewith.

(b) Member Minimum Gain Chargeback. Except as otherwise provided in Treas Reg § 1.704-2(i)(4), if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any Fiscal Year, each Member that has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Treas Reg § 1.704-2(i)(5), shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, in subsequent Fiscal Years) in an amount equal to such Member's share of the net decrease in Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Treas Reg § 1.704-2(i)(4). Allocations pursuant to the preceding sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant to this Section 10.4(b). The items to be so allocated shall be determined in accordance with Treas Reg §§ 1.704-2(i)(4) and 1.704-2(j)(2). This Section 10.4(b) is intended to comply with the minimum gain chargeback requirement in Treas Reg § 1.704-2(i)(4) and shall be interpreted consistently therewith.

(c) Nonrecourse Deductions. Nonrecourse Deductions for any Fiscal Year or other period shall be specially allocated to the Members in proportion to their Fractional Interests.

(d) Member Nonrecourse Deductions. Member Nonrecourse Deductions for any Fiscal Year or other period shall be specially allocated to the Member that bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Treas Reg § 1.704-2(i)(1).

(e) Qualified Income Offset. If a Member unexpectedly receives any adjustments, allocations or distributions described in Treas Reg § 1.704-1 (b)(2)(ii)(d)(4),(5) or (6), or any other event creates a deficit balance in such Member's Capital Account in excess of such Member's share of Company Minimum Gain (including without limitation such Member's share of Company Minimum Gain attributable to Member Nonrecourse Debt), items of Company income and gain shall be specially allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of such Member as quickly as possible, *provided* that any allocation pursuant to this Section 10.4(e) shall be made only if and to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Section 10.4 have been tentatively made as if this Section 10.4(e) were not in this Agreement. Any special allocations of items of income and gain pursuant to this Section 10.4(e) shall be taken into account in computing subsequent allocations of income and gain pursuant to this Section 10 so that the net amount of any item so allocated and the income, gain, and losses allocated to each Member pursuant to this Section 10 to the extent possible, shall be equal to the net amount that would have been allocated to each such Member pursuant to the provisions of this Section 10.4(e) if such unexpected adjustments, allocations, or distributions had not occurred.

(f) Gross Income Allocation. If any Member has a deficit Capital Account at the end of any Fiscal Year in excess of the sum of (i) the amount such Member is obligated to restore pursuant to any provision of this Agreement and (ii) the amount such Member is deemed to be obligated to restore pursuant to the next to the last sentences of Treas Reg §§ 1.704-2(g)(1) and 1.704-2(i)(5), each such Member shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, *provided* that an allocation pursuant to this Section 10.4(f) shall be made only if and to the extent that such Member would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Section 10.4 have been made as if Section 10.4(e) and this Section 10.4(f) were not in this Agreement.

(g) IRC § 754 Adjustments. In the event of a Transfer of all or any part of the interest of a Member, the Members may elect, on behalf of Company, to adjust the basis of Property pursuant to IRC § 754. If the Members make such an election, to the extent an adjustment to the adjusted tax basis of any Property pursuant to IRC § 734(b) or IRC § 743(b) is required, pursuant to Treas Reg § 1.704-1(b)(2)(iv)(m)(2) or Treas Reg § 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as the result of a distribution to a Member in complete liquidation of such Member's interest in Company, the amount of such adjustment to Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the Property) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Members in accordance with their interests in Company if Treas Reg § 1.704-1(b)(2)(iv)(m)(2) applies, or to the Member to which such distribution was made if Treas Reg § 1.704-1(b)(2)(iv)(m)(4) applies.

(h) Allocations Relating to Taxable Issuance of Interests. Any income, gain, loss or deduction realized as a direct or indirect result of the issuance of an interest by Company to a Member ("*Issuance Items*") shall be allocated among the Members so that, to the extent possible, the net amount of such Issuance Items, together with all other allocations under this Agreement to each Member, shall be equal to the net amount that would have been allocated to each such Member if the Issuance Items had not been realized.

10.5. Curative Allocations. The allocations set forth in Section 10.3(b) and Sections 10.4(a), (b), (c), (d), (e), (f) and (g) ("*Regulatory Allocations*") are intended to comply with certain requirements of the Regulations. It is the intent that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Company income, gain, loss or deduction pursuant to this Section 10.5. Therefore, notwithstanding any other provision of Sections 10.3(b), 10.4 and 10.5 (other than the Regulatory Allocations), WHHS shall make such offsetting special allocations of Company income, gain, loss or deduction in the manner the Members determine appropriate so that, after such offsetting allocations are made, each Member's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Member would have had if the Regulatory Allocations were not part of this Agreement and all Company items were allocated pursuant to Section 10.3. In exercising discretion under this Section 10.5, the Members shall take into account future Regulatory Allocations under Sections 10.4(a) and (b) that, although not yet made, are likely to offset other Regulatory Allocations previously made under Sections 10.4(c) and (d).

10.6. Other Allocation Rules.

(a) For purposes of determining the Profits, Losses or any other items allocable to any period, Profits, Losses and any such other items shall be determined on a daily, monthly or other basis, as determined by the Members using any permissible method under Section 706 of the Code and the Regulations thereunder.

(b) The Members are aware of the income tax consequences of the allocations made by Sections 10.4 and 10.5 and hereby agree to be bound by such provisions in reporting their shares of Company income and loss for income tax purposes.

(c) Solely for purposes of determining a Member's proportionate share of the "excess nonrecourse liabilities" of Company within the meaning of Treas Reg § 1.752-3(a)(3), the Members' interests in Company Profits are in proportion to their Fractional Interests.

(d) To the extent permitted by Treas Reg § 1.704-2(h)(3), the Members shall endeavor to treat distributions as having been made from the proceeds of a Nonrecourse Liability or a Member Nonrecourse Debt only to the extent that such distributions would cause or increase an Adjusted Capital Account Deficit for any Member.

10.7. Tax Allocations: Code Section 704(c). In accordance with IRC § 704(c) and the Regulations thereunder, income, gain, loss and deduction with respect to any Property contributed to the capital of Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such Property to Company for federal income tax purposes and its initial Gross Asset Value (computed in accordance with clause (a) of the definition of Gross Asset Value). If the Gross Asset Value of any Property is adjusted pursuant to clause (b) of the definition of Gross Asset Value, subsequent allocations of income, gain, loss and deduction with respect to such Property shall take account of any variation between the adjusted basis of such Property for federal income tax purposes and its Gross Asset Value in the same manner as under IRC § 704(c) and the Regulations thereunder. Any elections, including specifically elections to use the "traditional method," the "traditional method with curative allocations" or the "remedial allocation method," as such terms are defined in the Regulations under IRC § 704(c), or other decisions relating to such allocations shall be made by WHHS in its sole discretion. Allocations pursuant to this Section 10.7 are solely for purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Profits, Losses, other items or distributions pursuant to any provision of this Agreement.

10.8. Compliance with Regulations; Deficit Capital Accounts. If Company is "liquidated" within the meaning of Treas Reg § 1.704-1(b)(2)(ii)(g), distributions shall be made pursuant to Section 13.3 to the Members having positive Capital Accounts in compliance with Treas Reg § 1.704-1(b)(2)(ii)(b)(2). If any Member has a deficit Capital Account balance (after giving effect to all contributions, distributions and allocations for all Fiscal Years, including the Fiscal Year during which such liquidation occurs), such Member has no obligation to make any contribution with respect to such deficit, and such deficit shall not be considered a debt owed by such Member to Company or to any other Person for any purpose whatsoever.

Section 11. Transfer of Company Interests.

11.1. Restriction on Transfers. Except as otherwise permitted by this Section 11, no Member shall Transfer all or any portion of such Person's interest in Company or voluntarily withdraw from Company. Any purported Transfer or voluntary withdrawal not permitted under this Section 11 shall be null and void and of no force or effect whatsoever.

11.2. Permitted Transfers. Subject to the conditions and restrictions set forth in Section 11.3, a Member may only Transfer all or any portion of such Member's interest in Company ("*Transferred Interest*") to the following Persons (each, an "*Assignee*"):

(a) To any Affiliate that wholly owns, is wholly owned by, or is wholly owned by a common parent with, such Member; or

(b) To any other Member or any third party transferee upon the prior written consent of UCSF Health and WHHS in accordance with Section 9.3(a).

11.3. Conditions to Transfer to Assignee. Subject to any other applicable provisions of this Section 11, a Transfer shall not be permitted under Section 11.2 to an Assignee unless and until the following conditions are satisfied:

(a) Any Assignee that is not already a Member shall become a party to this Agreement as a Member by executing a counterpart signature page to this Agreement. In addition, each Assignee shall execute such documents and instruments of conveyance as may be necessary or appropriate, in the opinion of counsel to Company, to effect such Transfer and/or to confirm the Assignee's agreement to be bound by the provisions of this Agreement.

(b) The Assignor and Assignee have reimbursed Company for all costs and expenses that Company reasonably incurs in connection with the Transfer.

(c) The Assignor and Assignee have provided to Company the Assignee's taxpayer identification number, sufficient information to determine the Assignee's initial tax basis in the Transferred Interest and any other information reasonably necessary to permit Company to file all required federal and state tax returns and other legally required information statements or returns. Without limiting the generality of the foregoing, Company shall not be required to make any distribution otherwise provided for in this Agreement with respect to any Transferred Interest until it has received such information.

(d) The Assignee provides Company with evidence, reasonably satisfactory to counsel for Company, of the authority of the Assignee to become a Member and to be bound by the terms and conditions of this Agreement.

11.4. Effect of Admission of Assignee as Member. An Assignee admitted as a Member shall have, to the extent of the Transferred Interest, the rights and powers, and be subject to the restrictions and liabilities, of a Member and shall be liable for any obligations of the Assignor to make Capital Contributions with respect to the Transferred Interest. Notwithstanding the admission of an Assignee as a Member, the Assignor shall not be released from any liability the Assignor may have to Company.

11.5. Distributions and Allocations to Transferred Interests. Upon any Transfer during any Fiscal Year made in compliance with the provisions of this Section 11, Profits, Losses, each item thereof and all other items attributable to such Transferred Interest for such Fiscal Year shall be divided and allocated between the Assignor and the Assignee by taking into account their varying interests during such Fiscal Year in accordance with IRC § 706(d), using any conventions permitted by law and selected by Company. All distributions on or before the date of such Transfer shall be made to the Assignor, and all distributions thereafter shall be made to the Assignee.

11.6. Reserved.

11.7. Put-Call Option upon Irreconcilable Deadlock. In the event of an Irreconcilable Deadlock (as described in Section 9.3(b)), (a) UCSF Health shall have the right, but not the obligation, to require WHHS to purchase The Regents' entire Fractional Interest (the "*UCSF Health Put Option*") for a price determined as of the date of the Irreconcilable Deadlock in accordance with the mechanism set forth in Section 12 below; and (b) WHHS shall have the right, but not the obligation, to require UCSF Health to sell The Regents' entire Fractional Interest (the "*WHHS Call Option*") for a price to be determined as of the date of the Irreconcilable Deadlock in accordance with the mechanism set forth in Section 12 below. The delivery of a Put/Call Exercise Notice by either UCSF Health to exercise a UCSF Health Put Option or WHHS to exercise the WHHS Call Option pursuant to Section 9.3(b) shall be a binding agreement and obligation of the parties to purchase or sell, as applicable, the respective Fractional Interest. UCSF Health and WHHS shall each take all actions reasonably necessary to cause the closing of the purchase and sale of the respective Fractional Interest to occur within one hundred twenty (120) days following the date that the Put/Call Exercise Notice is deemed given, or at such other date as may be mutually agreed upon between UCSF Health and WHHS. The purchase price shall be paid in cash or immediately available funds at such closing.

11.8. Permitted Security Interests. Notwithstanding anything to the contrary contained in this Agreement, (a) WHHS may pledge or otherwise grant a lien or security interest in all or any part of its membership interests in Company to a bank, financial institution or other financing source ("*Secured Party*"), and (b) upon the foreclosure of Secured Party's lien on such membership interests or other exercise by such Secured Party of its rights and remedies with respect to such pledge, such Secured Party shall have all of the rights, including any and all voting and consent rights of WHHS as a Member hereunder and be admitted as a Member of Company under this Agreement; *provided, however*, that notwithstanding any such foreclosure, all of the rights of the other Members under this Agreement shall survive any such foreclosure.

Section 12. Member Purchase and Sale Rights

12.1. Purchase Option. Upon the occurrence of any one or more of the events (each, a "*Purchase Event*") set forth in Section 12.1(a) below with respect to a Member (such Member, the "*Selling Member*"), the other Member (the "*Buying Member*") shall have the right, but not the obligation, to purchase all (but not less than all) of the Fractional Interest then owned by the Selling Member upon the terms and subject to the conditions set forth in this Section 12.1 and otherwise in accordance with this Section 12 (the "*Purchase Option*").

(a) Purchase Events. The following shall constitute Purchase Events for purposes of this Agreement:

(i) any Disqualifying Event with respect to the Selling Member; and

(ii) any material breach by the Selling Member of its obligations under this Agreement, which material breach is not cured within any applicable notice and cured period. In the event of such a material breach, the Buying Member shall deliver to the Selling Member a notice stating the specific nature of the material breach and, at the Buying Member's option, stating what the Buying Member proposes to be an effective cure or cures in connection therewith (which proposed cure or cures would not be binding upon the Selling Member) (the "*Breach Notice*"). For purposes of a breach under this Agreement, this Section 12.1(a)(iii) shall be triggered if the Selling Member fails to cure the breach within thirty (30) days after receipt of the Breach Notice.

(b) Notice of Purchase Event. Upon the occurrence of any Purchase Event, the Buying Member shall give written notice of the Purchase Event (the "*Purchase Event Notice*") to the Selling Member within ten (10) days after (i) the Buying Member has knowledge of the occurrence of an event described in Section 7.01(a)(i) with respect to the Selling Member, or (ii) the occurrence of a Purchase Event described in Section 12.1(a)(ii) or (iii).

(c) Exercise of Purchase Option. Following the occurrence of a Purchase Event, the Buying Member shall have ninety (90) days after the date of the Selling Member's receipt of the Purchase Event Notice in which to give notice to the Selling Member of its election to exercise the Purchase Option (the "*Purchase Option Election Notice*").

(d) Closing; Purchase Price. If the Buying Member exercises the Purchase Option, WHHS and UCSF Health shall take all actions reasonably necessary to cause the consummation of the purchase and sale of the Selling Member's Fractional Interest to occur within ninety (90) days following receipt by the Selling Member of the Purchase Option Election Notice. At the Closing, the Buying Member shall pay to the Selling Member an amount equal to the Fair Market Value of the Selling Member's Fractional Interest as determined by an Independent Appraiser as mutually agreed by UCSF Health and WHHS. If UCSF Health and WHHS do not agree on an Independent Appraiser within thirty (30) days after receipt by the Selling Member of the Purchase Option Election Notice, then the Fair Market Value of the Selling Member's Fractional Interest shall be determined in accordance with Section 12.5 below.

(e) Rights Non-Exclusive. The rights of a Buying Member under this Section 12.1 shall not be the exclusive remedy of the Buying Member, but shall be in addition to all other rights and remedies available to the Buying Member at Law or in equity resulting from any breach of this Agreement by the Selling Member, including, without limitation, the right of the Buying Member or the Company to institute suit to collect any amounts owed to the Buying Member or the Company by the Selling Member or to be compensated for any damages resulting from any breach of this Agreement by the Selling Member.

12.2. Tax Impediment Purchase and Sale Rights.

(a) Tax Impediment Rights. As referenced in Section 3.3, if the Members are unable to resolve a Tax Impediment in a manner that satisfies clauses (a), (b) and (c) of Section 3.3

during the Tax Impediment Negotiation Period, then if the Tax Impediment was caused by the act or omission of a Member (for purposes of this Section 12.2 only, the “*Tax Impediment Member*”), then the other Member (for purposes of this Section 12.2 only, the “*Other Member*”) shall have the right, but not the obligation, in its sole and absolute discretion, to (i) sell to Tax Impediment Member, and Tax Impediment Member shall be obligated to buy from the Other Member, all (but not less than all) of the Fractional Interest then owned by the Other Member (the “*Tax Impediment Put Right*”), or (ii) buy from the Tax Impediment Member, and the Tax Impediment Member shall be obligated to sell to the Other Member, all (but not less than all) of the Fractional Interest then owned by the Tax Impediment Member (the “*Tax Impediment Call Right*”). Such right may be exercised by the Other Member by providing notice thereof to the Tax Impediment Member within thirty (30) days after the Tax Impediment Negotiation Period.

(b) Closing; Purchase Price. The purchase price for the Fractional Interest (the “*Tax Impediment Sale Units*”) to be sold pursuant to Section 12.2 shall be equal to the Fair Market Value of such Fractional Interest as determined by an Independent Appraiser as mutually agreed by UCSF and WHHS. If UCSF Health and WHHS do not agree on such Independent Appraiser within thirty (30) days from the date of delivery of the exercise notice described in Section 12.2(a) then the Fair Market Value of the Tax Impediment Sale Units shall be determined in accordance with Section 12.5 below. WHHS and UCSF Health shall take all actions reasonably necessary to cause the consummation of the purchase and sale of the Tax Impediment Sale Units to occur within ninety (90) days from the date of delivery of the exercise notice described in Section 12.2.

12.3. Put/Call Rights in Event of Change In Control. In the event of a Change in Control with respect to a Member (the “*CIC Member*”), the other Member (the “*Non- CIC Member*”) shall have the right, at its election, to (a) sell to the CIC Member (the “*Put Right*”), and the CIC Member shall have the obligation, if the Put Right is exercised, to purchase from the Non-CIC Member, all (but not less than all) of the Fractional Interest (the “*Put Units*”) then owned by the Non-CIC Member, or (b) to purchase from the CIC Member (the “*Call Right*”), and the CIC Member shall have the obligation, if the Call Right is exercised, to sell to the Non-CIC Member, all (but not less than all) of the Fractional Interest (“*Call Units*”) then owned by the CIC Member.

(a) Exercise of Right. If the Non-CIC Member wishes to exercise the Put Right or the Call Right, as the case may be, it shall provide notice thereof (the “*Put/Call Notice*”) to the CIC Member at any time following receipt of notice from the CIC Member regarding the Change In Control transaction as required under Section 12.3(c)(i) below and throughout the ninety (90) day period after the occurrence of the Change in Control (the “*Put/Call Exercise Period*”). The Put/Call Notice shall specify the Non-CIC Member’s election to exercise the Put Right or the Call Right, as the case may be.

(b) Closing; Purchase Price. If the Put/Call Notice is received by CIC Member within the Put/Call Exercise Period, WHHS and UCSF Health shall take all actions reasonably necessary to cause the consummation of the purchase and sale of the Put Units or Call Units (the “*Put/Call Closing*”) to occur within ninety (90) days following receipt by the CIC Member of the Put/Call Notice. The purchase price for the Put Units or Call Units, as the case may be, shall be equal to the Fair Market Value of such Units as determined by an Independent Appraiser as mutually agreed by UCSF Health and WHHS. If UCSF Health and WHHS do not agree on such Independent Appraiser within thirty (30) days of receipt by the CIC Member of the Put/Call Notice, then the

Fair Market Value of the Put Units or Call Units shall be determined in accordance with Section 12.5 below.

(c) Notice of Change in Control. In the event of a Change in Control, the CIC Member shall provide the Non-CIC Member with (i) preliminary written notice of such Change in Control at least sixty (60) days before the close of the Change In Control transaction and (ii) written confirmation of such Change in Control no later than five (5) days after the close of the Change In Control transaction.

12.4. Tenth Anniversary Purchase and Sale Rights. Upon the tenth (10th) anniversary of the Operational Date of the Contribution Agreement and every fifth (5th) anniversary thereafter, UCSF Health shall have the right, but not the obligation, in its sole and absolute discretion, to exercise its right to request WHHS to purchase all (but not less than all) of UCSF Health's Fractional Interest. In order to exercise this right, UCSF Health must give written notice to WHHS no earlier than twenty-four (24) months and no later than twelve (12) months before the tenth (10th) anniversary of the Operational Date of the Contribution Agreement or fifth (5th) anniversary thereafter, as applicable. The purchase price of a purchase and sale under this paragraph shall be determined in accordance with Section 12.5 below.

12.5. Determination of Fair Market Value. In the event UCSF Health and WHHS are unable to agree upon an Independent Appraiser, Fair Market Value of the Company, securities, property or other assets, or Fractional Interest, as the case may be, shall be determined according to the following process:

(a) Each of UCSF Health and WHHS shall select one Independent Appraiser to determine the Fair Market Value and shall send written notice of the identity of its selected Independent Appraiser to the other Member and to the Company within five (5) days of receipt of the application of the provisions of this Section 12.5. For example, in the case of a purchase and sale under Section 12.1 the five (5) day period referenced in the preceding sentence shall begin upon the expiration of the thirty (30) days after receipt by the Selling Member of the Purchase Option Election Notice. Each Independent Appraiser shall prepare a written appraisal (each, an "*Initial Appraisal*") of the Fair Market Value within thirty (30) days after its selection.

(b) If the Fair Market Value set forth in each of the Initial Appraisals are within ten percent (10%) of one another (as measured against the higher of the two numbers), then the Fair Market Value shall equal the average of the values set forth in the Initial Appraisals. If the Fair Market Value set forth in the Initial Appraisals are not within ten percent (10%) of one another, then the Independent Appraisers shall appoint a third Independent Appraiser. The third Independent Appraiser shall prepare a written appraisal (the "*Third Appraisal*") to determine the Fair Market Value within twenty (20) days after its appointment. The final Fair Market Value shall equal the average of the Fair Market Values set forth in the two appraisals that are nearest in amount; provided, however, that if the Fair Market Value in the Third Appraisal is within five percent (5%) of the average of the Initial Appraisals, the Third Appraisal shall be the Fair Market Value. The final Fair Market Value determined pursuant to the foregoing shall be final and binding on the Members.

(c) Each of WHHS and UCSF Health shall pay the fees of its own Independent Appraiser. The fees of any third Independent Appraiser or any mutually agreed single Independent Appraiser shall be shared equally between WHHS and UCSF Health. The Company shall provide each Independent Appraiser with reasonable access during normal business hours to such Persons, books and records and other information of the Company as the Independent Appraisers may reasonably request.

(d) Notwithstanding the provisions of subsections (a) to (c) above, in the event WHHS is acquiring any or all of the Fractional Interest of UCSF Health pursuant to this Section 12.5, the Independent Appraisers shall take into account the effect on the value of any proposed or anticipated changes in the manner in which the Company will operate its business after the proposed acquisition by WHHS when determining the Fair Market Value of the relevant Fractional Interest.

12.6. Closing. The closing (“*Closing*”) of the purchase and sale of any Fractional Interest pursuant to this Section 12 shall be consummated within the time-periods specified in this Section 12 unless, in each case, such purchase or sale is delayed in order to obtain necessary governmental approvals, in which case such time period shall be automatically extended by ninety (90) days; provided, however, that, in the event the Closing has not occurred upon the expiration of such 90-day extension period, the party electing such purchase or sale shall thereafter be entitled to reimbursement for any Adverse Consequences incurred by such electing party in connection with such delay to the extent caused by the other Member so long as such electing party has not contributed to such delay in Closing. The purchase price for a Member’s Fractional Interest will be payable by the purchasing Member at the Closing in cash or immediately available funds. At any Closing under this Section 12, the selling Member shall execute and deliver such written documents and transfer instruments as the purchasing Member may reasonably request.

12.7. Cooperation in Seeking Governmental and Third-Party Consents and Approvals. Each Member shall use its reasonable efforts to obtain all governmental and third-party consents necessary for the consummation of any of the transactions contemplated by this Section 12.

Section 13. Dissolution; Liquidation

13.1. Conditions of Dissolution. Company shall be dissolved and terminated on the earlier of:

(a) Thirty (30) days following written agreement by and among all of the Members to dissolve and liquidate Company (or if Persons other than WHHS and UCSF Health and their respective Affiliates are subsequently admitted as Members of Company, the vote, agreement or consent of Members holding a majority of the then-outstanding Fractional Interests, *provided* that such group of Members includes both WHHS and UCSF Health);

(b) Sale of all or substantially all of Company’s Property;

(c) Occurrence of any other event that, under the laws of the State of California, would cause the termination or dissolution of a limited liability company; *provided, however*, that Section 12 above shall govern, with respect to the Bankruptcy of a Member;

(d) In the event the Company longer has the rights to use the name, branch, and other trademarks of UCSF Health or The Regents in connection with the operation of the Centers as a result of the termination of the Trademark Agreement between UCSF Health and the Company; or

(e) At the option of WHHS, in the event UCSF Health terminates that certain Professional Services Agreement between WHHS and/or the Company pursuant to which UCSF Health arranges for the provision of professional medical services for the Center(s).

(f) At the election of WHHS under the circumstances described in Section 18.2 below.

13.2. Liquidation.

(a) Subject to subdivision (b) below, upon occurrence of any of the above-described events, Company shall be terminated, in which event WHHS, or a Member designated by all of the Members if WHHS is not then a Member (collectively, the “*Liquidator*”), shall take full account of Company’s Property and liabilities, Company’s receivables shall be collected, and Company’s Property shall be liquidated as promptly (*e.g.*, within one year of dissolution) as is consistent with obtaining the fair market value thereof; *provided, however*, that Liquidator may, in its reasonable discretion but subject to the provisions of Section 13.3, distribute all or any portion of Company Property in kind (as undivided interests or as one hundred percent (100%) interests in different Company Property) to each of the Members based on the fair market value of such item of Company Property. Upon dissolution, Company shall engage in no further business, except as necessary to wind up the Business.

(b) In connection with any liquidation of the Company’s Property, WHHS shall have the absolute right to receive as in-kind distributions, provided that there are sufficient offsetting funds to satisfy the requirements of Section 13.3, or failing sufficient funds, the absolute right to purchase from the Company during the liquidation process: (i) any of the Property contributed to the Company as a Capital Contribution, (ii) any Property acquired by the Company to replace or otherwise perform a function of any Property initially contributed to the Company as a Capital Contribution, and (iii) any other Property necessary to operate the core functions of any of the Centers during the liquidation process.

13.3. Proceeds of Liquidation.

(a) The net proceeds of liquidation of Company shall be applied and distributed as follows:

(i) First, to the payment and discharge of all of Company’s debts and liabilities to creditors (including reasonable compensation to Liquidator in connection with services rendered during liquidation to the extent permitted under the Act);

(ii) Second, to the payment and discharge of any remaining debts or liabilities of Company to any Member;

(iii) Third, to the establishment of any reserves that Liquidator deems necessary;

(iv) Fourth, to the Members in accordance with their respective positive Capital Account balances after giving effect to all Capital Contributions, distributions and allocations for all periods; and

(v) Fifth, to the Members pro rata based upon their respective Fractional Interests.

(b) The allocation and distribution provisions in this Agreement are intended to result in distributions to each Member upon liquidation of Company being in accordance with each such Member's positive Capital Accounts, as provided by the United States Treasury Regulations under Code Section 704(b). However, if upon liquidation of Company, the Capital Accounts of the Members are in such ratios or balances that distributions under this Section would not be in accordance with the positive Capital Accounts of the Members as required by the Regulations under Code Section 704(b), such failure shall not affect or alter the distributions required under this Section. Rather, the Tax Matters Member (or trustee, if one is appointed) will have the authority to make other allocations of Profits and Losses, or items of income and gross income, gain, loss or deduction, among the Members (including allocations in prior years, if necessary, and the amendment of tax returns to reflect the same) which, to the extent possible, will result in the Capital Accounts of each Member having a balance prior to distribution equal to the amount of distributions to be received by such Member under this Section. No Member shall have any obligation whatsoever upon the dissolution and liquidation of Company or in any other event, to contribute all or any portion of any negative balance standing in such Member's capital account to Company, to any other Member or to any other person or entity.

(c) Distributions pursuant to the foregoing provisions may be distributed to a trust established for the benefit of the Members for the purposes of liquidating Company Property, collecting amounts owed to Company, and paying any contingent or unforeseen liabilities or obligations of Company or of the Members arising out of or in connection with Company. The assets of any such trust shall be distributed to the Members from time to time, in the reasonable discretion of the Members, in the same proportions as the amounts distributed to such trust by Company would otherwise have been distributed to the Members pursuant to the foregoing provisions.

(d) Distributions made pursuant to this Section 13.3 shall be in full satisfaction of the Members' claims against Company for distributions in liquidation of Company. Each Member shall look solely to the assets of Company for the return of the Member's investment, and if Company Property remaining after the payment or discharge of Company's debts and liabilities is insufficient to return the investment of each Member, the Member shall have no recourse against any other Members for indemnification, contribution, or reimbursement, except as specifically provided in this Agreement.

13.4. Date of Termination. The legal existence of Company shall be terminated when all monies and Company Property (other than money) have been applied or distributed in the manner prescribed hereinabove and all known Company liabilities have been satisfied or reasonably

adequate provision therefor has been made; *provided*, that distribution to a trust established for the benefit of the Members (as provided in Section 13.3(c) hereof) shall not continue the term of Company. Upon completion of the liquidation and winding up of Company, a certificate of cancellation shall be filed with the Secretary of State of California.

Section 14. Amendments.

14.1. Amendment by Members. Except as required by law or as otherwise permitted by this Agreement, this Agreement may be amended in any respect only upon the written agreement of all of the Members, or upon the affirmative vote of all of the Members at a properly noticed meeting of the Members.

Section 15. Accounting; Bank Accounts; Records; Financial Reports.

15.1. Fiscal Year. The Fiscal Year end of Company shall be June 30th.

15.2. Books and Records. At all times, WHHS shall keep originals or complete copies of full and accurate books and records showing all expenditures and finances of Company in accordance with GAAP on an accrual basis. At all times during the term of existence of Company, and beyond that term if the Members deem it necessary, Company shall keep or cause to be kept its books of account, together with:

(a) A current list of the full name and last known business or residence address of each Member, together with the Capital Contribution, Fractional Interest and the share in Profits and Losses of each Member;

(b) A copy of the certificate of formation, as amended;

(c) Copies of Company's federal, state and local income tax or information returns and reports, if any, for up to the six (6) most recent tax years;

(d) An original executed copy or counterparts of this Agreement, as amended;

(e) Any powers of attorney under which this Agreement or any amendments hereto were executed;

(f) Financial statements of Company for up to the six (6) most recent fiscal years; and

(g) The books and records of Company as they relate to Company's internal affairs for the current and up to six (6) past fiscal years.

15.3. If the Members deem that any of the foregoing items shall be kept beyond the term of existence of Company, the repository of those items shall be as designated by the Members.

15.4. Bank Accounts. Company funds shall be deposited in an account or accounts in the name of Company in one or more financial institutions selected by WHHS. The funds of Company shall not be commingled with the funds of any other Person.

15.5. Income Tax Matters.

(a) Tax Returns. WHHS shall cause to be prepared and filed, at Company's expense, and shall furnish to each Member by the required due date, including extensions, a copy of Company's federal and state income tax returns. Each Member may review Company's tax records during regular business hours upon reasonable request by such Member to WHHS.

(b) Tax Matters Partner. WHHS shall act as the Tax Matters Partner of Company pursuant to IRC § 6231(a)(7). The Tax Matters Partner shall take such action as may be necessary to cause each other Member to become a notice partner within the meaning of IRC § 6223 and shall otherwise act in compliance with the provisions of this Agreement. The Tax Matters Member shall promptly notify the Members if any tax return of Company is audited or if any adjustments are proposed by any taxing authority. Any expenses or fees incurred by WHHS as Tax Matters Partner shall be expenses of Company and WHHS shall be reimbursed by Company for such expenses and fees.

15.6. Financial Statements; Audit and Inspection Rights.

(a) WHHS shall cause to be prepared and shall furnish to each Member unaudited financial statements of Company (including a consolidated balance sheet, statements of income, cash flows and Members' equity) (i) for each Fiscal Year within sixty (60) days after the end of such Fiscal Year, (ii) for each quarter in the Fiscal Year within forty-five (45) days after the end of such quarter, and (iii) for each calendar month in the Fiscal Year, within thirty (30) calendar days after the end of each monthly accounting period. Each of the foregoing financial statements shall be prepared and presented in reasonable detail and in accordance with GAAP, consistently applied (subject in the case of monthly and quarterly financial statements to normal year-end audit adjustments and the absence of notes thereto). Each of the quarterly and annual financial statements shall be certified by WHHS as to their conformity with GAAP and their fair presentation, in all material respects, of the financial condition, results of operations and cash flows of Company.

(b) Upon the request of a Member, for purposes reasonably related to the interest of that person as a Member, Company shall promptly deliver to the Member, at the expense of Company, or otherwise allow the Member and its representatives, at the expense of the Member, to examine and make copies of, any lists, documents, tax returns, financial statements, agreements and other books or records identified in Section 15.2 of this Agreement.

15.7. Accounting Method. Company's accounting method shall be the accrual method of accounting.

15.8. Consolidation. For accounting purposes, Company's financial results shall be consolidated with WHHS's ultimate parent corporation. The Members agree to take any action reasonably required by WHHS's accounting or tax advisors to permit such financial consolidation.

15.9. Assignment of Duties. The Company may engage WHHS to perform the duties described in this Section 15 as part of the Management Services Agreement to be entered into by and between WHHS and Company.

SECTION 16. Notices.

Any notice, payment, demand or communication required or permitted to be given to Company pursuant to any provision of the Agreement shall be in writing and given hereunder, as elected by the party giving notice, as follows: (a) by personal delivery, (b) sent by overnight courier with confirmation of receipt, or (c) dispatched by certified or registered mail, return receipt requested, postage prepaid, addressed to the parties as follows:

If to UCSF Health:	UCSF Office of Legal Affairs 745 Parnassus Avenue San Francisco, CA 94143 Attn: Chief Campus Counsel
and a copy to:	_____ _____ _____
If to WHHS:	Washington Hospital Healthcare System 2000 Mowry Ave Fremont, California 94538 Attention: Chief Executive Officer
with a copy to:	Paul Kozachenko, Esq. Gonsalves & Kozachenko 2201 Walnut Avenue, Suite 220 Fremont, CA 94538

Notice shall be deemed given (a) on the date of receipt if delivered personally; (b) on the business day following delivery of such notice to the overnight courier; or (c) three (3) days after deposit in the U.S. mail. Any Member may change its notice address by notifying the other Members of such change.

Section 17. Investment and Other Representations. Each Member hereby represents and warrants to, and agrees with, the other Members and Company as follows:

17.1. Preexisting Relationship or Experience. Such Member has a preexisting personal or business relationship with Company or one or more of its officers or controlling Persons, or by reason of such Member’s business or financial experience, or by reason of the business or financial experience of its financial advisor who is unaffiliated with and who is not compensated, directly or indirectly, by Company or any affiliate or selling agent of Company, such Member is capable

of evaluating the risks and merits of an investment or other interest in Company and of protecting its own interests in connection with such Member's interest in Company.

17.2. No Advertising. Such Member has not seen, received, been presented with or been solicited by any leaflet, public promotional meeting, article or any other form of advertising or general solicitation with respect to the acquisition of such Member's Fractional Interest.

17.3. Investment Intent. Such Member is acquiring the Fractional Interest for investment purposes for its own account only and not with a view to, or for resale in connection with, any distribution or public offering thereof within the meaning of the Securities Act. No other Person will have any direct or indirect beneficial interest in or right to the Fractional Interest.

17.4. Restricted Securities. Such Member acknowledges that the Fractional Interests have not been registered under the Securities Act, or qualified under the Securities Act, the California Securities Act, or any other applicable blue sky law in reliance, in part, on his, her or its representations, warranties and agreements herein. Member understands that the Fractional Interests are "restricted securities" under the Securities Act in that the Fractional Interests are being acquired from Company in a transaction not involving a public offering, and that the Fractional Interests may be resold without registration under the Securities Act only in certain limited circumstances and that otherwise the Fractional Interests must be held indefinitely.

17.5. No Obligation to Register. Such Member acknowledges that Company and the Members are under no obligation to register or qualify the Fractional Interests under the Securities Act or under any state securities law, or to assist any Member in complying with any exemption from registration and qualification. Without limiting the representations set forth above, and without limiting any restrictions on Transfer of the Fractional Interests contained herein, such Member shall not make any disposition of all or any part of the Fractional Interests that will result in the violation of the Securities Act, the California Securities Act or any other applicable securities law.

17.6. Legal Representation. Such Member has had the opportunity to consult with legal counsel before agreeing to the terms of this Agreement.

17.7. Authority to Contract. Such Member has the capacity and authority to enter into this Agreement.

17.8. No Representation of Profitability. The Members hereby acknowledge that each Member has been advised that there is no assurance that Company will be profitable.

Section 18. Additional Covenants of the Members

18.1. Company ROFO Transactions

(a) Right of First Opportunity. Subject to Section 3.4 and Section 18.1(c) below, each Member agrees, on behalf of itself and its Affiliates, that so long as it is a Member of the Company such Member shall not, and shall ensure that its Affiliates do not, directly or indirectly, other than through the Company, within the Region: invest in, manage, operate or

acquire (i) outpatient radiation oncology, medical oncology/hematology, or outpatient infusion services, or (ii) property, plant or equipment that house such clinical activities (each, a “*Company ROFO Transaction*”). For clarification, the Members acknowledge and agree that a Company ROFO Transaction is subject to this Section 18.1(a) and Section 18.1(b) only to the extent such transaction is within the Region, and only to the extent to be entered into after the date of this Agreement. For further clarification, the Member’s acknowledge that the following do not, in their own right, give rise to a Company ROFO Transaction: patient transfer agreements, residency and medical student rotation agreements, clinical trial agreements, teaching and research collaboration agreements, physician coverage agreements, physician or non-physician staffing arrangements, medical director agreements, telemedicine agreements, continuing medical education agreements; and any services or service lines which may support the items described in (i) above, such as imaging and laboratory services.

(b) Procedure For Addressing Company ROFO Transaction.

(i) Subject to Section 3.4 and Section 18.1(c) below, each Member hereby agrees, on behalf of itself and its Affiliates, that so long as it is a Member of the Company such Member shall not, and shall ensure that its Affiliates do not, directly or indirectly, other than through the Company, without the prior written consent of the Company, directly or indirectly, enter into a Company ROFO Transaction within the Region without following the process set forth in this Section 18.1(b). If a Member (the “*Interested Member*”) wishes to enter into a Company ROFO Transaction within the Region, such Interested Member shall first provide the Company written notice of the Company ROFO Transaction (the “*Company ROFO Transaction Notice*”), which Company ROFO Transaction Notice includes the material terms and conditions of the Company ROFO Transaction, including the business plan for such Company ROFO Transaction, if available, and the results of any due diligence conducted by the Interested Member. The Members (other than the Interested Member) shall review and take action with respect to such Company ROFO Transaction no later than thirty (30) days after the receipt of the Company ROFO Transaction Notice. If the Members (other than the Interested Member) vote to pursue the Company ROFO Transaction, then no Member or any of its Affiliates shall independently pursue the Company ROFO Transaction. If the Members (other than the Interested Member) take action not to pursue the Company ROFO Transaction or if the Members (other than the Interested Member) fail to take action within the thirty (30) day period (in either case, a “*Declined Company ROFO Transaction*”), then, the Interested Member and/or its Affiliates may independently pursue any Declined Company ROFO Transaction (a) directly, (b) indirectly through an entity in which the Interested Member will have a majority economic or controlling voting interest or membership interest, or (c) indirectly through an entity in which the Interested Member will have a minority economic or non-controlling voting interest or membership interest.

(ii) In light of the Interested Member’s obligation to provide the Company with a Company ROFO Transaction Notice and to provide to the Company with information described above with respect to the Company ROFO Transaction, the Interested Member shall use commercially reasonable efforts to be permitted by the applicable Independent Third Person to disclose confidential information to the Company in any nondisclosure agreement entered into by the Interested Member with respect to such Company ROFO Transaction. If, despite the Interested Member’s commercially reasonable efforts, it is not permitted to disclose

confidential information to the Company, then neither such Member nor any of its Affiliates shall independently pursue the Company ROFO Transaction.

(iii) If the Interested Member has not completed the closing of a Declined Company ROFO Transaction for any reason as of the eighteen (18)-month anniversary of the delivery of the Company ROFO Transaction Notice with respect to such Declined Company ROFO Transaction, or if any material terms of the Declined Company ROFO Transaction change, then the Company ROFO Transaction shall again be subject to this Section and the Interested Member shall not enter into such Declined Company ROFO Transaction unless and until the Interested Member delivers a new Company ROFO Transaction Notice and otherwise complies with all the terms and conditions of this Section 18.1(b).

(c) Notwithstanding the foregoing Section 18.1(a) (Right of First Opportunity) and Section 18.1(b) (Procedure For Addressing Company ROFO Transaction), the restrictions and requirements of Sections 18.1(a) and 18.1(b) shall not apply to the activities of the Members in the Region set forth on **Exhibit D** (the “*Independent Activities*”), which activities shall not constitute Company ROFO Transactions and which the Members shall be entitled to pursue independently without compliance with the other subsections of this Section 18.1.

18.2. Exclusive Region.

(a) WHHS shall have the right to cause the dissolution of Company pursuant to Section 13.1(f) above if UCSF Health or its Affiliates invest in, manage, operate, or acquire a clinic providing adult outpatient radiation oncology, adult medical oncology/hematology or adult outpatient infusion services within the area defined by the zip codes listed on **Exhibit E** (“*Exclusive Region Transaction*”). Notwithstanding the foregoing, the Members acknowledge that the following do not, in their own right, give rise to an Exclusive Region Transaction: patient transfer agreements, residency and medical student rotation agreements, clinical trial agreements, teaching and research collaboration agreements, physician coverage agreements, physician or non-physician staffing arrangements, medical director agreements, telemedicine agreements, continuing medical education agreements; and any services or service lines which may support the items described in the first sentence of this paragraph, such as imaging and laboratory services.

(b) UCSF Health shall provide separate written notice to WHHS within ten (10) business days upon the first to occur of the following: UCSF Health and/or its Affiliate(s) (i) engage in one of the activities described in this Section 18.2, or (ii) publicly announces that it will engage in one of the activities described in this Section 18.2.

18.3. Non-Solicitation. Each Member hereby agrees, on behalf of itself and its Affiliates, that so long as it is a Member of the Company and for a period of two (2) years following the termination of such Member’s membership in the Company, such Member will not, and such Member shall act to ensure its Affiliates do not, directly or indirectly (i) recruit, solicit or otherwise seek to induce any Person who is an employee or independent contractor of the Company or any Company Subsidiary to terminate his or her relationship with the Company or a Company Subsidiary or (ii) solicit or otherwise seek to induce any Person who is an employee or independent contractor of the Company or any Company Subsidiary to violate any agreement with the Company or any Company Subsidiary. Notwithstanding the foregoing, a Member shall not be

liable to the other Member or the Company under this Section if (A) this Agreement is terminated due to a material breach of this Agreement by the other Member, (B) it receives a written waiver from the other Member permitting a specific solicitation, (C) employment results from such individual's response to a general solicitation not directed at such individual, or (D) employment results because such individual approached the Member.

18.4. Related Party Transactions.

(a) The Company shall adopt and operate pursuant to a conflict of interest policy that shall incorporate the provisions of the Internal Revenue Service's "sample" conflict of interest policy for health care organizations which is attached as Appendix A to IRS Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code.

(b) Any lease, contract or agreement or any other transaction or arrangement involving payments or remuneration between the Company and any Member or an Affiliate of a Member (each, a "*Related Party Transaction*") must receive approval of the Members pursuant to Section 9.3.

18.5. Enforcement of Related Party Transactions.

(a) If a Member or its Affiliate (the "*Conflicted Member*") has breached the applicable agreement in a Related Party Transaction, and if the non-Conflicted other Member (the "*Disinterested Member*") determines in good faith that the Conflicted Member has not cured the breach in accordance with the express terms of the Related Party Transaction, then the Disinterested Member is hereby granted the right to act on behalf of the Company in these limited instances by exercising the Company's rights, including, without limitation, the right to terminate the Related Party Transaction in accordance with the terms of the agreement therefor.

(b) Without limiting the generality of the foregoing, in the event of any actual or potential dispute between the Conflicted Member and the Company relating to any Related Party Transaction, the Conflicted Member and the Member Representatives appointed by such Conflicted Member shall not participate in any vote, approval or decision with respect to such dispute, and the Disinterested Member and the Member Representatives designated by such Disinterested Member shall have, notwithstanding Section 9.3, the sole and exclusive right, power and authority to initiate, prosecute and defend, in the name and on behalf of the Company, any claim, suit, proceeding or other legal action that the Company has or may have against such Conflicted Member (such claim, suit, proceeding or other legal action, a "*Related Party Conflict*"). For the purposes of any actions or decisions requiring the approval, vote or consent with respect to any such dispute or Related Party Conflict, the affirmative approval, vote or consent of the Member Representatives appointed by the Disinterested Member or the Disinterested Member, as applicable, shall be sufficient to approve any such action or decision. Notwithstanding any provision in the foregoing to the contrary, the approval, vote, consent, action or decision of the Member Representatives appointed by the Disinterested Member, or the Disinterested Member, with respect to a Related Party Conflict, including the decision to initiate, prosecute or defend a Related Party Conflict, shall in all instances be made in good faith, and for the benefit of the Company, and not the benefit of such Disinterested Member.

18.6. Other Remedies. Nothing herein shall limit the availability of injunctive relief to prevent or enjoin any breach of this Section 18 or any Member's liability for monetary damages resulting from any breach by such Member or its Affiliates of its obligations under this Section 18.

18.7. Enforceability of Covenants. If any provision of this Section 18 is declared unenforceable in any judicial proceeding due to an unreasonable duration or covering too large a geographic area, then such provision shall still be enforceable for such maximum period of time and within such geographic area as will make such provision enforceable.

Section 19. Miscellaneous.

19.1. Successors and Assigns. The provisions of this Agreement shall be binding upon and shall inure to the benefit of the personal representatives, executors, heirs, successors and permitted assigns of the parties executing this Agreement; *provided, however*, that nothing contained in this Agreement shall be construed as limiting or in any way modifying the provisions contained herein restricting the right to Transfer any Company interest.

19.2. Entire Agreement. This Agreement, including the exhibits hereto, constitutes the entire agreement between the Members with respect to the subject matter hereof, and supersedes all prior agreements among them with respect thereto. This Agreement is made solely for the benefit of the parties to this Agreement and their respective permitted successors and assigns, and no other person or entity shall have or acquire any right by virtue of this Agreement.

19.3. Execution in Counterparts. This Agreement may be signed in counterparts, with the same effect as if the signature on each counterpart were upon the same instrument. Execution and delivery of this Agreement and any amendments by the Parties shall be legally valid and effective through (i) executing and delivering the paper copy of the document, (ii) transmitting the executed paper copy of the document by facsimile transmission, or electronic mail in "portable document format" (".pdf") or other electronically scanned format, or (iii) creating, generating, sending, receiving or storing by electronic means this Agreement and any amendments, the execution of which is accomplished through use of an electronic process associated with this Agreement, and executed or adopted by a Party with the intent to execute this Agreement (i.e., "electronic signature" through a process such as DocuSign®).

19.4. Headings. The headings of this Agreement are solely for the convenience of reference, and are not a part of and are not intended to govern, to limit or to aid in the construction of any term or provision hereof.

19.5. Interpretation. Where the context so requires, the use of one gender shall include the masculine, feminine and neuter genders. The use of a singular shall include the plural where the context so requires.

19.6. Governing Law. This Agreement, and the application or interpretation hereof, shall be governed exclusively by and construed in accordance with its terms and the laws of the State of California, without regard to choice-of-law rules.

19.7. Severability. If any provision of this Agreement is held to be invalid, the remainder of this Agreement shall not be affected thereby.

19.8. Mediation; Arbitration.

(a) Except for a “Deadlock” arising under Section 9.4(b) (which shall instead be governed solely by such Section 9.4(b)), the Members shall make a good faith effort to resolve any other claim or dispute arising under this Agreement utilizing non-binding mediation. The fees and expenses of the mediator shall be shared equally by the Members involved in the dispute.

(b) If mediation efforts with respect to a matter outside Section 9.4(b) are not successful within thirty (30) days from the commencement of the mediation, the Members shall thereafter resolve any remaining dispute by binding arbitration before the American Arbitration Association sitting in San Francisco, California. Such arbitration shall be conducted on an expedited basis in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitrator(s) shall apply the Act to matters under this Agreement, and otherwise California substantive law, or federal substantive law where state law is preempted. Civil discovery for use in such arbitration may be conducted in accordance with the provisions of California law that would apply if the matter were being litigated in a Superior Court in the State of California. The arbitrator(s) selected shall have the power to enforce the rights, remedies, duties, liabilities and obligations of discovery by the imposition of the same terms, conditions and penalties as can be imposed in like circumstances in a civil action by a court of competent jurisdiction of the State of California. The provisions of California law governing discovery in a civil action filed in a Superior Court of the State of California (including without limitation depositions) are incorporated herein by reference and made applicable to this Agreement. The arbitrator(s) shall have the power to grant all legal and equitable remedies provided by California law and award compensatory damages provided by California law, except that punitive damages shall not be awarded. The arbitrator(s) shall prepare in writing and provide to the parties an award including factual findings and the legal reasons on which the award is based. The arbitrator(s) shall not have the power to commit errors of law or legal reasoning. Any judicial review of the arbitrator(s)’ decision shall be governed by Sections 1285 *et seq.* of the California Code of Civil Procedure, except that the parties hereto expressly grant the Superior Court the authority to correct errors of law and modify the arbitrator(s)’ ruling to avoid errors of law. The fees and expenses of the arbitrator shall be shared equally by the parties; *provided, however,* that the prevailing party or parties in any arbitration hereunder shall be awarded reasonable attorneys’ fees, expert and non-expert witness costs and expenses incurred directly or indirectly with said arbitration, including without limitation the fees and expenses of the arbitrator(s) and any other expenses of the arbitration.

(c) Notwithstanding the foregoing provisions of this Section 19.8, in the event that any party hereto wishes to obtain injunctive relief or a temporary restraining order, such party may initiate an action for such relief in a court of general jurisdiction in the State of California. The decision of the court with respect to the requested injunctive relief or temporary restraining order shall be subject to appeal only as allowed under California law. Such courts shall not, however, have the authority to review or grant any request or demand for damages.

19.9. Waiver. Failure of any Member or Company to seek redress for violation, or to insist upon strict performance, of any covenant or condition of this Agreement shall not prevent a subsequent act that would have constituted a violation from having the effect of an original violation.

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IN WITNESS WHEREOF, the parties have executed this Agreement through their duly authorized officers as of the Execution Date.

WASHINGTON TOWNSHIP HEALTH CARE DISTRICT, DBA WASHINGTON HOSPITAL HEALTHCARE SYSTEM, a political subdivision of the State of California organized pursuant to the Local Health Care District Law

By: _____
Name: Kimberly Hartz
Title: Chief Executive Officer

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, ON BEHALF OF UNIVERSITY OF CALIFORNIA SAN FRANCISCO HEALTH

By: _____
Name: _____
Title: _____

EXHIBIT A

MEMBERS AND FRACTIONAL INTERESTS

<u>Name and Address</u>	<u>Fractional Interest</u>
Washington Township Health Care District 2000 Mowry Ave Fremont, California 94538 Attention: Chief Executive Officer	51%
The Regents of the University of California, on behalf of the University of California San Francisco Health UCSF Health 500 Parnassus Avenue, MUE5 San Francisco, CA 94143 Attention: Chief Strategy Officer	49%
TOTALS	100%

EXHIBIT A-1
INITIAL CAPITAL CONTRIBUTION – UCSF HEALTH

UCSF Health's initial Capital Contribution shall consist of \$3,275,000.00 in cash.

EXHIBIT A-2
INITIAL CAPITAL CONTRIBUTION – WHHS

WHHS's initial Capital Contribution shall be valued at \$3,413,000 and shall consist of the contribution of physical assets used for the operation of the Washington Radiation Oncology Center at 39101 Civic Center Drive, Fremont, CA 94538.

EXHIBIT B

INITIAL MEMBER REPRESENTATIVES AND INITIAL OFFICERS

UCSF HEALTH DESIGNEES:

To be identified prior to the Operational Date of the Contribution Agreement.

WHHS DESIGNEES:

To be identified prior to the Operational Date of the Contribution Agreement.

INITIAL OFFICERS:

President: Tina Nunez
Secretary: None
Treasurer: None

EXHIBIT C

REGION

94536	Fremont
94538	Fremont
94539	Fremont
94555	Fremont
94560	Newark
94587	Union City
94586	Sunol
94544	Hayward

EXHIBIT D

INDEPENDENT ACTIVITIES

Any activity engaged in by WHHS as of the date of the Agreement shall be considered an Independent Activity without the need for WHHS to individually describe every such activity. The parties acknowledge that WHHS is headquartered at 2000 Mowry Avenue, Fremont, CA and conducts a majority of its activities within the Region.

EXHIBIT E
EXCLUSIVE REGION

94546	Castro Valley
94568	Dublin
94545	Hayward
94541	Hayward
94542	Hayward
94550	Livermore
94551	Livermore
95035	Milpitas
94566	Pleasanton
94588	Pleasanton
94579	San Leandro
94578	San Leandro
94577	San Leandro
94580	San Lorenzo
95132	San Jose
95131	San Jose
95127	San Jose
95133	San Jose
95134	San Jose

SCHEDULE 1
ACTIONS REQUIRING APPROVAL OF ALL MEMBER REPRESENTATIVES

Pursuant to Section 9.3 of the Agreement, the following actions require the unanimous approval of all the Member Representatives (i.e., the Member Representatives are not voting according to Fractional Interests):

1. Determining, establishing and maintaining reasonable cash reserves for such purposes and in such amounts as the Member Representatives in good faith deem appropriate, including but not limited to cash reserves for projected working capital needs and capital expenditures;
2. Selling, transferring, assigning, conveying, leasing, subletting or otherwise disposing of Company Property except (A) in accordance with any approved budget, or (B) otherwise with a value of more than Fifty Thousand Dollars (\$50,000) in the aggregate in any Fiscal Year;
3. Authorizing unbudgeted expenditures included in any approved annual budget where such unbudgeted expenditures exceed Fifty Thousand Dollars (\$50,000) in the aggregate in any Fiscal Year;
4. Approving the material terms and conditions of all debt obligations included in any approved annual budget, and, subject to Sections 6.2(d) and (e), any additional debt obligations in excess of Fifty Thousand Dollars (\$50,000) in the aggregate in any Fiscal Year);
5. Making or refraining from making any elections pursuant to the Code;
6. Approving any new contract or transaction of the Company for which the aggregate amount of compensation payable under such contract or transaction exceeds Fifty Thousand Dollars (\$50,000.00) per Fiscal Year or any material modification or amendment thereto, unless such contract, transaction, or material modification is approved as part of the Company's annual operating or capital budgets;
7. Approving Company's annual operating and capital budgets; provided, however, that in the event UCSF Health and WHHS are unable to approve any annual operating or capital budget, Company shall, as the case may be, (A) operate using the prior year's capital budget to the extent unspent, and (B) operate using the prior year's operating budget increased by the greater of ten percent (10%) or the increase during the prior year in the Consumer Price Index- U.S. City Averages for All Urban Consumer – All Items, on all expenditures set forth in such prior year's budget;
8. Approving any strategic business plans for Company or the Centers;
9. Approval of the Company's branding plan;

10. Paying any distribution or return of capital from the Company to the Members of the Company;
11. Changes to the scope of specialist staffing provided by UCSF Health;
12. Selection or appointment of President of the Company; or
13. Appointment of any medical director for any Center.

Notwithstanding the limitations described above, the unanimous approval of all the Member Representatives ***shall not be required*** in circumstances of immediate need where patient treatment operations are at risk for: (1) the approval of contracts or transactions (including modifications to existing arrangements) where such contract or transaction has an aggregate value of less than Two Hundred and Fifty Thousand Dollars (\$250,000.00) per Fiscal Year; or (2) authorizing unbudgeted expenditures of the Company where such unbudgeted expenditures are less than Two Hundred and Fifty Thousand Dollars (\$250,000) in the aggregate in any Fiscal Year.

SCHEDULE 2
ACTIONS REQUIRING WRITTEN CONSENT OF ALL MEMBERS

Pursuant to Section 9.4 of the Agreement, the following actions require the separate written approval of the Members:

1. Approving the dissolution of the Company, the filing of a petition with respect to the Company requesting or consenting to an order for relief under the federal bankruptcy laws, or other actions with respect to the Company as a result of insolvency or the inability to pay debts generally as such debts become due;
2. Selecting or changing the purposes, mission or the name of the Company;
3. Approving the pursuit of a Company ROFO Transaction;
4. Approving any Related Party Transaction;
5. Causing Company to issue additional equity interests, admit any new Members, or approve any Transfer, except as expressly authorized in this Agreement;
6. Approving any voluntary termination, dissolution or liquidation of Company;
7. Merging, consolidating or reorganizing, or selling, pledging, or otherwise transferring all or substantially all of the assets of Company or any subsidiary of Company;
8. Converting Company from a limited liability company to another form of business entity;
9. Approving any amendment, addition, deletion, repeal or restatement, in whole or in part, of the Articles of Organization, this Operating Agreement, or other organizational or governance documents of the Company; or
10. Any entry into a material joint venture or partnership, or any sale, exchange or other transfer of all or substantially all of the assets of the Company or any subsidiary of the Company;
11. Investments in, loans or guaranties of third parties;
12. Engaging in any Lobbying Activities; or
13. Any matter that affects the tax status of the Company or its Members.

SCHEDULE 3
AUTHORITY OF WHHS UNDER MANAGEMENT SERVICES AGREEMENT

Subject to the restrictions in Sections 9.3 and 9.4 of the Agreement, WHHS shall have the authority to take the following acts without the further approval or consent of the Member Representatives or UCSF Health as described in Section 9.5:

1. Carrying out all duties and obligations imposed on Company by the Management Services Agreement and implementing all decisions of the Members;
2. In accordance with any approved budget or decision of the Members, selling, transferring, assigning, conveying, leasing, subletting or otherwise disposing of or dealing with any part of Company's business or interest in any Property;
3. Negotiating, executing, acknowledging and delivering such agreements, contracts, documents, certificates, bills of sale and other instruments, as necessary or appropriate in connection with ordinary course of business of Company and to exercise any rights with respect thereto;
4. Protecting and preserving the title and interest of Company, with respect to the Property of Company, to (i) collect all amounts due to Company; (ii) enforce all rights of Company; and (iii) retain counsel and institute such suits or proceedings, in the name and on behalf of Company, as the Members may deem to be reasonably necessary or appropriate;
5. To the extent that funds of Company are available, pay all debts, liabilities and obligations of Company, including those owed to Affiliates of WHHS, in such order and manner as the Members may determine in their discretion, except that third parties shall be paid amounts due and owing to them before any Affiliates of WHHS are paid amounts due and owing to them;
6. Borrowing funds on behalf of Company from any Person, (i) for Company's working capital needs in accordance with any approved budget or (ii) as otherwise approved by the in accordance with the provisions of Section 9.2(c) or Section 9.3(a), as applicable; negotiating the terms and conditions of such borrowings; preparing, executing and delivering promissory notes, loan agreements, security agreements, Uniform Commercial Code financing statements, continuation statements and other security instruments and any other certificates, documents or instruments that the Members deem to be necessary or appropriate in connection therewith;
7. Preparing annual operating and capital budgets for approval by the Members;
8. Purchasing such contracts of liability, casualty, errors and omissions, workers' compensation, directors' and officers' and other insurance or otherwise obtain indemnity coverage as WHHS may deem necessary or appropriate in connection with the business of Company, in such amounts and on such terms as WHHS may determine in its reasonable discretion, consistent with the annual operating budget;

9. Employing such agents, employees, managers, accountants, attorneys, consultants and other Persons as WHHS may deem necessary or appropriate to carry out the business and affairs of Company and to pay such fees, expenses, salaries, wages and other compensation to such Persons as WHHS may determine in its discretion, consistent with the annual operating budget;
10. Paying, extending, renewing, modifying, adjusting, submitting to arbitration, prosecuting, defending or compromising, upon such material terms as the Members may determine and upon such evidence as they may deem sufficient, any obligation, suit, liability, cause of action or claim, including a claim for taxes, either in favor of or against Company (provided that WHHS, in the context of any such actions, shall not have the authority to bind or obligate any of the Members in their individual capacity, other than WHHS);
11. Paying any and all fees and make any and all expenditures that WHHS deems necessary or appropriate in connection ordinary course of business with respect to the furniture, fixtures and equipment of any Center of Company and the carrying out of Company's obligations and responsibilities related thereto, consistent with the annual operating budget;
12. Establishing and maintaining one or more accounts for Company in one or more financial institutions insured by the Federal Deposit Insurance Corporation;
13. Making distributions of cash or Property to the Members in accordance with the provisions of this Agreement;
14. Delegating all or any of its duties hereunder, and in furtherance of any such delegation appoint, employ or contract with any Person who WHHS deems necessary or appropriate for the transaction of the business of Company, including Affiliates of WHHS, consistent with the annual operating budget; and
15. Preparing any strategic business plans for Company or the Centers.

**RESOLUTION OF THE BOARD OF DIRECTORS OF
WASHINGTON TOWNSHIP HEALTH CARE DISTRICT
AUTHORIZING THE ISSUANCE AND SALE,
DETERMINING TO PROCEED WITH NEGOTIATED SALE
OF CERTAIN GENERAL OBLIGATION BONDS OF THE
DISTRICT IN AN AGGREGATE PRINCIPAL AMOUNT
NOT TO EXCEED \$20,000,000, AND APPROVING CERTAIN
OTHER MATTERS RELATING TO THE BONDS**

RESOLUTION NO. 1239

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RESOLUTION OF THE BOARD OF DIRECTORS OF WASHINGTON TOWNSHIP HEALTH CARE DISTRICT AUTHORIZING THE ISSUANCE AND SALE, DETERMINING TO PROCEED WITH NEGOTIATED SALE OF CERTAIN GENERAL OBLIGATION BONDS OF THE DISTRICT IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$20,000,000, AND APPROVING CERTAIN OTHER MATTERS RELATING TO THE BONDS

RESOLUTION NO. 1239

WHEREAS, a duly called election was held in the Washington Township Health Care District, a health care district duly organized and existing under the laws of the State of California (the “District”), County of Alameda, California (the “County”), on November 3, 2020, and thereafter canvassed pursuant to law (the “Election”); and

WHEREAS, at the Election, there was submitted to and approved by the requisite two-thirds (2/3) vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for the purpose of acquiring, maintaining, constructing, or improving real property of the District, all as authorized under Section 32300 *et seq.* of the Health and Safety Code of the State of California, in the maximum amount of four hundred twenty-five million dollars (\$425,000,000), payable from the levy of an *ad valorem* tax against the taxable property in the District (the “Authorization”); and

WHEREAS, the Alameda County Registrar of Voters certified to the effect that the official canvass of returns for the Election reflected that more than two-thirds of the votes cast on the District’s bond measure submitted to the voters at the Election (the “Measure”) were cast in favor of the Measure, and such results were entered in the minutes of this Board of Directors of the District (the “Board”); and

WHEREAS, the District has not previously issued general obligation bonds under the Authorization; and

WHEREAS, this Board has determined the present need for the sale and issuance of not to exceed \$20,000,000 aggregate principal amount of general obligation bonds under the Authorization (the “Bonds”); and

WHEREAS, the Board has also determined that market conditions and other factors make it necessary and advisable for the Board to sell the Bonds pursuant to a negotiated sale to BofA Securities, Inc. (the “Underwriter”); and

WHEREAS, pursuant to Senate Bill 450 (Chapter 625, Statutes of 2017, codified as Government Code Section 5852.1) (“SB 450”), the District has disclosed prior to adoption of this Resolution the following good-faith estimates of certain information provided to the District by the Underwriter: (a) the true interest cost of the Bonds is estimated to be 4.15%; (b) the finance charge, or amount to be paid to third parties (which includes Underwriter’s discount) in connection with the sale of the Bonds, is estimated to be \$450,000, (c) the amount of proceeds received by the District from the sale of the Bonds is expected to be \$20,430,000, and (d) the

sum total of all payments the District will make to the final maturity of the Bonds is expected to be \$39,450,000; and

WHEREAS, the pledge included in this Resolution to secure payment of the Bonds is intended to be a consensual agreement with the registered owners of the Bonds; and

WHEREAS, the Board desires that the Treasurer-Tax Collector of the County (the “Treasurer”) should levy and collect an *ad valorem* property tax on all taxable property within the District sufficient to provide for payment of the Bonds and intends by the adoption of this Resolution to notify the Board of Supervisors of the County, the Auditor-Controller, the Treasurer and other officials of the County that they should take such actions as shall be necessary to provide for the levy and collection of such tax and the timely payment of the Bonds; and

WHEREAS, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of general obligation bonds of the District, and the indebtedness of the District, including the proposed issue of Bonds, is within all limits proscribed by law; and

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the Board of Directors of the Washington Township Health Care District, County of Alameda, State of California, as follows:

1. Recitals. The Board determines that the foregoing recitals are true and correct.
2. Definitions. The terms defined in this Section, as used and capitalized herein, shall, for all purposes of this Resolution, have the meanings set forth in the Recitals hereof or as ascribed to them below, unless the context clearly requires some other meaning.
 - (a) “Auditor-Controller” means the Auditor-Controller of the County.
 - (b) “Authorized Officer” means the Chief Executive Officer of the District, the Senior Associate Administrator, and the Vice President and Chief Financial Officer of the District or a designee of any thereof.
 - (c) “Authorizing Law” means Section 53506 *et seq.* of the Government Code of the State of California.
 - (d) “Bond Counsel” means Nixon Peabody LLP, or any other attorney or firm of attorneys nationally recognized for expertise in rendering opinions as to the legality and tax status of securities issued by public entities.
 - (e) “Bond Payment Date” means (unless otherwise provided in the Bond Purchase Contract), February 1 and August 1 of each year, commencing February 1, 2023, with respect to interest payments on the Bonds and August 1 of each year commencing August 1, 2023, with respect to principal payments on the Bonds, as further set forth in the Bond Purchase Contract.

- (f) “Bond Purchase Contract” means that certain Bond Purchase Contract, by and between the District and the Underwriter, presented to and considered at this meeting of the Board.
- (g) “Bond Register” means all books and records necessary for the registration, exchange and transfer of the Bonds, to be maintained, if necessary, by the Paying Agent.
- (h) “Bonds” means those general obligation bonds to be issued by the District under this Resolution, designated “Washington Township Health Care District (Alameda County, California) 2020 Election General Obligation Bonds, 2022 Series A.”
- (i) “Business Day” means a day other than a Saturday, a Sunday or a day on which the New York Stock Exchange is closed or banks in San Francisco, California, or New York, New York, are authorized or obligated by law or executive order to close.
- (j) “Closing Date” means the date upon which there is an exchange of Bonds for the proceeds representing the purchase price of the Bonds by the Underwriter.
- (k) “Code” means the Internal Revenue Code of 1986, as amended and as in effect on the Closing Date or as it is amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.
- (l) “Continuing Disclosure Agreement” means that certain Continuing Disclosure Agreement, substantially in the form appended to the Preliminary Official Statement as Appendix C, to be executed as of the Closing Date by the District and a designated dissemination agent.
- (m) “Cost of Issuance” means all items of expense directly or indirectly reimbursable to the District relating to the issuance, execution and delivery of the Bonds including, but not limited to, filing and recording costs, settlement costs, printing costs, reproduction and binding costs, legal fees and charges, fees and expenses of the Paying Agent, financial and other professional consultant fees, CUSIP service bureau charges; costs of obtaining credit ratings, municipal bond insurance premiums, if such insurance is determined to be advisable, and charges and fees in connection with the foregoing to the extent such fees and expenses are approved by the District.
- (n) “Depository” means DTC and its successors and assigns or if (a) the then-acting Depository resigns from its functions as securities depository of the Bonds, or (b) the District discontinues use of the Depository pursuant to this Resolution, any other securities depository which agrees to follow

procedures required to be followed by a securities depository in connection with the Bonds.

- (o) “DTC” means The Depository Trust Company, New York, New York.
- (p) “Interest and Sinking Fund” means the “Washington Township Health Care District General Obligation Bonds Series 2022 Interest and Sinking Fund” established and maintained by the Paying Agent in connection with the Bonds in accordance with Section 11 of this Resolution.
- (q) “MSRB” means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive the reports described in the Continuing Disclosure Agreement. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.
- (r) “Nominee” means the nominee of DTC, in which whose name the Bonds will be registered. The initial Nominee shall be Cede & Co.
- (s) “Official Statement” means the final official statement of the District describing the Bonds.
- (t) “Outstanding,” when used as of any particular time with reference to Bonds, means all Bonds except:
 - (i) Bonds theretofore canceled by the Paying Agent or surrendered to the Paying Agent for cancellation;
 - (ii) Bonds for the payment or redemption of which funds or eligible securities in the necessary amount shall have been set aside (whether on or prior to the maturity or redemption date of such Bonds), in accordance with Section 21 of this Resolution; and
 - (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered pursuant to this Resolution.
- (u) “Owner” means any person who shall be the registered owner of any Outstanding Bond.
- (v) “Participant” means a participant within DTC.
- (w) “Paying Agent” means U.S. Bank Trust Company, National Association, in its capacity as Paying Agent for the Bonds.

- (x) “Paying Agent Agreement” means that certain paying agent agreement entered into by the District and the Paying Agent pursuant to the issuance of the Bonds.
- (y) “Pledged Moneys” shall have the meaning given to that term in Section 11 of this Resolution.
- (z) “Preliminary Official Statement” means the preliminary official statement respecting the Bonds, in the form presented to and considered at this meeting of the Board.
- (aa) “Projects” means any of the acquisitions and improvements to real property authorized at the Election, generally described in the Measure which is set forth on Exhibit B to this Resolution, which is incorporated herein by this reference, as further discussed in Section 18 below.
- (bb) “Record Date” means the day concluding at the close of business on the 15th calendar day of the calendar month next preceding each Bond Payment Date.
- (cc) “Resolution” means this Resolution.
- (dd) “Special Counsel” means Mary K. Norvell, Attorney at Law.
- (ee) “State” means the State of California.
- (ff) “Supplemental Resolution” means any resolution supplemental to or amendatory of this Resolution, adopted by the Board in accordance with Section 20 hereof.
- (gg) “Tax and Nonarbitrage Certificate” means the certificate of the District delivered in connection with the issuance of the Bonds.

3. Authority for this Resolution. This Resolution is adopted pursuant to the Election, the Constitution of the State and the provisions of the Authorizing Law.

4. Purpose of Bonds. That for the purpose of providing funds for the acquisition and construction of facilities to be used by the District for its public health functions, the Board hereby authorizes the issuance of the Bonds in an aggregate principal amount of not to exceed \$20,000,000.

5. Appointment of Consultants; Terms and Conditions of Sale; Bond Purchase Contract.

- (a) The Board hereby confirms the appointment of Mary K. Norvell, Attorney at Law, as Special Counsel to the District, C. Gordon Howie, as special consultant to the District, Nixon Peabody LLP, as Bond Counsel to the

District, and BofA Securities, Inc., as Underwriter in connection with the sale and issuance of the Bonds.

- (b) The Bonds shall be sold by negotiated sale to the Underwriter inasmuch as such a sale: (i) will allow the District to integrate the sale of the Bonds with other public issuances undertaken or to be undertaken, by the District; (ii) will allow the District to utilize the services of consultants who are familiar with the financial needs, status and plans of the District; (iii) will allow the District to control the timing of the sale of the Bonds to the municipal bond market and, potentially, take advantage of interest rate opportunities for favorable sale of the Bonds to such market. The Bonds shall therefore be issued upon the terms and conditions established in the Bond Purchase Contract, and shall be issued in fully registered form, in the authorized denominations of \$5,000 or any integral multiple thereof. If bond insurance or other credit enhancement with respect to the Bonds is obtained, each Authorized Officer, acting alone, is hereby authorized to make such additions or changes to the documents approved by this Resolution as such Authorized Officer may approve as being in the best interests of the District, such action to be conclusively evidenced by the execution and delivery thereof.

Each Bond shall be dated its date of initial issuance (or other such date as may be designated in the Bond Purchase Contract) and shall bear interest from the Bond Payment Date next preceding the date of authentication thereof, unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, unless it is authenticated on or before January 15, 2023, in which event, it shall bear interest from the Closing Date (unless otherwise provided in the Bond Purchase Contract). Interest on the Bonds shall be computed on the basis of a 360-day year of twelve thirty-day months, unless otherwise specified in the Bond Purchase Contract.

- (c) There has been submitted to this Board the form of Bond Purchase Contract which such form is hereby approved. The Authorized Officers are, and each of them acting alone is, hereby authorized and directed, in the name and on behalf of the District, to execute the Bond Purchase Contract in substantially the same form as submitted to this Board, with such additional information included therein as is dependent upon pricing of the Bonds and with such additions, changes or corrections therein as the officer executing the same on behalf of the District may approve, in his or her discretion, as being in the best interests of the District, such approval shall be conclusive evidence by such officer's execution thereof, so long as the aggregate principal amount of the Bonds shall not exceed Twenty Million Dollars (\$20,000,000), provided that the Underwriter's discount with respect to the Bonds shall not exceed one percent (1.00%) of the

principal amount of the Bonds and so long as the interest rate on the Bonds shall not exceed six percent (6.00%) per annum. The final maturity of the Bonds shall be not later than thirty (30) years from the date of issuance thereof. The Bonds may be sold at par or at an original issue premium. The interest rate on the Bonds shall not exceed the legal maximum allowed under State law. Depending upon market conditions, the District may elect to purchase bond insurance to secure the payment of principal amount of and interest on the Bonds, or any portion thereof.

- (d) The District acknowledges receipt from the Underwriter of its letter respecting compliance with Rule G-17 of the Municipal Securities Rulemaking Board (the “MSRB”) provided on January 20, 2022.

6. Preliminary Official Statement. The form of Preliminary Official Statement submitted to and considered at this meeting of the Board is hereby approved. The Board authorizes the use and distribution of (a) the Preliminary Official Statement, with such changes as the Authorized Officer executing the certificate described below may approve, such approval to be conclusively evidenced by such Authorized Officer’s execution of such certificate; and (b) an Official Statement in substantially the form of the Preliminary Official Statement with such changes as may be necessary or advisable in connection with the sale of the Bonds, as determined by the Authorized Officer executing the Official Statement, such determination to be conclusively evidenced by the execution and delivery of the Official Statement; and (c) any amendments or supplements to the Preliminary Official Statement or the Official Statement which an Authorized Officer may deem necessary or desirable. Upon approval of the Preliminary Official Statement by such Authorized Officer, such Authorized Officer shall execute a certificate substantially in the form of Exhibit C appended to this Resolution and by this reference made a part hereof, and upon such execution, the Preliminary Official Statement shall be deemed final as of its date, except for the omission of certain information as provided in and pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act, as amended (the “Rule”).

7. Continuing Disclosure Agreement. The form of Continuing Disclosure Agreement appended to the form of Preliminary Official Statement submitted to and considered at this meeting of the Board is hereby approved. The Authorized Officers are, and each of them acting alone is, hereby authorized and directed to execute and delivery the Continuing Disclosure Agreement on behalf of the District, with such changes therein as the Authorized Officer may approve, in his or her discretion, as being in the best interests of the District, such approval to be conclusively evidenced by such person’s execution thereof. The District hereby covenants and agrees that it will comply with and carry out all of the requirements of the Continuing Disclosure Agreement as provided under the Rule; notwithstanding the foregoing, the failure of the District to comply in any respect with the Continuing Disclosure Agreement shall not be considered an event of default with respect to the Bonds.

8. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued hereunder by those who shall own the same from time to time, this Resolution shall be deemed to be and shall constitute a contract among the District and the Owners from time to time of the Bonds, and the pledge made in this

Resolution as described in Section 11 hereof shall be for the equal benefit, protection and security of the Owners of any and all of the Bonds, all of which, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof.

9. Redemption of Bonds. The Bonds shall be subject to optional redemption and mandatory redemption, if applicable, prior to their respective stated maturities on the dates and at the prices as set forth in the Bond Purchase Contract.

Whenever provision is made in this Resolution or in the Bond Purchase Contract for the redemption of the Bonds and less than all Outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District given at least 30 days but no more than 60 days prior to the date designated for such redemption, shall select Bonds for redemption in the order directed by the District or, in the event no direction is given, in inverse order of maturity within a series. Within a maturity, the Paying Agent shall select Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that the portion of any Bond to be redeemed in part shall be in the principal amount of \$5,000 or any integral multiple thereof.

When redemption is authorized or required pursuant to this Resolution or the Bond Purchase Contract, the Paying Agent, upon written instruction from the District given no less than 30 days and no more than 60 days prior to the date designated for such redemption, shall give notice (each, a "Redemption Notice") of the redemption of the Bonds. Such Redemption Notice shall specify: (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the principal amount of such Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part.

Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed the redemption price, together with the interest accrued to the redemption date, and that from and after such date interest with respect thereto shall cease to accrue and be payable.

The Paying Agent shall take the following actions with respect to such Redemption Notice:

- (a) At least 20 but not more than 60 days prior to the redemption date, such Redemption Notice shall be given to the respective Owners of Bonds designated for redemption by first class mail, postage prepaid, at their addresses appearing on the Bond Register.
- (b) In the event that the Bonds shall no longer be held in book-entry only form, at least two days before the date of the notice required by clause (a)

of this Section, such Redemption Notice shall be given by (i) first class mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service, to the Depository.

Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Bonds shall bear the CUSIP number identifying, by series and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Upon the surrender of any Bond redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bonds surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the District shall be released and discharged thereupon from all liability to the extent of such payment.

Notice having been given as aforesaid, and the moneys for the redemption (including the interest to the applicable date of redemption) having been set aside in the Interest and Sinking Fund, the Bonds to be redeemed shall become due and payable on such date of redemption.

The District may rescind any optional redemption and any notice thereof for any reason on any date prior to the date fixed for such optional redemption by causing written notice of the rescission to be given to the Owners of those Bonds so called for redemption. Any optional redemption and any notice thereof shall be rescinded if for any reason on the date fixed for redemption moneys are not available in the Interest and Sinking Fund or otherwise held in trust in an escrow fund established for such purpose in an amount sufficient to pay in full on such date the principal of and interest due on the Bonds called for redemption. Notice of rescission shall be given in the same manner in which the related Redemption Notice was originally given.

If on such redemption date, money for the redemption of all the Bonds to be redeemed as provided in this Section, together with interest to such redemption date, shall be held by or on behalf of the Paying Agent so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest with respect to the Bonds to be redeemed shall cease to accrue and become payable. All money held by or on behalf of the Paying Agent for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section shall be canceled upon surrender thereof and be delivered to or upon the order of the District. All or any portion of a Bond purchased by the District shall be canceled by the Paying Agent upon written notice by the District given to the Paying Agent.

When any Bonds, or portions thereof, which have been duly called for redemption prior to maturity under the provisions of this Resolution, or with respect to which instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be held in the Interest and Sinking

Fund irrevocably in trust for the payment of the redemption price of such Bonds or portions thereof, all as provided in this Resolution, then such Bonds shall no longer be deemed Outstanding and shall be surrendered, when and if received, to the Paying Agent for cancellation.

10. Execution of Bonds. The Bonds shall be executed in the manner required by the Authorizing Law. In case any one or more of the officers who shall have signed any of the Bonds shall cease to be such officer before the Bonds so signed shall have been issued by the District, such Bonds may, nevertheless, be issued, as herein provided, as if the persons who signed such Bonds had not ceased to hold such offices. Any of the Bonds may be signed on behalf of the District by such persons as at the time of the execution of such Bonds shall be duly authorized to hold or shall hold the proper offices in the District, although at the date borne by the Bonds or as of the date of adoption of this Resolution such persons may not have been so authorized or have held such offices.

No Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Resolution unless and until the certificate of authentication printed on the Bond is signed by the Paying Agent as authenticating agent. Authentication by the Paying Agent shall be conclusive evidence that Bond so authenticated has been duly issued, signed and delivered under this Resolution and is entitled to the security and benefit of this Resolution.

11. Establishment of Interest and Sinking Fund with the Paying Agent. There is hereby established in trust a fund designated as the “Washington Township Health Care District General Obligation Bonds Series 2022 Interest and Sinking Fund” maintained by the Paying Agent in connection with the Bonds (the “Interest and Sinking Fund”) which shall be administered by the Paying Agent for the account of the District. There shall be levied on all the taxable property in the District, in addition to all other taxes, a continuing direct *ad valorem* property tax annually during the period the Bonds are Outstanding in an amount sufficient, together with moneys on deposit in the Interest and Sinking Fund and available for such purpose, to pay the principal of and interest on the Bonds when due, which monies when collected are irrevocably pledged for the payment of the principal of and interest on the Bonds when and as the same shall become due (the “Pledged Moneys”). When collected, the Treasurer shall transfer the Pledged Moneys to the Paying Agent for deposit into the Interest and Sinking Fund, which may be invested at the written direction of the District. The property taxes and amounts collected shall be immediately subject to the pledge, and the pledge shall constitute a lien and security interest which shall immediately attach to the property taxes and amounts held in the Interest and Sinking Fund of the District when collected, to secure the payment of the Bonds and shall be effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act. The tax levy may include an allowance for a reasonably required reserve in accordance with the Tax and Nonarbitrage Certificate, established for the purpose of ensuring that the tax or assessment actually collected is sufficient to pay the annual debt service requirements on the Bonds due in such fiscal year. The District covenants to cause the County to take all actions necessary to levy such *ad valorem* property tax, in accordance with this Section 11 and the Authorizing Law.

Except as required to satisfy the requirements of Section 148(f) of the Code, interest earned on the investment of monies held in the Interest and Sinking Fund shall be used as described in the Paying Agent Agreement.

This pledge is an agreement between the District and the Owners to provide security for the Bonds in addition to any statutory lien that may exist, and the Bonds and each of the other bonds secured by the pledge are or were issued to finance one or more of the projects specified in the Measure.

12. Payment of Principal and Interest.

- (a) Debt service on the Bonds shall be paid by the Paying Agent in the manner provided by law for the payment of principal of and interest on general obligation bonds. The Paying Agent shall provide to the Treasurer appropriate wire transfer instructions and other information as may be necessary in order to effectuate the timely deposit of moneys into the Interest and Sinking Fund held by the Paying Agent in an amount sufficient to pay debt service on the Bonds. On each Bond Payment Date or redemption date established hereunder for the Bonds, the Paying Agent shall pay to the Owners the principal amount or redemption price of and interest on the Bonds then coming due from amounts on deposit in the Interest and Sinking Fund.
- (b) Payment of interest on any Bond Payment Date shall be made to the person appearing on the registration books of the Paying Agent as the Owner thereof as of the Record Date immediately preceding such Bond Payment Date, such interest to be paid by check mailed to such Owner on the Bond Payment Date at his address as it appears on such registration books or at such other address as he may have filed with the Paying Agent for that purpose on or before the Record Date. Any Owner of Bonds in an aggregate principal amount of \$1,000,000 or more may request in writing to the Paying Agent that such Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. Payments of defaulted interest shall be payable to the person in whose name such Bond is registered at the close of business on a special record date fixed therefor by the Paying Agent which shall not be more than fifteen days and not less than ten days prior to the date of the proposed payment of defaulted interest. The principal amount and redemption premiums, if any, payable on the Bonds shall be payable upon maturity or redemption upon surrender at the principal office of the Paying Agent. The principal amount of and redemption premiums, if any, and interest on the Bonds shall be payable in lawful money of the United States of America. The Paying Agent is hereby authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof.

13. Bond Registration and Transfer. (a) In order to qualify the Bonds for the Depository's book-entry system, the District has executed and delivered to the Depository a letter from the District representing such matters as shall be necessary to so qualify the Bonds (the "Representation Letter"). The execution and delivery of the Representation Letter shall not in any way limit the provisions of subsection (a) hereof or in any other way impose upon the District any obligation whatsoever with respect to persons having beneficial interests in the Bonds other than the Owners, as shown in the Bond Register. In addition to the execution and delivery of the Representation Letter, the District, and its Authorized Officers, are hereby authorized to take any other actions, not inconsistent with this Resolution, to qualify the Bonds for the Depository's book-entry system.

(b) If the book entry system described herein is no longer in effect, the District shall cause the Paying Agent to maintain and keep at its principal corporate trust office the Bond Register. While such book entry system is in effect, such books need not be kept, as the Bonds will be represented by one bond for each maturity registered in the name of Cede & Co., as nominee for DTC.

(c) Subject to the provisions of this Section, the person in whose name a Bond is registered on the Bond Register shall be regarded as the absolute Owner of that Bond for all purposes of this Resolution. Payment of or on account of the principal amount of and interest on any Bond shall be made only to or upon the order of that person; neither the District nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the District's liability upon the Bonds, including interest, to the extent of the amount or amounts so paid.

(d) Any Bond may be exchanged for Bonds of the same tenor and principal amount and in any authorized denomination upon presentation and surrender at the principal corporate trust office of the Paying Agent, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. In the event that the District determines to no longer maintain the book-entry only status of the Bonds, DTC determines to discontinue providing such services and no successor securities depository is named, or DTC requests the District to deliver Bond certificates to particular DTC Participants, any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of this Section, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed.

(e) Neither the District nor the Paying Agent will be required: (i) to exchange or transfer any Bonds during a period beginning with the opening of business on the 15th Business Day next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given, or (ii) to transfer any Bonds which have been selected or called for redemption in whole or in part.

14. Designation and Form of Bonds; Payment. A series of Bonds entitled to the benefit, protection and security of this Resolution is hereby authorized to be issued and sold in an aggregate principal amount not to exceed \$20,000,000. Such Bonds shall be general obligations of the District, payable as to principal, premium, if any, and interest from ad valorem property taxes to be levied upon all of the taxable property in the District. The Bonds shall be designated the “Washington Township Health Care District (Alameda County, California) 2020 Election General Obligation Bonds, 2022 Series A” with such insertions as shall be appropriate to describe the authorizations for such Bonds, or any other changes as are agreed to by an Authorized Officer, as evidenced by his or her execution thereof. The Bonds shall be issued as current interest bonds, may be issued as serial bonds or term bonds, and may be subject to redemption as set forth in the Bond Purchase Contract, subject to the provisions of this Resolution. The Bonds shall be in substantially the form attached hereto as Exhibit A, allowing those officials executing the Bonds to make the insertions and deletions necessary to conform the Bonds to this Resolution and the Bond Purchase Contract. Principal of, premium, if any, and interest on any Bond are payable in lawful money of the United States of America.

15. Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such authorized denominations as may be determined by the District, and may contain such reference to any of the provisions of this Resolution as may be appropriate. Every temporary Bond shall be executed by the District and authenticated by the Paying Agent upon the same conditions and in substantially the same manner as the definitive Bonds. If the District issues temporary Bonds, it will execute and furnish definitive Bonds without delay and thereupon the temporary Bonds shall be surrendered, for cancellation, in exchange for the definitive Bonds at the office of the Paying Agent or at such other location as the Paying Agent shall designate, and the Paying Agent shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Resolution as definitive Bonds authenticated and delivered hereunder.

16. Book-Entry System.

- (a) The Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities of the Bonds and of a particular tenor. Upon initial issuance, the ownership of each such Bond certificate shall be registered in the Bond Register in the name of the Nominee as nominee of the Depository. Except as provided in subsection (c) hereof, all of the Outstanding Bonds shall be registered in the Bond Register in the name of the Nominee and the Bonds may be transferred, in whole but not in part, only to the Depository, to a successor Depository or to another nominee of the Depository or of a successor Depository. Each Bond certificate shall bear the legend substantially to the following effect: “UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC TO THE PAYING AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF

CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.”

With respect to Bonds registered in the Bond Register in the name of the Nominee, neither the Paying Agent nor the District shall have any responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds a beneficial interest in the Bonds. Without limiting the immediately preceding sentence, the District shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any beneficial ownership interest in the Bonds, (ii) the delivery to any Participant, beneficial owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any redemption notice, (iii) the selection by the Depository and the Participants of the beneficial interests in the Bonds to be redeemed in part, or (iv) the payment to any Participant, beneficial owner or any other person, other than the Depository, of any amount with respect to principal of, premium, if any, and interest on the Bonds. The District may treat and consider the person in whose name each Bond is registered in the Bond Register as the absolute Owner of such Bond for the purpose of payment of principal of, redemption premium, if any, and interest on such Bond, for the purpose of giving Redemption Notices and other notices with respect to such Bond, and for all other purposes whatsoever, including, without limitation, registering transfers with respect to the Bonds.

The Paying Agent shall pay all of the principal amount of, redemption premium, if any, and interest on the Bonds only to the respective Owners, as shown in the Bond Register, and all such payments shall be valid hereunder with respect to payment of principal of and redemption premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Bond Register, shall receive a Bond evidencing the obligation to make payments of principal of and redemption premium, if any, and interest, pursuant to this Resolution. Upon delivery by the Depository to the Paying Agent of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions hereof with respect to Record Dates, the word “Nominee” in this Resolution shall refer to such new nominee of the Depository.

- (b) If at any time the Depository notifies the District that it is unwilling or unable to continue as Depository with respect to the Bonds or if at any

time the Depository shall no longer be registered or in good standing under the Securities Exchange Act or other applicable statute or regulation and a successor Depository is not appointed by the District within 90 days after the District receives notice or became aware of such condition, as the case may be, subsection (a) hereof shall no longer be applicable and the District shall issue certificated securities representing the Bonds as provided below. In addition, the District may determine at any time that the Bonds shall no longer be represented by book-entry securities and that the provisions of subsection (a) hereof shall no longer apply to the Bonds. In any such event the District shall execute and deliver certificates representing the Bonds as provided below. Bonds issued in exchange for book-entry securities pursuant to this subsection (b) shall be registered in such names and delivered in such denominations as the Depository shall instruct the District. The District shall deliver certificated securities representing the Bonds to the persons in whose names such Bonds are so registered.

If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or cause to be prepared a new fully registered book-entry security for each of the maturities of Bonds, registered in the name of such successor or substitute securities depository or its nominee, or make such other arrangements as are acceptable to the District and such securities depository and not inconsistent with the terms of this Resolution.

- (c) Notwithstanding any other provision of this Resolution to the contrary, so long as any Bond is registered in the name of the Nominee, all payments of principal of and redemption premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed by the Depository.
- (d) The initial Depository under this Resolution shall be DTC. The initial Nominee shall be Cede & Co., as nominee of DTC.

17. Delivery of Bonds; Disposition of Proceeds of the Bonds.

- (a) Delivery of the Bonds. The Authorized Officers shall cause the Bonds to be issued and, following their sale, shall have the Bonds executed and delivered, together with a true transcript of proceedings with reference to the issuance of the Bonds, to the Underwriter of the Bonds pursuant to the Bond Purchase Contract upon payment of the purchase price in funds which are immediately available to the District. In case any Bond shall become mutilated, the Paying Agent, at the expense of the Owner, shall deliver a new Bond of like date, interest rate, Principal Amount, maturity and tenor as the Bond so mutilated in exchange and substitution for such mutilated Bond, upon surrender and cancellation thereof. All Bonds so

surrendered shall be cancelled. If any Bond shall be destroyed, stolen or lost, evidence of such destruction, theft or loss may be submitted to the Paying Agent and if such evidence is satisfactory to the Paying Agent that such Bond has been destroyed, stolen or lost, and upon furnishing the Paying Agent with indemnity satisfactory to the Paying Agent and complying with such other reasonable regulations as the Paying Agent may prescribe and paying such expenses as the Paying Agent may incur, the Paying Agent shall, at the expense of the Owner, execute and deliver a new Bond of like series, date, interest rate, maturity, Principal Amount and tenor in lieu of and in substitution for the Bond so destroyed, stolen or lost. Any new Bonds issued pursuant to this Section in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the District, whether or not the Bonds so alleged to be destroyed, stolen or lost are at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Bonds issued under this Resolution in any moneys or securities held by the Paying Agent for the benefit of the Owners of the Bonds.

(b) Application of Bond Proceeds. The proceeds of the Bonds shall be deposited as follows:

(i) There shall be deposited with the Paying Agent, into an account designated as the “Washington Township Health Care District General Obligation Bonds Series 2022 Costs of Issuance Fund,” which shall be established by the Paying Agent and maintained as a special trust account (the “Costs of Issuance Fund”). The Paying Agent, at the direction of the District, shall, from time to time, disburse amounts from the Costs of Issuance Fund to pay Costs of Issuance. Amounts in the Costs of Issuance Fund shall be held uninvested. The Paying Agent shall keep a written record of disbursements from the Costs of Issuance Fund. On the date which is one hundred and eighty days following the Closing Date, or upon the earlier written request of the Authorized Officer, all amounts (if any) remaining in the Costs of Issuance Fund shall be transferred by the Paying Agent to the Building Fund, and the Costs of Issuance Fund shall thereupon be closed; and

(ii) There shall be deposited with the Paying Agent, into an account designated as the “Washington Township Health Care District General Obligation Bonds Series 2022 Building Fund,” which shall be established by the Paying Agent and maintained as a special trust account (the “Building Fund”). The District shall, from time to time, disburse from the Building Fund to pay the costs of the capital improvement projects to be undertaken with the proceeds of the sale of the Bonds. Amounts in the Building Fund shall be invested at the written direction of the District so as to be

available for the aforementioned disbursements. The Paying Agent shall keep a written record of disbursements from the Building Fund; and

(iii) Any accrued interest and any original issue premium received by the District and not required to pay cost of issuance of the Bonds shall be deposited into the Interest and Sinking Fund.

(c) Excess Earnings Fund. There is hereby established in trust a special fund designated “Washington Township Health Care District General Obligation Bonds Series 2022 Excess Earnings Fund” (the “Excess Earnings Fund”), which shall be held by the Paying Agent for the account of the District and which shall be kept separate and apart from all other funds and accounts held hereunder. The District shall transfer, or cause to be transferred, moneys to the Excess Earnings Fund in accordance with the provisions of the Tax and Nonarbitrage Certificate. Amounts on deposit in the Excess Earnings Fund shall only be applied to payments made to the United States Treasury or otherwise transferred to other accounts or funds established hereunder in accordance with the Tax and Nonarbitrage Certificate.

18. Authorized Projects. The Projects to be undertaken with proceeds of the sale of the Bonds shall correspond with the language of the Measure approved at the Election which is set forth in Exhibit B hereto, so that proceeds of sale of the Bonds shall be expended solely on capital improvement projects approved by the voters at the Election and authorized under the Authorizing Law.

19. Source of Payment. As described in Section 11 hereof, the moneys in the Interest and Sinking Fund, to the extent necessary to pay the principal amount of and interest on the Bonds as the same become due and payable, shall be paid by the Paying Agent to DTC to pay the principal of and interest on the Bonds. DTC will thereupon make payments of principal amount of and interest on the Bonds to the Participants who will thereupon make payments of principal and interest to the beneficial owners of the Bonds. Any moneys remaining in the Interest and Sinking Fund after the Bonds and the interest thereon have been paid, or provision for such payment has been made, shall be transferred to the general fund of the District; provided, however, that the Paying Agent, before making such payment, shall cause notice to be mailed to the Owners of such Bonds, by first-class mail, postage prepaid, not less than 90 days prior to the date of such payment to the effect that such money has not been claimed and that after a date named therein any unclaimed balance of such money then remaining will be transferred to the general fund. Thereafter, the Owners of such Bonds shall look only to the general fund of the District for payment of such Bonds, all as subject to any conditions set forth in the Tax and Nonarbitrage Certificate.

20. Amendment of this Resolution. In the event that the District shall purchase municipal bond insurance to secure the payment of debt service on the Bonds when due, the District shall not amend or supplement this Resolution, under any circumstances, without the prior written consent of the provider of such municipal bond insurance (the “Insurer”).

- (a) Supplemental Resolutions with Consent of Owners. This Resolution, and the rights and obligations of the District and the Owners of the Bonds, may be modified or amended at any time by a Supplemental Resolution adopted by the Board with the written consent of the Insurer and of the Owners of at least sixty percent (60%) in aggregate principal amount of the Outstanding Bonds, exclusive of Bonds, if any, owned by the District; provided, however, that no such modification or amendment shall, without the express consent of the Owner of each Bond affected, reduce the principal amount of any Bond, reduce the interest rate payable thereon, advance the earliest redemption date thereof, extend its maturity or the times for paying interest thereon or change the monetary medium in which principal and interest is payable, nor shall any modification or amendment reduce the percentage of consents required for amendment or modification. Notwithstanding anything to the contrary, no such consent shall be required if the Owners are not directly or adversely affected by such modification or amendment.
- (b) Supplemental Resolutions Effective without Consent of Owners. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution of the Board may be adopted, which, without the requirement of consent of the Owners, shall be fully effective in accordance with its terms;
- (i) To add to the covenants and agreements of the District in this Resolution, other covenants and agreements to be observed by the District which are not contrary to or inconsistent with this Resolution as theretofore in effect;
 - (ii) To add to the limitations and restrictions in this Resolution, other limitations and restrictions to be observed by the District which are not contrary to or inconsistent with this Resolution as theretofore in effect;
 - (iii) To confirm, as further assurance, any pledge under and the subjection to any lien or pledge created or to be created by this Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under this Resolution;
 - (iv) To cure any ambiguity, supply any omission, correct any defect or inconsistent provision in this Resolution;
 - (v) To make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Bonds; and
 - (vi) To amend or supplement this Resolution in any other respect, including in order to meet the requirements of the Insurer, if any,

provided such Supplemental Resolution does not, in the opinion of Bond Counsel, adversely affect the interests of the Owners.

- (c) Effect of Supplemental Resolution. Any act done pursuant to a modification or amendment so consented to shall be binding upon the Owners of all the Bonds and shall not be deemed an infringement of any of the provisions of this Resolution, whatever the character of such act may be, and may be done and performed as fully and freely as if expressly permitted by the terms of this Resolution, and after consent regulating to such specified matters has been given, no Owner shall have any right or interest to object to such action or in any manner to question the propriety thereof or to enjoin or restrain the District or any officer or agent of either from taking any action pursuant thereto.

21. Defeasance. If all Outstanding Bonds shall be paid and discharged in any one or more of the following ways:

- (a) By paying or causing to be paid the principal and interest on all Bonds Outstanding, when the same become due and payable;
- (b) By depositing with the Paying Agent, in trust, at or before maturity, cash which together with amounts then on deposit in the Interest and Sinking Fund together with the interest to accrue thereon and on any such moneys, obligations or securities as may be permitted by the laws of the State to be deposited for the purpose of refunding the Bonds without the need for further investment, is fully sufficient to pay all Bonds Outstanding at maturity thereof or on any redemption date prior thereto, including any premium and all interest thereon, notwithstanding that any Bonds shall not have been surrendered for payment; or
- (c) By depositing with an institution that meets the requirements for serving as a Paying Agent as further described in the Paying Agent Agreement, in trust, lawful moneys, or obligations issued by the United States Treasury (including State and Local Government Series Obligations) or obligations which are unconditionally guaranteed by the United States of America and permitted under Section 149(b) of the Code and Regulations which, in the opinion of Bond Counsel, will not impair the exclusion of gross income for federal income tax purposes of interest on the Bonds, in such amount as will, in the opinion of an independent certified public accountant, together with the interest to accrue thereon but without the need for further investment, be fully sufficient to pay and discharge all Bonds Outstanding at maturity thereof or on any redemption date prior thereto, including any premium and all interest thereon, notwithstanding that any Bonds shall not have been surrendered for payment;

then all obligations of the District and the Paying Agent under this Resolution with respect to all Outstanding Bonds shall cease and terminate, except only the obligation of the Paying Agent to

pay or cause to be paid from funds made available under the foregoing provisions to the Owners of the Bonds all sums due thereon.

22. Tax Covenants of the District.

- (a) The District covenants that it will take any and all actions necessary to assure compliance with Section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such Section is applicable to the Bonds.
- (b) The District covenants that it shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Bonds under Section 103 of the Code.
- (c) The District covenants that it shall comply with the provisions of the Tax and Nonarbitrage Certificate.
- (d) The District covenants that it will deliver instructions to the Paying Agent as may be necessary in order to comply with the Tax and Nonarbitrage Certificate. The District further covenants that it will abide by the provisions of its existing Post-Issuance Tax Compliance Procedures, previously approved by this Board and attached as Exhibit D.

23. Request for Necessary County Actions. The Board of Supervisors, the Auditor-Controller, the Treasurer and other officials of the County are hereby requested to take and authorize such actions as may be necessary for the levy and collection of ad valorem property tax on all taxable property located in the District sufficient to provide for payment of all principal of and interest on the Bonds as the same shall become due and payable, and the Secretary or designee thereof is hereby authorized and directed to deliver certified copies of this Resolution to the Clerk of the Board of Supervisors, the Auditor-Controller and the Treasurer of the County. The District hereby agrees to reimburse the County for any costs associated with the levy and collection of such tax, upon documentation of such costs as the District shall reasonably request.

24. Necessary Acts and Conditions. This Board determines that all acts and conditions necessary to be performed by the Board or have been precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law; that the District has certified to the Board that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due, and for levying and collecting such taxes the full faith and credit of the District are hereby pledged.

25. Establishment of Additional Funds and Accounts. If at any time it is deemed necessary or desirable by the District, the Treasurer, the Auditor-Controller, or the Paying Agent,

the District may establish additional funds under this Resolution and/or accounts within any of the funds or accounts established hereunder.

26. Approval of Actions; Miscellaneous. Officers of the Board and District officials and staff are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance of the Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

If there is any inconsistency or conflict between any provision of this Resolution and any provision of the Bond Purchase Contract, the Bond Purchase Contract prevails to the extent of the inconsistency or conflict. If there is any inconsistency or conflict between any provision of this Resolution and any provision of the Tax and Nonarbitrage Certificate, the Tax and Nonarbitrage Certificate prevails to the extent of the inconsistency or conflict.

27. Effective Date. This Resolution shall take effect immediately upon its passage.

[Remainder of Page Intentionally Left Blank]

SECRETARY’S CERTIFICATE

I, _____, Secretary of the Board of Directors of Washington Township Health Care District, County of Alameda, California, hereby certify as follows:

The attached is a full, true and correct copy of a resolution adopted at a regular meeting of the Board of Directors of the District at which a quorum of its members participated and were acting throughout, conducted at 2000 Mowry Ave, Fremont, California, on _____, 2022, at a location freely accessible to the public, by the following roll-call vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

An agenda of the meeting was posted at least 72 hours before the meeting conducted at Fremont, California, and a brief description of the resolution appeared on the agenda.

The resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.

Dated: _____, 2022

William Nicholson, M.D.
Secretary of the Board of Directors of
Washington Township Health Care District

EXHIBIT A

FORM OF BOND

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TO THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

REGISTERED NO. _____ \$ _____

WASHINGTON TOWNSHIP HEALTH CARE DISTRICT
(Alameda County, California)
2020 ELECTION GENERAL OBLIGATION BOND, 2022 SERIES A

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>CUSIP</u>
____% per annum	August 1, 20__	Date of Delivery	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The Washington Township Health Care District (the “District”) in Alameda County, California (the “County”), for value received, promises to pay to the Registered Owner named above, or registered assigns, the principal amount on the Maturity Date, each as stated above, and interest thereon until the principal amount is paid or provided for at the Interest Rate stated above, such interest to be paid on February 1 and August 1 of each year (the “Bond Payment Dates”), commencing [February 1, 2023]. This Bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof, unless: (i) it is authenticated as of a day following the 15th day of the month immediately preceding any Bond Payment Date and on or before such Bond Payment Date, in which event it shall bear interest from such Bond Payment Date, or (ii) it is authenticated on or before January 15, 2023, in which event it shall bear interest from the date of delivery of the Bonds. Principal and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this Bond is registered (the “Registered Owner”) on the Register maintained by the Paying Agent, U.S. Bank Trust Company, National Association, San Francisco, California (the “Paying Agent”). Principal and any redemption premium is payable upon presentation and surrender of this Bond at the principal corporate trust office of the Paying Agent. Interest is payable by check or draft mailed by the Paying Agent on each Bond Payment Date to the registered owner of this Bond by first-class mail at the address appearing on the Register at the

close of business on the 15th day of the calendar month next preceding that Bond Payment Date (each, a “Record Date”).

This Bond is one of a series of _____ dollars (\$_____) of Bonds issued for the purpose of acquiring and improving real property of the District, all as authorized in Section 53506 *et seq.* of the Government Code of the State of California, under authority of and pursuant to the laws of the State, and the requisite two-thirds (2/3) vote of the electors of the District cast at an election held on November 3, 2020, upon the question of issuing bonds in the amount of Four Hundred Twenty-Five Million Dollars (\$425,000,000), and a resolution of the Board of Directors of the District adopted on March __, 2022 (the “Bond Resolution”). This Bond and the issue of which this Bond is a part are payable as to both principal and interest from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount. The Bonds are issued in the form of current interest bonds. Capitalized terms used but not defined herein have the meanings assigned to them in the Bond Resolution.

Neither the payment of the principal of or redemption premium, if any, or interest on this Bond shall constitute a debt, liability of obligation of the County.

The Bonds of this issue are issuable only as fully registered Bonds in the denominations of five thousand dollars (\$5,000) or any integral multiple thereof. This Bond is exchangeable and transferable for Bonds of other authorized denominations at the principal corporate trust office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Paying Agent, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. Any tax or governmental charges shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this Bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

The Bonds are subject to redemption prior to their stated maturity, as a whole or in part on any date on or after August 1, 20[___], from any source of available funds, at a redemption price equal to the principal amount of the Bonds to be redeemed, without premium, plus accrued interest thereon to the date fixed for redemption.

The Bonds maturing on August 1, 20[___] are subject to mandatory redemption in part by lot, on August 1 in each year commencing August 1, 20[___] and on each August 1 thereafter, up to and including August 1, 20[___], from mandatory sinking payments made by the District, at a redemption price equal to the principal amount thereof to be redeemed, without premium, plus accrued interest thereon to the date of redemption, in the following principal amounts:

Sinking Fund Payment Date
(August 1)

Principal
Amount

*Final Maturity.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot by the District in such manner as the District in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of five thousand dollars (\$5,000) or some multiple thereof and that, in selecting Bonds for redemption, the Paying Agent shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by five thousand dollars (\$5,000). If less than all of the Bonds shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be called by lot in any manner which the District in its discretion shall determine.

The Paying Agent shall give notice of the redemption of the Bonds at the expense of the District. Such notice shall specify: (i) that the Bonds or a designated portion thereof are to be redeemed, (ii) the numbers and CUSIP numbers, if any, of the Bonds to be redeemed, (iii) the date of notice and the date of redemption, (iv) the place or places where the redemption will be made, and (v) descriptive information regarding the issue of Bonds and the specific Bonds redeemed, including the dated date, interest rate and stated maturity date of each. Such notice shall further state that on the specified date there shall become due and payable upon each Bond to be redeemed, the portion of the principal amount of such Bond to be redeemed, together with interest accrued to such date, the redemption premium, if any, and that from and after such date interest with respect thereto shall cease to accrue.

Notice of redemption shall be by registered or otherwise secured mail or delivery service, postage prepaid, to the registered owner of the Bonds, or if the underwriter is a syndicate, to the managing member of such syndicate, to a municipal registered securities depository and to a national information service that disseminates securities redemption notices and, by first class mail, postage prepaid, to the District and the respective Owners of any Bonds designated for redemption at their addresses appearing on the Bond registration books, in every case at least twenty (20) days, but not more than sixty (60) days, prior to the redemption date; provided that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Bonds nor entitle the owner thereof to interest beyond the date given for redemption.

Neither the District nor the Paying Agent will be required: (i) to issue or transfer any Bond during a period beginning with the opening of business on the 15th business day next preceding either any Bond Payment Date or any date of selection of any Bond to be redeemed and ending with the close of business on the Bond Payment Date or a day on which the applicable notice of redemption is given, or (ii) to transfer any Bond which has been selected or called for redemption in whole or in part.

Reference is made to the Bond Resolution for a more complete description of the provisions with respect to the nature and extent of the security for the Bonds of this series, the rights, duties and obligations of the District, the Paying Agent and the Registered Owners, and other terms and conditions upon which the Bonds are issued and secured. The owner of this Bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution and of the laws of the State of California governing the issue of the Bonds.

It is certified and recited that all acts and conditions required by the District under the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the Bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the Bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due, and for levying and collecting such taxes the full faith and credit of the District are hereby pledged.

This Bond shall be not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication below has been manually signed by the Paying Agent.

IN WITNESS WHEREOF, the Washington Township Health Care District, Alameda County, California, has caused this Bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signature of the President of the Board of Directors of the District, and to be countersigned by the manual or facsimile signature of the Secretary of the Board of Directors of the District, all as of the date stated above.

WASHINGTON TOWNSHIP HEALTH
CARE DISTRICT

By: _____
Jeannie Yee
President, Board of Directors

COUNTERSIGNED:

William Nicholson, M.D.
Secretary, Board of Directors

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Bond Resolution, which has been authenticated on the date set forth below.

Authenticated on: _____, 2022

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION, as Paying
Agent

By: _____
Authorized Officer

FORM OF ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the registration books of the Paying Agent with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Notice: Signature(s) must be guaranteed by a qualified guarantor institution.

Notice: The signature on this assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

EXHIBIT B

**BOND MEASURE FROM
2020 ELECTION**

The Bond Measure approved by the requisite 2/3 vote of the District's voters on November 3, 2020, reads in its entirety as follows:

“MEASURE XX

“To complete the construction necessary to make Washington Hospital earthquake safe and ensure the hospital remains open and accessible to provide life-saving care during a major disaster, to provide modern operating rooms, intensive care for infants and modern patient facilities, shall community-owned Washington Township Health Care District authorize \$425,000,000 of bonds at legal rates, generating approximately \$21,000,000 annually at an average rate of 1 cent per \$100 of assessed valuation while bonds are outstanding, with all money staying local?”

EXHIBIT C

FORM OF 15c2-12 CERTIFICATE

With respect to the proposed sale of its 2020 Election General Obligation Bonds, 2022 Series A (the “Bonds”) in the maximum aggregate principal amount of not to exceed \$_____, Washington Township Health Care District (the “District”) has delivered to BofA Securities, Inc., as underwriter of the Bonds, a Preliminary Official Statement, dated as of the date hereof (the “Preliminary Official Statement”). The District, for purposes of compliance with Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (the “Rule”), deems the Preliminary Official Statement to be final as of its date, except for the omission of no more than the information permitted under the Rule.

WASHINGTON TOWNSHIP HEALTH
CARE DISTRICT

By: _____
Authorized Officer

Dated: _____, 2022

EXHIBIT D

POST-ISSUANCE TAX COMPLIANCE PROCEDURES

Post-Issuance Tax Compliance Procedures of

Washington Township Health Care District

The purpose of these Post-Issuance Tax Compliance Procedures (“Procedures”) is to establish procedures to assist Washington Township Health Care District (the “District”) in complying with its federal tax obligations to maintain the exclusion from federal income taxes for the tax-exempt bonds that have been issued by or on behalf of the District (collectively, the “Bonds”).

A tax certificate or agreement (each, a “Tax Certificate”) has been or will be executed by the District in conjunction with each issue of Bonds (the specific Bonds identified in each Tax Certificate comprises an “Issue of Bonds”). Each Tax Certificate is designed as a more comprehensive analysis of the limits imposed on the District on the way it can invest Bond proceeds and use Bond-financed facilities for each Issue of Bonds. Each Issue of Bonds, as they may be issued from time to time, is listed in Exhibit B.

These Procedures are not intended to be an exclusive or comprehensive guide to the District’s post-issuance compliance requirements imposed by the Internal Revenue Code (the “Code”) and the Treasury Regulations (the “Regulations”). The District is advised to confer with nationally recognized bond counsel (“Bond Counsel”) for assistance dealing with situations not addressed herein.

I. Issuer’s Obligations

The Issuer shall conduct an annual review of these Procedures and of the Bonds in light of these Procedures to ensure compliance until the final maturity date of the Bonds. With this in mind, the Issuer undertakes the following:

- The Chief Financial Officer of the District (the “Responsible Officer”), is responsible for ensuring compliance with these Procedures and ensuring that these Procedures are responsive to future legislative changes at both the federal and state level;
- On or before August 1 of each year (the “Annual Compliance Check”), the Responsible Officer shall affirmatively declare that the District is in compliance with all of the requirements contained herein (see “Exhibit A” for sample declaration);
- In the event that the Responsible Officer is unsure whether the District is in compliance, the Responsible Officer shall consult with Bond Counsel for advice and, if necessary, assistance in taking steps necessary to remedy any failure to comply with these Procedures.

II. Policy

The post-issuance obligations imposed by the Code and the Regulations are to ensure compliance with the following two principles:

- An issuer may not take advantage of the reduced borrowing costs associated with tax-exempt bonds by re-investing tax-exempt bond proceeds in investments with a higher yield (“arbitrage”); and
- While any Issue of Bonds are outstanding, no more than 10 percent of the proceeds of such Issue of Bonds (or the financed facilities) may be used in any trade or business activity carried on by any person or entity, including the United States Government and all of its agencies and instrumentalities, other than the Issuer or a state or political subdivision of a state. In addition, no more than 5% of the proceeds of an Issue of Bonds (or the financed facilities) may be used in any trade or business activity carried on any person or entity, including the United States Government and all of its agencies and instrumentalities, other than the Issuer or a state or political subdivision of a state where such use is (i) disproportionate to a related governmental use or is (ii) unrelated to the governmental use of the proceeds of an Issue of Bonds.

There are other rules that must be complied with and which are described in each Tax Certificate; however, these two principles generate the most significant compliance obligations with respect to the District’s Bonds.

III. Use of Bond Proceeds (arbitrage and rebate)

Arbitrage is only a consideration when there are Bond proceeds that have not been spent on the Bond-financed project or projects (the “Projects”). However, there may be amounts treated as unspent Bond proceeds in many different situations. For example, receipt of a grant with respect to the Bond-financed projects might be treated as replacing the Bond proceeds and, if so, will be subject to the arbitrage rules. If the District is unsure if it has unspent Bond proceeds either after a particular transaction or outside of the exceptions to the arbitrage rebate requirement, the District should consult with Bond Counsel and, if necessary, a rebate service provider for the identification and proper treatment of such proceeds (a “Rebate Analyst”).

If the District identifies any Bond proceeds subject to rebate, the District may engage a Rebate Analyst to assist in calculating the amount of arbitrage rebate due the federal government. If applicable, the District shall monitor or cause their auditors to monitor the investment of Bond proceeds and deliver statements concerning investment earnings and other information, as requested, to the Rebate Analyst. Every fifth year after the issue date of each Issue of Bonds, the District shall ensure that the payment of rebate, if required, is made within 60 days after the date thereof. In addition, the District shall ensure that the payment of rebate, if required, is made within 60 days after the date on which the last Bond of the Issue of Bonds is redeemed. The District shall confer with the Rebate Analyst as necessary to effect the foregoing.

While each Issue of Bonds is outstanding, the District shall monitor the expenditures of Bond proceeds and work with the Rebate Analyst or with Bond Counsel to determine if any exceptions from arbitrage rebate are applicable.

Until three years following the final maturity date of an Issue of Bonds (or until three years following the issuance of any tax-exempt Bonds issued to refund an Issue of Bonds), the District shall maintain copies of all arbitrage reports, trustee statements, disposition records, and other documentation relating to arbitrage rebate in accordance with Section IV of these Procedures.

IV. Recordkeeping Requirements

The District shall continue to keep records and retain documents for either (1) three years past the final maturity date of each Issue of Bonds, or (2) if there is a refunding of an Issue of Bonds, three years following the final maturity date of the refunding Issue of Bonds (the “Retention Period”).

The District shall retain all records related to capital expenditures financed or refinanced with Bond proceeds and all records related to the use of Bond-financed facilities and the use of Bond proceeds. The following are some examples of records that should be kept for each Issue of Bonds, along with any other relevant documents, over the course of the Retention Period:

- a. Basic records and documents relating to each Issue of Bonds;
- b. Documentation evidencing the expenditure of Bond proceeds (this may take the form of the District’s annual performance audit and financial audits (collectively, the “Bond Audits”)) to the extent the Bond Audits separately identify the expenditures for an Issue of Bonds;
- c. Documentation evidencing any use of a Project by public and private parties other than the District and the general public (*i.e.*, copies of management contracts, research agreements, leases, etc.);
- d. Documentation evidencing compliance with the timing and allocation of expenditures of Bond proceeds;
- e. Documentation pertaining to any directed investment of proceeds of an Issue of Bonds (including the purchase and sale of securities, SLGs subscriptions, yield calculations for each class of investments, actual investment income received from the investment of proceeds, guaranteed investment contracts, and rebate calculations); and
- f. Records of all amounts paid to the United States under the arbitrage rules.

V. Use of Bond-Financed Facilities

a. Bond-Financed Facilities

Under the Code, to preserve the tax exemption of an Issue of Bonds, private business use of Bond-financed facilities is limited. District facilities that are financed with moneys other than Bond proceeds are NOT subject to such use limitations. The Projects financed with proceeds from each Issue of Bonds are described in Exhibit C, as updated from time to time.

b. What is “use”?

In order for an Issue of Bonds to be treated as tax-exempt, whatever portion of the proceeds of each Issue of Bonds “used” (for federal income tax purposes) in a private trade or business by an entity or person other than the District or other state or political subdivision must be within certain, de minimis thresholds. In particular, such use may not exceed ten percent (10%) or, in certain circumstances, five percent (5%) of the proceeds of each Issue of Bonds. For this purpose, both direct and indirect use by an entity or person other than the District or another political agency must be taken into account. For example, a Bond-financed facility that is leased to a government agency but subleased to an entity or person that is not a government agency is taken into account.

For purposes of these Procedures, “use” may include use pursuant to any of the following types of arrangements:

- i. A management or service contract not meeting the guidelines set forth in Rev. Proc. 97-13 (*i.e.*, coffee shop, dining facility, etc.);
- ii. A lease;
- iii. An installment sale or other form of transfer of ownership;
- iv. Research agreements not meeting the guidelines set forth in Rev. Proc. 2007-47; and
- v. Any other arrangements conveying special legal entitlements with regard to the Project;

The uses of Bond-financed facilities expected as of the issue date of each Issue of Bonds to be private uses subject to the ten or five percent limitation are listed in Exhibit D. Exhibit D should be updated from time to time to track any private uses arising after the respective issue dates, and the District shall consult with Bond Counsel to determine the treatment and impact of these additional uses and to ascertain whether the ten percent or five percent limit applies.

c. What is **not** “use”?

For purposes of these Procedures, “use” does **not** include the following:

- Attendance and participation by members of the general public at events hosted by the District at Bond-financed facilities; and
- Activities conducted in any portion of a Bond-financed facility that was constructed, renovated, or improved using **other than** Bond proceeds.

In addition, the Code has some exceptions where use that would otherwise constitute private use is not counted as such. The two most important exceptions are as follows, which exceptions apply to a use that would be a private business use, but do not apply to a use that would be an unrelated trade or business (even if the Issuer receives no payment for such use):

- Any single contract for use with a term of less than 50 days (measured both annually and in the aggregate if its term encompasses multiple years) including all renewals, with a fee negotiated on an arms-length basis; and
- “Incidental Uses” (e.g., vending machine, pay phone, kiosks) if the same do not aggregate more than 2.5% of the bond-financed facilities and are not functionally related to other use of the facility by the same private user.

d. Annual Monitoring

Under the supervision of the Responsible Officer, until the final maturity date of an Issue of Bonds (or any Issue of refunding Bonds), personnel from the Issuer shall:

- Annually review the Tax Certificate for each respective Issue of Bonds until the final redemption of principal or maturity value of such Issue of Bonds;
- Monitor the use of Bond-financed facilities financed or refinanced with respect to each Issue of Bonds, taking care to ensure the use of such facilities is consistent with the Bond documents;
- Maintain records sufficient to ensure that the Issuer can accurately identify all of the facilities (including buildings, equipment, tangible property, etc.) that were financed or refinanced with proceeds from each Issue of Bonds (including discrete portions of each facility) and how such facilities were used;
- Consult with Bond Counsel and other professional advisors in review of any material contracts (including management contracts, leases, research contracts) that may result in additional private use of Bond-financed (or refinanced) facilities;
- For the duration of the Retention Period, maintain records in accordance with Section IV of these Procedures.

VI. Procedures for Correcting Non-Compliance

- a. Procedures exist for self-reporting and correcting any post-issuance compliance violations. If any non-compliance of applicable federal tax requirements is identified, the Responsible Officer shall immediately evaluate, with the assistance of Bond Counsel, the availability of the remedies provided under the Code, including Treasury Regulation 1.141-12 and other IRS guidance as to remediation of violations of Sections 103 and 141-150 of the Code, as well as the IRS Voluntary Closing Agreement Program. The District will comply with such procedures to the extent necessary to ensure that the interest on each Issue of Bonds remains excludable from gross income for federal income tax purposes.

List of Exhibits and Appendices

Exhibit A	Review Certificate
Exhibit B	Bond Issues
Exhibit C	Use of Bond Proceeds
Exhibit D	Private Business Use and Unrelated Trade or Business Use

Exhibit A

Annual Certification

On [DATE], I, [NAME], was appointed the Responsible Officer and assigned the responsibility of ensuring that Washington Township Health Care District has adhered to and complied with all of its post-issuance compliance obligations as enunciated in the Post-Issuance Tax Compliance Procedures (the "Procedures"), adopted [].

By signing this certificate, I affirm that I have reviewed the necessary documentation and performed the necessary review to confirm that between [DATE] and [DATE], the District was in compliance with all of its post-issuance compliance obligations as set forth in the Procedures and as described in each Tax Certificate.

Name
Date

Exhibit B

Bond Issues

\$49,275,000 Revenue Bonds Series 1999, issued May 5, 1999.

\$60,000,000 General Obligation Bonds, 2004 Election, 2006 Series A, issued December 14, 2006.

\$79,645,000 Refunding and Revenue Bonds, 2007 Series A, issued June 28, 2007.

\$25,000,000 General Obligation Bonds, 2004 Election, 2009 Series A, issued November 17, 2009.

\$55,000,000 Revenue Bonds, 2009 Series A, issued December 2, 2009.

\$60,725,000 Revenue Bonds, 2010 Series A, issued November 12, 2010.

\$105,000,000 2004 Election General Obligation Bonds, 2013 Series B, issued November 21, 2013.

\$40,500,000 2012 Election General Obligation Bonds, 2013 Series A, issued November 21, 2013.

\$145,500,000 2012 Election General Obligation Bonds, 2015 Series B, issued November 18, 2015.

\$30,290,000 Revenue Refunding Bonds, 2015 Series A, issued November 18, 2015.

\$30,725,000 2016 General Obligation Refunding Bonds, issued June 29, 2016.

\$37,655,000 Revenue Bonds, 2017 Series A, issued April 18, 2017.

\$66,690,000 Revenue Refunding Bonds, 2017 Series B, issued June 28, 2017.

\$49,445,000 Refunding and Revenue Bonds, 2019 Series A, issued July 2, 2019.

\$11,110,000 2019 General Obligation Refunding Bonds, issued July 2, 2019.

\$40,865,000 Revenue Refunding Bonds, 2020 Series A, issued December 16, 2020.

Exhibit C

Projects Financed with each Issue of Bonds

Refer to permanent files with District Facilities and to Bond Performance Audits issued annually.

Exhibit D

Private Business Use

PRELIMINARY OFFICIAL STATEMENT DATED MARCH [22], 2022

NEW ISSUE — BOOK-ENTRY ONLY

RATING:

Moody's: ___ (_____ Outlook)
See "RATING" herein

In the opinion of Nixon Peabody LLP, Bond Counsel, under existing law and assuming compliance with the tax covenants described herein, and the accuracy of certain representations and certifications made by the District described herein, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Bond Counsel is further of the opinion that interest on the Bonds is exempt from personal income taxes of the State of California (the "State") under present State law. See "TAX MATTERS" herein regarding certain other tax considerations.

**[\$[PAR AMOUNT]*
WASHINGTON TOWNSHIP HEALTH CARE DISTRICT
(Alameda County, California)
2020 Election General Obligation Bonds, 2022 Series A**

Dated: Date of Delivery

Due: August 1, as set forth on inside cover

The Washington Township Health Care District (Alameda County, California) 2020 Election General Obligation Bonds, 2022 Series A (the "Bonds") are being issued by the Washington Township Health Care District (the "District"), a local health care district located in Alameda County, California (the "County"). The Bonds were authorized at an election held in the District on November 3, 2020 (the "2020 Authorization"), at which the requisite two-thirds of the qualified electors voting on the proposition voted to authorize the issuance and sale of \$425,000,000 principal amount of general obligation bonds of the District. The Bonds are the first series of bonds being issued pursuant to the 2020 Authorization. Following the issuance of the Bonds, \$_____ of the 2020 Authorization remains to be issued. The Bonds are being issued for the purpose of financing health care facilities of the District authorized in the proposition, as more fully described herein.

The Bonds represent general obligations of the District payable from *ad valorem* taxes levied and collected by the County. The Bonds are not obligations of the County, the State of California or any of its political subdivisions, other than the District. The Board of Supervisors of the County is empowered and is obligated to levy *ad valorem* taxes upon all taxable property within the District, without limitation as to rate or amount, for the payment of principal of and interest on the Bonds when due. The Bonds are not secured by the revenues from the operations of the Washington Hospital Healthcare System, which includes Washington Hospital and certain other facilities described herein under the caption "THE DISTRICT."

Interest due on the Bonds is payable on February 1 and August 1 of each year, commencing February 1, 2023. Principal of the Bonds will be paid on August 1 in the years set forth on the inside cover page hereof. The Bonds will be issued in denominations of \$5,000 or integral multiples thereof and are payable as to principal amount or redemption price at the designated office of U.S. Bank Trust Company, National Association, San Francisco, California, as Paying Agent for the Bonds (the "Paying Agent").

The Bonds are issued in fully registered form and, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds as described herein under the caption "THE BONDS—General."

The Bonds are being sold by the District to the Underwriter identified below.

The Bonds are subject to optional redemption and mandatory sinking fund redemption, as described herein.*

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of this bond issue. Investors are instructed to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

Maturity Schedule
(See inside cover)

The Bonds are offered when, as and if received by the Underwriter, subject to prior sale and to the approval of legality by Nixon Peabody LLP, San Francisco, California, Bond Counsel. Certain legal matters for the District will be passed upon for the District by Mary K. Norvell, Attorney at Law, La Jolla, California, and for the Underwriter by its counsel, Norton Rose Fulbright US LLP, San Francisco, California. It is expected that the Bonds in definitive book-entry form will be available for delivery through the facilities of DTC in New York, New York, on or about _____, 2022.

BofA Securities

Date: _____, 2022

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

MATURITY SCHEDULE

**[\$[PAR AMOUNT]*
WASHINGTON TOWNSHIP HEALTH CARE DISTRICT
(Alameda County, California)
2020 Election General Obligation Bonds, 2022 Series A**

<u>Maturity Date (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CUSIP†</u>
	\$	%	%	

\$ _____ % Term Bonds due August 1, 20__; Priced to Yield _____%; CUSIP† _____

* Preliminary, subject to change.

† A registered trademark of The American Bankers Association. CUSIP data is provided by CUSIP Global Services (“CGS”), managed on behalf of The American Bankers Association by FactSet Research Systems Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP numbers have been assigned by an independent company not affiliated with the District or the Underwriter and are provided for convenience of reference only. Neither the District nor the Underwriter assumes any responsibility for the selection or accuracy of such numbers.

This Official Statement does not constitute an offer to sell the Bonds or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any state or other jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale in such state or jurisdiction. No dealer, salesman or any other person has been authorized to give any information or to make any representation other than those contained herein in connection with the offering of the Bonds, and, if given or made, such information or representation must not be relied upon.

The information relating to DTC and the book-entry system set forth herein under the caption “THE BONDS—General” and in Appendix E hereto has been furnished by DTC. Such information is believed to be reliable but is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriter or the District. All other information set forth herein has been obtained from the District and other sources that are believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriter. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Bonds made hereunder shall create under any circumstances any indication that there has been no change in the affairs of the District or DTC since the date hereof. This Official Statement is being provided to prospective investors in connection with the issuance of securities referred to herein and may not be used, in whole or in part, for any other purpose. The Underwriter has provided the following sentence for inclusion in this Official Statement. *The Underwriter has reviewed the information in this Official Statement in accordance with and as part of its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.*

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS OFFERED HEREBY AT LEVELS ABOVE THAT WHICH OTHERWISE MIGHT PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

CAUTIONARY STATEMENTS REGARDING
FORWARD-LOOKING STATEMENTS IN
THIS OFFICIAL STATEMENT

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements.” Such statements generally are identifiable by the terminology used, such as “plan,” “expect,” “estimate,” “budget” or other similar words. Such forward-looking statements include but are not limited to certain statements contained in the information under the caption “ESTIMATED SOURCES AND USES OF FUNDS” in the forepart of this Official Statement.

The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The District does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur.

The District maintains a website. However, the information presented on that website is not part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds. The references to internet websites in this Official Statement are shown for reference and convenience only; unless explicitly stated to the contrary, the information contained within the websites is not incorporated herein by reference and does not constitute part of this Official Statement.

WASHINGTON TOWNSHIP HEALTH CARE DISTRICT

Board of Directors

<u>Director</u>	<u>Term Expires</u>
Jeanette Yee, R.N., President	November 2024
Bernard Stewart, D.D.S., First Vice President	November 2022
Michael J. Wallace, Second Vice President	November 2022
William F. Nicholson, M.D., Secretary	November 2024
Jacob Eapen, M.D., Treasurer	November 2022

District Officials

Kimberly Hartz, Chief Executive Officer
Ed Fayen, Executive Vice President and Chief Operating Officer
Christopher N. Henry, Vice President and Chief Financial Officer
Larry LaBossiere, Vice President and Chief Nursing Officer
Tina Nunez, Vice President of Ambulatory and Administrative Services

Bond Counsel

Nixon Peabody LLP
San Francisco, California

District Counsel

Mary K. Norvell, Attorney at Law
La Jolla, California

Paying Agent

U.S. Bank Trust Company, National Association
San Francisco, California

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OFFICIAL STATEMENT

[\$[PAR AMOUNT]*
WASHINGTON TOWNSHIP HEALTH CARE DISTRICT
(Alameda County, California)
2020 Election General Obligation Bonds, 2022 Series A

INTRODUCTORY STATEMENT

The following introductory statement is subject in all respects to the more complete information set forth in this Official Statement. The order and placement of materials in this Official Statement, including the appendices, are not to be deemed to be a determination of relevancy, materiality or relative importance, and this Official Statement, including the cover page, inside cover page and appendices, must be considered in its entirety. The descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive and are qualified in their entirety by reference to each document. All capitalized terms used in this Official Statement and not otherwise defined herein have the same meaning as in the Bond Resolution (as defined below).

Purpose of this Official Statement

This Official Statement, including the cover page, the inside cover page and the appendices hereto, is provided to furnish information in connection with the sale and delivery of \$[PAR AMOUNT]* aggregate principal amount of Washington Township Health Care District (Alameda County, California) 2020 Election General Obligation Bonds, 2022 Series A (the “Bonds”).

The District

Washington Township Health Care District (the “District”) is a local health care district, formed in 1948, and organized pursuant to Division 23 of the Health and Safety Code (the “Local Health Care District Law”) of the State of California (the “State”). The District’s boundaries encompass an area of approximately 124 square miles in southern Alameda County (the “County”). The District operates the Washington Hospital Healthcare System, which consists of Washington Hospital, a 415-bed acute care hospital located in Fremont, California (the “Hospital”), an urgent care center, primary care and multi-specialty outpatient clinics, an outpatient surgery center, an outpatient rehabilitation center, a radiation oncology center, a lymphedema clinic, a center for wound care and hyperbaric medicine, and an outpatient diabetes center. Included within the District’s boundaries are the cities of Fremont, Newark and Union City, the southern portion of the City of Hayward and the unincorporated area known as Sunol. For more information, see “THE DISTRICT” herein.

Authority for Issuance of the Bonds

At an election held on November 3, 2020, more than two-thirds of the votes cast by eligible voters within the District authorized the District to issue up to \$425,000,000 of general obligation bonds for certain capital projects (“Measure XX”). The Bonds constitute the first series of bonds issued under Measure XX. Following the issuance of the Bonds, the District will have \$_____ remaining general obligation bonds unissued under Measure XX.

* Preliminary, subject to change.

The Bonds are issued pursuant to Resolution No. _____, adopted by the Board of Directors of the District (the “District Board”) on _____, 2022 (the “Bond Resolution”), and pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State. The Bonds will be sold by the District to BofA Securities, Inc. (the “Underwriter”), as described under “UNDERWRITING” herein.

The proceeds from the sale of the Bonds will be applied pursuant to certain provisions of the Paying Agent Agreement, dated as of _____, 2022 (the “Paying Agent Agreement”), by and between the District and U.S. Bank Trust Company, National Association, San Francisco, California, as Paying Agent for the Bonds (the “Paying Agent”), as described under “INTRODUCTORY STATEMENT—Application of the Bond Proceeds.”

Security for the Bonds

The Bonds represent general obligations of the District payable from *ad valorem* taxes. The Board of Supervisors of the County shall levy and collect annually *ad valorem* taxes upon all taxable property within the District for the payment of the principal of and interest on the Bonds. See “PROPERTY TAX INFORMATION” herein. The Bonds are not obligations of the County, the State or any of its political subdivisions, other than the District. The Bonds are not secured by the revenues from the operations of the Washington Hospital Healthcare System, which includes the Hospital and certain other facilities described herein under the caption “THE DISTRICT.” As of March 1, 2022, the District has other outstanding general obligation bonds issued pursuant to prior elections. See “PROPERTY TAX INFORMATION—Direct and Overlapping Debt” below.

Purpose of the Bonds

Proceeds from the Bonds will be used [to complete a portion of the construction necessary to make the Hospital earthquake-safe and ensure the hospital remains open and accessible to provide life-saving care during a major disaster, and to provide modern operating rooms, intensive care for infants and modern patient facilities, as specified in Measure XX, and pay costs of issuance associated with the Bonds].

Application of the Bond Proceeds

A portion of the proceeds from the sale of the Bonds will be deposited with the Paying Agent, into an account designated as the “Washington Township Health Care District General Obligation Bonds Series 2022 Building Fund,” which will be established by the Paying Agent and maintained as a special account (the “Building Fund”). The District will, from time to time, disburse or order the Paying Agent in writing to disburse amounts from the Building Fund to pay the costs of the capital improvement projects to be undertaken with the proceeds of the sale of the Bonds. Amounts in the Building Fund will be invested at the written direction of the District so as to be available for the aforementioned disbursements. The District will keep a written record of disbursements from the Building Fund.

A portion of the proceeds from the sale of the Bonds will be deposited with the Paying Agent, into an account designated as the “Washington Township Health Care District General Obligation Bonds Series 2022 Costs of Issuance Fund,” which will be established by the Paying Agent and maintained as a special account (the “Costs of Issuance Fund”). The District will, within six months of the date of delivery of the Bonds, disburse amounts from the Costs of Issuance Fund to pay Costs of Issuance. Amounts in the Costs of Issuance Fund will be held uninvested so as to be available for such disbursements. The Paying Agent will keep a written record of disbursements from the Costs of Issuance Fund. On the date which is six months following the date of issuance of the Bonds, or upon the earlier request of the District, any amount

remaining in the Costs of Issuance Fund will be transferred by the Paying Agent to the Interest and Sinking Fund, and the Costs of Issuance Fund will be closed.

Any excess original issue premium received by the District that is not required to pay costs of issuance on the Bonds will be deposited into the Interest and Sinking Fund.

Investment of Proceeds

Pursuant to the Bond Resolution, the proceeds of the Bonds will be deposited into the Building Fund to be held by the Paying Agent as a separate trust account on behalf of the District and invested in those certain investments authorized for public agencies under Section 53601 of the Government Code of the State.

ESTIMATED SOURCES AND USES OF FUNDS

The District expects to apply the proceeds from the Bonds as follows:

<u>Sources of Funds</u>	
Par Amount of Bonds	\$
Original Issue Premium/Discount	_____
Total	\$ =====
<u>Uses of Funds</u>	
Deposit to Building Fund	
Costs of Issuance ⁽¹⁾	
Deposit to Interest and Sinking Fund	_____
Total	\$ =====

⁽¹⁾ Includes Underwriter’s discount, Paying Agent fees, legal, printing and other miscellaneous issuance expenses.

THE BONDS

General

The Bonds will be issued in book-entry form only and will be initially issued and registered in the name of Cede & Co. as nominee for The Depository Trust Company (“DTC”). Purchasers will not receive certificated securities representing their interests in the Bonds.

Interest on the Bonds accrues from their date of delivery and is payable semiannually on February 1 and August 1 of each year (each, a “Bond Payment Date”), commencing February 1, 2023. Interest on the Bonds shall be computed on the basis of a 360-day year of twelve 30-day months. Each Bond shall bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before January 15, 2023, in which event, it shall bear interest from the date of delivery of the Bonds. The Bonds are issuable in authorized denominations of \$5,000 or any

integral multiple thereof. The Bonds mature on August 1 in the years and amounts set forth on the inside cover page hereof.

Payment of interest on any Bond on any Bond Payment Date shall be made to the person appearing on the registration books of the Paying Agent as the Owner thereof as of the day concluding at the close of business on the 15th calendar day of the calendar month next preceding such Bond Payment Date (the “Record Date”), such interest to be paid by check mailed to such Owner on the Bond Payment Date, at his address as it appears on such registration books or at such other address as he may have filed with the Paying Agent for that purpose on or before the Record Date. Any Owner of Bonds in an aggregate principal amount of \$1,000,000 or more may request in writing to the Paying Agent that such Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. Payments of defaulted interest shall be payable to the person in whose name such Bond is registered at the close of business on a special record date fixed therefor by the Paying Agent which shall not be more than fifteen days and not less than ten days prior to the date of the proposed payment of defaulted interest. The principal and redemption premiums, if any, payable on the Bonds shall be payable upon maturity or redemption upon surrender at the principal office of the Paying Agent. The interest, principal amount and redemption premium, if any, on the Bonds shall be payable in lawful money of the United States of America. The Paying Agent is authorized to pay the Bonds when duly presented for payment at maturity or upon redemption and to cancel all Bonds upon payment thereof.

So long as Cede & Co. is the registered Owner of the Bonds, as nominee for DTC, references in the Official Statement to “Owner” or registered owners of the Bonds (other than under the caption “TAX MATTERS” and the statement on the cover of this Official Statement regarding interest on the Bonds being excludable from gross income) shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of such Bonds. The District and the Paying Agent shall treat the registered Owner of the Bonds (which will be DTC so long as the book-entry system is in effect) as the absolute owner of the Bonds for the purposes of payment of debt service, giving all notices of redemption and all other matters with respect to the Bonds solely to DTC.

For a description of the method of payment of principal and premium, if any, of and interest on the Bonds and matters pertaining to their exchange while the book-entry system is in place, see APPENDIX E – “BOOK-ENTRY SYSTEM.”

Redemption*

Optional Redemption. The Bonds maturing on and after August 1, 20__ are subject to redemption prior to their stated maturities, at the option of the District, from any source of available funds, in whole, or in part, on August 1, 20__, or on any date thereafter at the principal amount thereof, without premium, together with interest accrued thereon to the date of redemption.

If less than all the Outstanding Bonds are to be optionally redeemed, the Paying Agent, upon written instructions from the District given at least 30 days but no more than 60 days prior to the date designated for such redemption, shall select Bonds for redemption in the order directed by the District or, in the event no direction is given, in inverse order of maturity. Within a maturity, the Paying Agent shall select Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that the portion of any Bond to be redeemed in part shall be in the principal amount of \$5,000 or any integral multiple thereof.

* Preliminary, subject to change.

Mandatory Sinking Fund Redemption. The Bonds maturing on August 1, 20__ are subject to redemption prior to their stated maturity from mandatory sinking fund payments on August 1 of each year, beginning August 1, 20__ at a redemption price equal to the respective principal amounts thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amounts of such Bonds to be so redeemed and the dates therefor and the final principal payment date are as indicated in the following table:

Bond due August 1, 20__

Redemption Date (August 1)	Mandatory Sinking Fund Payment
-------------------------------	-----------------------------------

\$

†

† Maturity.

Notice of Redemption. Notice of redemption of any Bonds shall be mailed, postage prepaid, not less than 20 nor more than 60 days prior to the redemption date by first class mail to the respective Owners thereof at the addresses appearing on the bond registration books maintained by the Paying Agent. In the event that the Bonds shall no longer be held in book-entry only form, at least two days before the date of the notice required by the foregoing sentence, such Redemption Notice shall be given by (i) first class mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service, to the Depository.

Each notice of redemption shall contain all of the following information: (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the principal amount of such Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part. Such notice of redemption shall further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed the redemption price thereof, together with the interest accrued to the redemption date, and that from and after such date, interest thereon shall cease to accrue and be payable.

The District may rescind any optional redemption and any notice thereof for any reason on any date prior to the date fixed for such optional redemption by causing written notice of the rescission to be given to the Owners of those Bonds so called for redemption. Any optional redemption and any notice thereof shall be rescinded if for any reason on the date fixed for redemption moneys are not available in the Interest and Sinking Fund or otherwise held in trust in an escrow fund established for such purpose in an amount sufficient to pay in full on said date the principal of and interest due on the Bonds called for redemption. Notice of rescission shall be given in the same manner in which notice of redemption was originally given.

Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Bonds shall

bear the CUSIP number identifying, by series and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Upon the surrender of any Bond redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bonds surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the District shall be released and discharged thereupon from all liability to the extent of such payment.

Notice having been given as aforesaid, and the moneys for the redemption (including the interest to the applicable date of redemption) having been set aside in the Interest and Sinking Fund, the Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Bonds to be redeemed as provided in the Bond Resolution, together with interest to such redemption date, shall be held by or on behalf of the Paying Agent so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given as provided in the Bond Resolution, then from and after such redemption date, interest with respect to the Bonds to be redeemed shall cease to accrue and become payable. All money held by or on behalf of the Paying Agent for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of the Bond Resolution shall be canceled upon surrender thereof and be delivered to or upon the order of the District. All or any portion of a Bond purchased by the District shall be canceled by the Paying Agent upon written notice by the District given to the Paying Agent.

Defeasance

Bonds may be paid and discharged in any one or more of the following ways:

(a) by paying or causing to be paid the principal of and interest on all Bonds Outstanding, as and when the same become due and payable;

(b) by depositing with the Paying Agent, in trust, at or before maturity, cash that, together with amounts then on deposit in the Interest and Sinking Fund, together with the interest to accrue thereon and on any such moneys, obligations or securities as may be permitted by the laws of the State to be deposited for the purpose of refunding the Bonds, without the need for further investment, is fully sufficient to pay all Bonds Outstanding at maturity or on any redemption date prior thereto, including all interest thereon, notwithstanding that any Bonds shall not have been surrendered for payment; or

(c) by depositing with an institution that meets the requirements for serving as a Paying Agent as further described in the Paying Agent Agreement, in trust, lawful moneys or obligations issued by the United States Treasury (including State and Local Government Series Obligations) or obligations that are unconditionally guaranteed by the United States of America and permitted under Section 149(b) of the Internal Revenue Code and accompanying Treasury Regulations and that, in the opinion of Bond Counsel, will not impair the exclusion from gross income for federal income tax purposes of interest on the Bonds, in such amount as will, in the opinion of an independent certified public accountant, together with the interest to accrue thereon, but without the need for further investment, be fully sufficient to pay and discharge all Bonds Outstanding at maturity or on any redemption date prior thereto, including all interest thereon, notwithstanding that any Bonds shall not have been surrendered for payment.

Upon defeasance of all Bonds Outstanding, all obligations of the District and the Paying Agent under the Bond Resolution with respect to the Bonds shall cease and terminate, except only the obligation of the Paying Agent to pay or cause to be paid from funds described above to the Owners of the Bonds all sums due thereon.

Paying Agent

As long as DTC's book-entry system is used for the Bonds, the Paying Agent will send any notice of redemption or other notices to Owners only to DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity or sufficiency of the proceedings relating to the redemption of the Bonds called for redemption or of any other action premised on such notice.

The Paying Agent, the District and the Underwriter of the Bonds have no responsibility or liability for any aspects of the records relating to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership, of interests in the Bonds.

So long as the outstanding Bonds are registered in the name of Cede & Co. or its registered assigns, the Paying Agent and the District shall cooperate with Cede & Co., as sole Registered Owner, or its registered assigns in effecting payment of the principal of and interest on the Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

Registration, Transfer and Exchange of Bonds

If the book-entry system described in Appendix E is no longer used with respect to the Bonds, the District shall cause the Paying Agent to maintain and keep at its principal corporate trust office all books and records necessary for the registration, exchange and transfer of the Bonds (the "Bond Register"). While such book-entry system is in effect, the Bonds will be represented by one bond for each maturity of the Bonds registered in the name of Cede & Co., as nominee for DTC (the "Nominee").

The person in whose name a Bond is registered on the Bond Register shall be regarded as the absolute owner of that Bond. Payment of or on account of the principal of and interest on any Bond shall be made only to or upon the order of that person; neither the District nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in the Bond Resolution. All such payments shall be valid and effectual to satisfy and discharge the District's liability upon the Bonds, including interest, to the extent of the amount or amounts so paid.

Any Bond may be exchanged for Bonds of the same tenor and principal amount and in any authorized denomination upon presentation and surrender at the principal corporate trust office of the Paying Agent, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. In the event that the District determines to no longer maintain the book-entry only status of the Bonds, DTC determines to discontinue providing such services and no successor securities depository is named, or DTC requests the District to deliver Bond certificates to particular DTC Participants, any Bond may, in accordance with its terms, be transferred upon the Bond Register by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed.

Neither the District nor the Paying Agent will be required: (i) to exchange or transfer any Bonds during a period beginning with (a) the opening of business on the 15th Business Day next preceding any Bond Payment Date or (b) any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given, or (ii) to transfer any Bonds that have been selected or called for redemption in whole or in part.

SECURITY FOR THE BONDS

The Bonds represent general obligations of the District payable as to principal, premium, if any, and interest from *ad valorem* property taxes levied on taxable property located within the boundaries of the District. Pursuant to Section 32312 of the Local Health Care District Law, the County shall levy and collect annually *ad valorem* taxes upon all taxable property within the District for the payment of the principal of and interest on the Bonds. Such taxes shall be collected by the County and transferred by the County to the District to be used for payment of the principal of and interest on the Bonds by the Paying Agent. Pursuant to the provisions of the Paying Agent Agreement, the County will be directed to transfer such taxes twice each year. The Paying Agent, pursuant to the Paying Agent Agreement, shall deposit all such taxes received from the County into the Interest and Sinking Fund held by the Paying Agent, which is required to be used by the Paying Agent solely for the payment of the principal or redemption price of and interest on the Bonds when due. Although the County is obligated to levy an *ad valorem* tax for the payment of the Bonds, the Bonds are not obligations of the County, the State or any of its political subdivisions, other than the District.

The moneys in the Interest and Sinking Fund are pledged to the payment of principal and redemption price of and interest on the Bonds. Amounts on deposit in the Interest and Sinking Fund, to the extent necessary to pay the principal of and interest on the Bonds as the same become due and payable, shall be transferred by the Paying Agent on or before each Bond Payment Date and each redemption date to DTC for remittance by DTC to its Participants for subsequent disbursement to the Beneficial Owners of the Bonds.

Each fiscal year, the District, in conjunction with the County Assessor, determines the levy rate that is expected to permit the County to collect *ad valorem* property taxes in an amount sufficient to pay principal and interest coming due on the Bonds in that fiscal year. In the event there is a shortfall in the collection of *ad valorem* property taxes to pay principal of and interest on the Bonds, the District is required by Section 32127 of the Local Health Care District Law to use moneys in its maintenance and operation fund to make up any shortfall. The District anticipates that *ad valorem* property taxes will be sufficient to pay the Bonds when due. The Bonds are payable from revenues in the District's maintenance and operation fund only in the event there is a shortfall in *ad valorem* property taxes, but the Bonds are not secured by the revenues from the operations of the Washington Hospital Healthcare System, which includes the Hospital and certain other facilities described herein under the caption "THE DISTRICT." Prospective investors, therefore, should base their investment decision solely on the property tax information relating to the District.

ANNUAL DEBT SERVICE REQUIREMENTS

The following table sets forth for each year ending August 1 the amounts required to be made available for the payment of principal due on the Bonds, the payment of interest on the Bonds, including by mandatory sinking account redemption, the total annual debt service on the Bonds, the total annual debt service for all of the District's prior general obligation bonds, and the total annual debt service for all of the District's general obligation bonds upon the issuance of the Bonds.

Year Ending (August 1)	Principal	Interest	Total Debt Service on Bonds	Total Debt Service on all Prior General Obligation Bonds ⁽¹⁾	Total Debt Service
\$	\$	\$	\$	\$	\$

⁽¹⁾ Comprising the 2013 Series A Bonds, the 2013 Series B Bonds, the 2015 Series B Bonds, the 2016 Bonds and the 2019 Bonds.

CONTINUING DISCLOSURE

Pursuant to a Continuing Disclosure Agreement, dated the date of issuance and delivery of the Bonds (the “Continuing Disclosure Agreement”), with Hilltop Securities Inc., as dissemination agent (the “Dissemination Agent”), the District has covenanted for the benefit of Owners of the Bonds (including Beneficial Owners of the Bonds) to provide for dissemination by the Dissemination Agent of (i) certain financial information and operating data relating to the District (each, an “Annual Report”) by not later than six months following the end of the District’s fiscal year (which date would be January 1 following the end of the District’s fiscal year on the prior June 30), commencing with the report for the 2021-22 Fiscal Year, and (ii) notices of the occurrence of certain listed events. The Annual Report and notices of listed events shall be filed by the Dissemination Agent, in electronic form, with the Electronic Municipal Market Access system (“EMMA”) of the Municipal Securities Rulemaking Board (the “MSRB”). Additionally, the District has agreed to provide for dissemination by the Dissemination Agent to the MSRB of certain quarterly unaudited financial statements by not later than 75 days after the end of each of the District’s first three fiscal quarters. The specific nature of the information to be contained in the Annual Report, the notices of listed events and the quarterly unaudited financial statements is included in Appendix C. These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission (“Rule 15c2-12”).

During the past five years the District has not failed to comply, in any material respect, with any prior continuing disclosure undertaking made by the District for purposes of Rule 15c2-12. A failure by the District to comply with any provision of the Continuing Disclosure Agreement will not constitute a default or an Event of Default under the Bond Resolution.

For a more complete description of the content, time, and place of filing of Annual Reports, the circumstances under which provisions of the Continuing Disclosure Agreement may be amended or waived, when Beneficial Owners of the Bonds are entitled to take action to enforce the Continuing Disclosure Agreement, limitations on enforcement of the Continuing Disclosure Agreement, and other provisions of the Continuing Disclosure Agreement, see APPENDIX C – “FORM OF CONTINUING DISCLOSURE AGREEMENT.”

Although not required by the terms of the Continuing Disclosure Agreement or any existing continuing disclosure agreements, it is currently the District’s policy to post certain information related to its board meetings on its website (<http://www.whhs.com/About/Board-of-Directors.aspx>). Such website is not incorporated by reference herein. The District routinely posts certain notices, meeting agendas and board packages, and the board packages often include financial information and operating data not required to be disseminated under the Continuing Disclosure Agreement or any existing continuing disclosure agreements. There can be no assurance that the District will continue this policy in the future.

PROPERTY TAX INFORMATION

Ad Valorem Property Taxation

As required by State law, the District utilizes the services of the County for the assessment and collection of taxes for District purposes. District taxes are collected at the same time and on the same tax roll as are County, school district, city and other special district taxes. Taxes are levied by the County for each fiscal year on taxable property within the District as of the preceding January 1. See “—Tax Collection Procedure” below.

The amount of the annual *ad valorem* property tax levied by the County to repay the Bonds will be based on the amount of debt service due on the Bonds. The District is required to calculate the tax rate on an annual basis based on the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds. Subsequent to calculation of the tax rate, in accordance with County policy, the District Board will adopt a resolution on an annual basis notifying the County of the tax rate established. The County is required, in turn, to levy and collect the *ad valorem* property taxes and transfer such *ad valorem* property taxes to the Paying Agent as described above. See “SECURITY FOR THE BONDS” above.

A reduction in the assessed valuation of taxable property located in the District, such as may be caused by economic recession, global pandemics such as COVID-19, deflation of land values, a relocation out of the District by one or more major property owners, reclassification of property to a class exempt from taxation, or the complete or partial destruction of such property caused by, among other events, an earthquake, flood, fire (including wildfire) or other natural disaster, could cause a reduction in the assessed value of taxable property in the District and necessitate an unanticipated increase in the annual tax levy necessary to pay debt service on the Bonds.

Assessed Valuations

The assessed valuation of property in the District, except for public utility property, which is assessed by the State Board of Equalization, is established by the County Assessor. Assessed valuations are reported at 100% of the “full value” of the property, as defined in Article XIII A of the State Constitution. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS.” Assessed value is not the same as market value and is subject to annual adjustments by the County Assessor.

Certain classes of property, such as churches, nonprofit and public colleges, universities and hospitals, charitable institutions and governmental property, are exempt from property taxation and do not appear on the tax rolls.

Property located within the District has a total taxable assessed valuation for fiscal year 2021-22 of \$86,189,466,312. The following table presents the ten-year history of assessed valuations in the District.

Assessed Valuations⁽¹⁾
Fiscal Years 2012-13 through 2021-22

	Secured ⁽²⁾	Utility	Unsecured	Total
2012-13	\$45,444,586,052	\$69,762,532	\$3,208,232,297	\$48,722,580,881
2013-14	47,919,053,313	61,591,784	3,083,746,399	51,064,391,496
2014-15	51,176,728,941	54,715,589	3,169,676,316	54,401,120,846
2015-16	54,714,762,586	54,715,589	3,705,209,623	58,474,687,798
2016-17	60,051,035,454	5,900,339	3,244,641,349	63,301,577,142
2017-18	64,190,916,900	11,912,936	3,497,496,387	67,700,326,223
2018-19	68,985,855,532	11,912,936	3,446,379,217	72,444,147,685
2019-20	73,708,350,985	11,912,936	3,737,741,274	77,458,005,195
2020-21	78,080,367,556	10,877,936	4,275,321,291	82,366,566,783
2021-22	81,580,047,685	15,159,854	4,594,258,773	86,189,466,312

⁽¹⁾ All years shown at full cash value and include secured, unsecured and utility property.

⁽²⁾ Includes homeowner exemptions, but excludes other exemptions, such as veterans and welfare benefits. The total homeowner exemption for 2021-22 is \$392,183,400. (Source: Office of the Assessor, Alameda County 2021-22 Fund Report)

Source: California Municipal Statistics, Inc.

The following table shows the assessed valuation of real property on the secured tax rolls within the District and the number of parcels by land use for fiscal year 2021-22.

Assessed Valuation and Parcels by Land Use
(Secured Tax Rolls)
Fiscal Year 2021-22

	2021-22 Assessed Valuation ⁽¹⁾	% of Total	No. of Parcels	% of Total
Non-Residential:				
Agricultural/Rural	\$ 305,032,142	0.37%	410	0.42%
Commercial/Office	5,697,122,786	6.98	1,490	1.53
Vacant Commercial	114,049,187	0.14	107	0.11
Industrial	13,337,711,137	16.35	1,688	1.73
Vacant Industrial	396,618,953	0.49	181	0.19
Recreational	117,420,512	0.14	30	0.03
Government/Social/Institutional	282,998,266	0.35	387	0.40
Subtotal Non-Residential	\$20,250,952,983	24.82%	4,293	4.41%
Residential:				
Single-Family Residence	\$46,774,225,650	57.34%	70,627	72.50%
Condominium/Townhouse	9,303,394,421	11.40	19,516	20.03
Mobile Home	31,833,341	0.04	672	0.69
Mobile Home Park	39,338,667	0.05	11	0.01
2-4 Residential Units	601,089,096	0.74	977	1.00
5+ Residential Units/Apartments	3,388,728,003	4.15	363	0.37
Vacant Residential	1,190,485,524	1.46	951	0.98
Subtotal Residential	\$61,329,094,702	75.18%	93,117	95.59%
Total	\$81,580,047,685	100.00%	97,410	100.00%

⁽¹⁾ Local Secured Assessed Valuation; excluding tax-exempt property.

Source: California Municipal Statistics, Inc.

The table below shows the fiscal year 2021-22 aggregate average and median assessed valuations of single-family homes within the District and a breakdown of single-family homes by assessed valuation range.

**Per Parcel Assessed Valuation of Single-Family Homes
Fiscal Year 2021-22**

	No. of Parcels	2021-22 Assessed Valuation		Average Assessed Valuation	Median Assessed Valuation	
Single-Family Residential	70,627	\$46,774,225,650		\$662,271	\$580,180	

Assessed Valuation ⁽¹⁾	No. of Parcels ⁽¹⁾	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
\$0 - \$99,999	4,951	7.010%	7.010%	\$ 357,792,685	0.765%	0.765%
\$100,000 - \$199,999	5,032	7.125	14.135	746,894,987	1.597	2.362
\$200,000 - \$299,999	5,852	8.286	22.421	1,480,352,699	3.165	5.527
\$300,000 - \$399,999	7,489	10.604	33.024	2,623,434,936	5.609	11.135
\$400,000 - \$499,999	6,744	9.549	42.573	3,025,048,731	6.467	17.603
\$500,000 - \$599,999	6,402	9.065	51.637	3,516,101,701	7.517	25.120
\$600,000 - \$699,999	5,790	8.198	59.835	3,757,644,656	8.034	33.153
\$700,000 - \$799,999	5,559	7.871	67.706	4,169,353,250	8.914	42.067
\$800,000 - \$899,999	5,188	7.346	75.052	4,403,348,788	9.414	51.481
\$900,000 - \$999,999	4,342	6.148	81.200	4,114,774,957	8.797	60.278
\$1,000,000 - \$1,099,999	3,025	4.283	85.483	3,165,201,730	6.767	67.045
\$1,100,000 - \$1,199,999	2,298	3.254	88.737	2,634,907,122	5.633	72.679
\$1,200,000 - \$1,299,999	1,767	2.502	91.238	2,202,657,379	4.709	77.388
\$1,300,000 - \$1,399,999	1,434	2.030	93.269	1,932,921,095	4.132	81.520
\$1,400,000 - \$1,499,999	1,108	1.569	94.838	1,604,361,222	3.430	84.950
\$1,500,000 - \$1,599,999	818	1.158	95.996	1,266,366,710	2.707	87.658
\$1,600,000 - \$1,699,999	666	0.943	96.939	1,095,478,341	2.342	90.000
\$1,700,000 - \$1,799,999	468	0.663	97.601	817,180,153	1.747	91.747
\$1,800,000 - \$1,899,999	378	0.535	98.137	698,751,831	1.494	93.241
\$1,900,000 - \$1,999,999	267	0.378	98.515	520,389,902	1.113	94.353
\$2,000,000 and greater	1,049	1.485	100.000	2,641,262,775	5.647	100.000
Total	70,627	100.000%		\$46,774,225,650	100.000%	

⁽¹⁾ Improved single-family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics, Inc.

Tax Collection Procedure

Taxes are levied for each fiscal year on taxable real and personal property on the tax rolls as of the preceding January 1. Real property that changes ownership or is newly constructed is required to be revalued at the time the change occurs or the construction is completed. The current year property tax rate is applied to the reassessed value, and the taxes are then adjusted by a proration factor that reflects the portion of the remaining tax year for which taxes are due.

For assessment and collection purposes, property is classified either as “secured” or “unsecured” and is listed accordingly on separate parts of the assessment roll. The “secured roll” contains real property (land and improvements), certain taxable personal property (such as business equipment on business-owned property), and possessory interests (a leasehold on otherwise exempt government property). The “unsecured roll” contains taxable property that is not secured by the underlying real property, the majority

of which is business equipment on leased or rented premises, and other taxable personal property such as boats and aircraft, as well as delinquent possessory interests. The balance of personal property has been exempted by State law from property taxes.

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each year. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. Property on the secured roll with respect to which taxes are delinquent becomes tax defaulted on June 30. Such property may thereafter be redeemed by payment of the delinquent property taxes, plus a penalty of 1.5% per month to the time of redemption, plus costs and a redemption fee. If taxes are unpaid for a period of five years or more, the property is subject to auction sale by the County's Treasurer-Tax Collector.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent on August 31. A 10% penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid at 5:00 p.m. on October 31, an additional penalty of 1.5% attaches to them on the first day of each month until paid. The County has four ways of collecting delinquent unsecured personal property taxes: (1) bringing a civil action against the taxpayer; (2) filing a certificate in the office of the Clerk of the County specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) filing a certificate of delinquency for recordation in the County Recorder's office in order to obtain a lien on certain property of the taxpayer; and (4) seizing and selling personal property, improvements, or possessory interests belonging or assessed to the taxpayer.

Property tax delinquencies may be impacted by economic and other factors beyond the District's control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the District, including (but not limited to) high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result of the COVID-19 or other pandemic or natural or manmade disaster, such as earthquake, drought, wildfires and fires. It is not possible for the District to make any representation regarding the extent to which an economic recession or depression, stemming from the effects of COVID-19 or otherwise, could impact the ability or willingness of property owners within the District to pay property taxes in the future. For more information on the impact of the COVID-19 pandemic, see "—Ongoing Impacts of COVID-19" herein. If delinquencies increase substantially as a result of the unprecedented events of the COVID-19 pandemic or other events outside the control of the District, the County does have the authority to increase allowances for annual reserves in the tax levy to avoid fluctuating tax levies.

On October 5, 1993, the County adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan") as provided in Section 4701 *et seq.* of the Revenue and Taxation Code of the State. Generally, the Teeter Plan provides for a tax distribution procedure in which secured roll taxes are distributed to local participating taxing agencies within the County on the basis of the full amount of the current tax levy, rather than on the basis of actual current tax collections less delinquencies. The County then receives and retains any excess delinquent tax payments, penalties and interest. The District is not a local participating taxing agency under the Teeter Plan. As such, any excess delinquent tax payments, penalties and interest, when received, will be allocated to the District based on its pro rata share of the delinquent property tax.

The following table lists the secured tax charges and delinquencies for the District for fiscal years 2016-17 through 2020-21.

**Secured Tax Charges and Delinquencies
Fiscal Years 2016-17 through 2020-21**

Fiscal Year	Secured Tax Charge ⁽¹⁾	Amount Delinquent (June 30 th)	% Delinquent
2016-17	\$15,203,926.97	\$ 96,306.56	0.63%
2017-18	15,499,643.76	75,129.56	0.48
2018-19	16,639,097.15	85,539.53	0.51
2019-20	16,204,291.73	111,923.69	0.69
2020-21	16,575,069.72	95,641.69	0.58

⁽¹⁾ District’s general obligation bond debt service levy for the 2006 Series Bonds, the 2009 Series Bonds, the 2013 Series A, the 2013 Series B, the 2015 Series B, the 2016 Series and the 2019 Series Bonds.

Source: California Municipal Statistics, Inc.

Proposition 8 Reductions and Appeals to Assessed Value

In November 1978, State voters passed as an amendment to Article XIII A of the California Constitution, Proposition 8, which provides that property owners are entitled to an assessment based on the lower of the fair market value of their property as of the lien date (January 1), or the assessed value as determined at the time of purchase or construction, and increased by no more than two percent annually. As a matter of policy and in accordance with Proposition 8, the County Assessor for Alameda County (“County Assessor”) has proactively responded to declining market values by temporarily reducing assessed values during those periods of market decline. The County Assessor may also adjust valuations independently, without a taxpayer appeal. Property owners may also appeal the Proposition 13 base assessment of a property. Although less frequently filed, such appeals, if successful, can permanently reduce the enrolled valuation of property until it is sold. See the table entitled “Assessed Valuation” under “PROPERTY TAX INFORMATION—Assessed Valuations” above.

Tax Rate and Collection Record

The following table sets forth a typical aggregate tax rate for property within the District for fiscal years 2017-18 through 2021-22.

**Typical Aggregate Tax Rate (TRA 12-013)⁽¹⁾
Fiscal Years 2017-18 through 2021-22**

<u>Fiscal Year</u>	<u>Percentage Against Assessed Value</u>
2017-18	1.1641%
2018-19	1.1706
2019-20	1.1699
2020-21	1.1609
2021-22	1.1322

⁽¹⁾ 2021-22 assessed valuation of TRA 12-013 is \$11,498,946,712, which is 13.34% of the District’s total assessed valuation.
Source: California Municipal Statistics, Inc.

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Major Taxpayers

The following table lists the major real property taxpayers in the District based on their 2021-22 secured assessed valuations.

Largest Local Secured Property Taxpayers Fiscal Year 2021-22

	Property Owner	Primary Land Use	2021-22 Assessed Valuation	% of Total ⁽¹⁾
1.	Tesla Inc.	Industrial	\$2,530,150,203	3.10%
2.	BMR Gateway Boulevard LLC	Industrial	370,442,990	0.45
3.	Hart Pacific Commons LLC	Shopping Center	357,949,660	0.44
4.	Lennar Homes California Inc.	Residential Development	324,223,110	0.40
5.	Pacific Commons Owner LP	Industrial	317,809,127	0.39
6.	John T. Arrillaga & Richard T. Peery Trust	Industrial	272,509,251	0.33
7.	CP V Walnut LLC	Apartments	267,742,906	0.33
8.	BRE Properties Inc.	Apartments	263,267,762	0.32
9.	Seagate Technology LLC	Industrial	253,117,183	0.31
10.	Catellus Development Corporation	Industrial	242,974,918	0.30
11.	Essex Portfolio LP	Apartments	236,243,055	0.29
12.	Sobrato Interests	Industrial	215,144,497	0.26
13.	Fremont Technology Business Center LLC	Industrial	192,568,347	0.24
14.	JMB Newpark Associates & GGP Newpark LLC	Shopping Center	175,852,750	0.22
15.	Fremont Retail Partners LP	Shopping Center	175,852,750	0.22
16.	Crossing 880 Industrial LLC	Industrial	147,640,050	0.18
17.	BTMU Capital Leasing & Finance Inc.	Industrial	147,093,505	0.18
18.	SCI LP I	Industrial	146,322,738	0.18
19.	AGNL Wafer LLC	Industrial	128,531,993	0.16
20.	PSB Northern California Industrial Portfolio	Industrial	118,785,909	0.15
			<u>\$6,887,867,343</u>	<u>8.44%</u>

⁽¹⁾ 2021-22 Local Secured Assessed Valuation: \$81,580,047,685.

Source: California Municipal Statistics, Inc.

Direct and Overlapping Debt

Set forth below is a direct and overlapping debt statement (the “Debt Statement”) prepared by California Municipal Statistics, Inc. for debt issued as of March 1, 2022. The Debt Statement is included for general information purposes only. The District has not reviewed the Debt Statement for completeness or accuracy and makes no representation in connection therewith.

The Debt Statement generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

The contents of the Debt Statement are as follows: (1) the first column indicates the public agencies which have outstanding debt as of the date of the Debt Statement and whose territory overlaps the District (2) the second column shows the respective percentage of the assessed valuation of the overlapping public agencies identified in column 1 which is represented by property located in the District; and (3) the third column is an apportionment of the dollar amount of each public agency's outstanding debt (which amount is not shown in the table) to property in the District, as determined by multiplying the total outstanding debt of each agency by the percentage of the District's assessed valuation represented in column 2.

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Washington Township Health Care District
Direct and Overlapping Debt
As of March 1, 2022
(\$ in Thousands)
(Unaudited)

2021-22 Assessed Valuation: \$86,189,466,312

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 3/1/22</u>	
Alameda County	24.866%	\$ 45,690,032	
Bay Area Rapid Transit District	9.687	177,740,951	
Chabot-Las Positas Community College District	8.424	67,863,323	
Ohlone Community College District	100.	412,995,000	
Fremont Unified School District	100.	523,100,000	
New Haven Unified School District	97.390	223,446,293	
Newark Unified School District	100.	101,224,769	
Other School Districts	Various	1,212,177	
City of Fremont	100.	26,855,000	
Washington Township Healthcare District	100.	323,045,000	(1)
East Bay Regional Park District	15.468	19,462,611	
Hayward Area Recreation and Park District	1.421	1,451,054	
City of Fremont Community Facilities District Nos. 1 and 2	100.	92,525,000	
City of Union City Dyer Street Community Facilities District	100.	3,105,000	
City of Newark 1915 Act Bonds	100.	<u>1,857,559</u>	
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$2,021,573,769	
<u>OVERLAPPING GENERAL FUND DEBT:</u>			
Alameda County General Fund Obligations	24.866%	\$187,630,133	
Alameda-Contra Costa Transit District Certificates of Participation	25.775	3,004,076	
Fremont Unified School District Certificates of Participation	100.	58,880,000	
Other School District General Fund Obligations	Various	29,887	
City of Fremont Certificates of Participation	100.	81,730,000	
City of Hayward General Fund Obligations	5.854	3,976,859	
City of Newark Certificates of Participation	100.	62,295,000	
City of Union City Pension Obligation Bonds	99.713	<u>12,385,225</u>	
TOTAL OVERLAPPING GENERAL FUND DEBT		\$409,931,180	
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):</u>		\$108,236,716	
COMBINED TOTAL DEBT		\$2,539,741,665	(2)

Ratios to 2021-22 Assessed Valuation:

Direct Debt (\$323,045,000)	0.37%
Total Direct and Overlapping Tax and Assessment Debt	2.35%
Combined Total Debt.....	2.95%

Ratio to Redevelopment Incremental Assessed Valuation (\$3,721,116,754):

Total Overlapping Tax Increment Debt	2.91%
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(1) Excludes issue to be sold.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

Limitation on Remedies; Bankruptcy

Limitations on Remedies. The various opinions to be delivered concurrently with the Bonds will be qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditors' rights. Enforceability of the rights and remedies of the holders of the Bonds, and the obligations incurred by the District, are limited by applicable bankruptcy, insolvency, reorganization, moratorium, and similar laws relating to or affecting the enforcement of creditors' rights generally and the limitations on remedies against health care districts in the State.

Bankruptcy. Chapter 9 of the Federal Bankruptcy Code (Title 11, United States Code) (the "Bankruptcy Code") does not limit or impair the power of a state to control, by legislation or otherwise, a political subdivision of the state in the exercise of its political or governmental powers, including expenditures for the exercise. In addition, Chapter 9 provides that a bankruptcy court may not interfere with the political or governmental powers of a political subdivision debtor, unless the political subdivision approves a plan of adjustment to that effect or consents to that action. State law provides that *ad valorem* property taxes may be levied to pay the principal of and interest on the Bonds and other voted general obligation bonds of the District in an unlimited amount, and that proceeds of such a levy must be used for the payment of principal of and interest on the District's general obligation bonds, including the Bonds, and for no other purpose. Under State law, the District's share of the 1% limited tax imposed by the County is the only *ad valorem* property tax revenue that may be raised and expended to pay liabilities and expenses of the District other than its voter-approved debt, such as its general obligation bonds, including the Bonds. If the District should become a debtor in a Chapter 9 proceeding, then it must propose a plan of adjustment of its debts. The plan may not become effective until confirmed by the bankruptcy court. The court may not approve a plan unless it finds, among other conditions, that the District is not prohibited by law from taking any action necessary to carry out the plan and that the plan is in the best interests of creditors and is feasible. If the State law restriction on the levy and expenditure of *ad valorem* property taxes is respected in a bankruptcy case, then *ad valorem* property tax revenue in excess of the District's share of the 1% limited County tax could not be used by the District for any purpose under its plan other than to make payments on the Bonds and its other general obligation bonds. It is possible, however, that a bankruptcy court could conclude that the restriction should not be respected.

If the District were a debtor in bankruptcy, the Paying Agent may be prevented from making payments to the Owners of the Bonds from funds in the Paying Agent's possession. There may be other possible effects of a bankruptcy of the District that could result in delays or reductions in payments on the Bonds, which could have an adverse effect on the liquidity and value of the Bonds.

Statutory Lien on Ad Valorem Property Taxes. Pursuant to California Government Code Section 53515, general obligation bonds issued and sold by a local agency, including the District, are secured by a statutory lien on the *ad valorem* property taxes levied and collected to pay the principal of and interest on such general obligation bonds. Section 53515 provides that the lien automatically arises without the need for any action or authorization by the local agency or its governing body, and that the lien shall be valid and binding from the time the bonds are executed and delivered. The section further provides that the lien shall be effective, binding and enforceable against the local agency, its successors, transferees and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any physical delivery, recordation, filing or further act. The statutory lien provides Owners with a security interest in the *ad valorem* property taxes that should survive a bankruptcy of the District. The automatic stay provisions of the Bankruptcy Code would apply, however, thereby preventing Owners from enforcing their rights to payment from such taxes (with the result that any payments becoming due and owing on the Bonds during the pendency of the Chapter 9 proceeding could be delayed), except as described under "—Special Revenues" below. It is also possible that the bankruptcy court could approve an alternate use of such taxes, if the Owners are afforded protection that the court determines to be adequate.

Special Revenues. If the *ad valorem* tax revenues that are pledged to the payment of the Bonds are determined to be “special revenues” within the meaning of the Bankruptcy Code, then the application by the County (or others with possession) of pledged *ad valorem* tax revenues that are collected after the date of the bankruptcy filing should not be subject to the automatic stay, and Owners may be able to compel their immediate use to pay debt service, subject to the matters discussed below, including a decision by the United States Court of Appeals for the First Circuit.

“Special revenues” are defined to include, among others, taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. The District has specifically pledged the *ad valorem* taxes for payment of the Bonds. The Bonds and the District’s other general obligation bonds were approved at elections held on propositions that described the projects for which such bonds may be issued. As noted above, State law prohibits the use of the proceeds of the District’s debt service tax for any purpose other than payment of its general obligation bonds, and the bond proceeds may only be used to fund the acquisition or improvement of real property and other capital expenditures included in the proposition, so such tax revenues appear to fit the definition of special revenues. However, there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of *ad valorem* tax revenues collected for the payment of general obligation bonds in California, so no assurance can be given that a bankruptcy court would not hold otherwise.

Even if the *ad valorem* tax revenues that are pledged to the payment of the Bonds are determined to be “special revenues” within the meaning of the Bankruptcy Code, Owners may not be able to compel that they be used to pay debt service during the pendency of a Chapter 9 proceeding. While the application of special revenues is exempt from the automatic stay by Section 922(d) of the Bankruptcy Code, the United States Court of Appeals for the First Circuit has interpreted that section to exempt only voluntary applications by the debtor and voluntary applications by creditors or others of property in their possession, and not to exempt actions by creditors to compel an application by others, and has held that a bankruptcy court lacks authority to compel the application of special revenues. *In re: The Financial Oversight and Management Board for Puerto Rico*, 919 F.3d 121 (1st Cir. 2019). The U.S. Supreme Court declined to review the First Circuit decision. If the First Circuit’s interpretation is upheld and applied by courts in the Ninth Circuit and a Chapter 9 proceeding were to be initiated in respect of the District, the Owners would be stayed from seeking to compel the application of pledged *ad valorem* taxes to pay debt service on the Bonds during the pendency of the proceeding (in either federal or state court), if the County failed to do so as required by State law or was instructed not to do so by the District, which would leave Owners with only state court remedies. Accordingly, even if the *ad valorem* tax revenues that are pledged to the payment of the Bonds are determined to be “special revenues,” a Chapter 9 proceeding could result in a substantial delay in the payment of debt service, if the County failed to apply pledged *ad valorem* taxes to pay debt service on the Bonds.

In addition, the Bankruptcy Code provides that any consensual lien on special revenues “derived” from a project or system is subject to necessary operating expenses of the project or system. This rule applies regardless of the provisions of transaction documents. If a bankruptcy court were to conclude that the District’s tax collections are “derived” from a District project or system, then even if pledged *ad valorem* tax revenues are determined to be “special revenues,” the court could determine that such revenues may not be ordered (by itself or a state court) to pay debt service to the extent that they are needed to pay necessary operating expenses of the District and may lawfully be applied for that purpose.

Risks of Commingling of Ad Valorem Property Taxes. The County is expected to be in possession of the annual *ad valorem* property taxes and certain funds to repay the Bonds until it transfers such funds to the Paying Agent. The County Treasurer may commingle *ad valorem* property tax revenues that it receives on behalf of the District for payment of the Bonds with other funds held by the County

Treasurer before it turns over the *ad valorem* property tax revenues to the Paying Agent. If the County goes into bankruptcy and has possession of *ad valorem* property tax revenues (whether collected before or after commencement of the bankruptcy), and if the County does not voluntarily turn over such *ad valorem* property tax revenues to the Paying Agent, it is not entirely clear what procedures the Owners of the Bonds would need to follow to obtain possession of such *ad valorem* property tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful.

Effect of Natural Disasters on Assessed Valuations

As referenced under “—*Ad Valorem* Property Taxation” above, assessed valuations are subject to change in each year, and such changes may result from a variety of factors, including natural disasters.

In recent years, there have been several notable natural disasters throughout the State. These include drought conditions throughout the State, beginning in 2013, and declared to have ended in most of the State in 2017. In addition, wildfires have occurred in recent years in different regions of the State. In August 2020, several evacuation warnings were issued for parts of Alameda County, including the City of Fremont, in connection with the SCU Lighting Complex Fire. However, the District did not sustain any serious property losses as a result of such fires. Serious and significant property damage has resulted in other areas of the State due to fire damage.

The District cannot predict or make any representations regarding the effects that natural disasters, such as fire, drought or extended drought conditions, earthquakes, or other related natural or man-made conditions, have or may have on the value of taxable property within the District, or to what extent the effects said natural disasters might have had on economic activity in the District or throughout the State. See above under the heading “—*Ad Valorem* Property Taxation.”

Ongoing Impacts of COVID-19

The current international outbreak of COVID-19 is having numerous and varied medical, economic, and social impacts, any or all of which may adversely affect the District’s business, financial results, and the value of taxable property within the District. The World Health Organization declared the COVID-19 outbreak to be a pandemic, and on March 13, 2020, the United States declared it a national emergency. Health care providers, including the District, have cancelled or delayed non-urgent appointments and procedures, with an adverse effect on revenues. Business disruptions and government regulations have, from time to time, required temporary changes to of the District’s operations or to the facilities of suppliers, manufacturers, and related businesses. A substantial portion of the State’s population was at one time subject to voluntary or involuntary quarantining, leading to general and substantial reductions in economic activity. Health care workers were and continue to be disproportionately likely to become ill from COVID-19, which may limit the ability of the District to provide care. Throughout the United States, health care providers have experienced, are experiencing, or expect to experience, shortages of pharmaceuticals, protective gear, testing materials, medical equipment, and blood. Even if the District were able to find alternate sources for such products, increased costs could adversely impact profitability and the financial condition of the District. Health care providers and facilities may become overburdened as and when the number of COVID-19 cases surges, limiting their ability to provide comprehensive care to patients and may result in diversion of medical resources and priorities towards the treatment of COVID-19. In addition, health care providers may be required to provide significant amounts of uncompensated care. Changes in operations at the District’s facilities may result in additional costs being incurred related to adjustments to the use of various facilities and to staffing during this outbreak, including overtime wages, wages paid to employees who are unable to work due to quarantining, and utilization of more expensive

contract staff to provide care. COVID-19 could severely affect the District’s ability to conduct normal business operations thereby materially and adversely affecting District operating results.

National, state, and local governments have taken, and are expected to continue to take, various actions, including the passage of a wide array of laws and regulations, in an attempt to slow the spread of COVID-19 and to address the health and economic consequences of the outbreak. Many of these government actions are expected to cause substantial changes to the way health care is provided, and how society in general functions. It is not clear how long such measures will or would remain in place. See “— District Response to COVID-19” below.

Various states, including California, and local governments have, from time to time, mandated general “shelter-in-place” orders that mandate or strongly encourage social distancing, face coverings, quarantine after certain interstate and overseas travel, closed or limited school systems and closed or limited non-essential business activities in an effort to slow the spread of COVID-19. Such measures assisted in responding to the outbreak. However, self-quarantining, shelter-in-place orders, and suspension of voluntary health care procedures and surgeries will likely have an adverse impact on the operations and financial position of health care provider systems due to increased costs, potential reduction in overall patient volume, and shifts in payor mix. Even if such actions help reduce the rate of increase in COVID-19 cases in the near term, they may prove to be ineffective in reducing the total number of cases.

In addition, the COVID-19 outbreak has affected, and is expected to continue to affect, travel, commerce and financial markets in the United States and globally and is widely expected to continue to affect economic growth worldwide. The COVID-19 outbreak has resulted in volatility in the U.S. and global financial markets, and significant realized and unrealized losses in investment portfolios. Financial results, generally, and liquidity, in particular, may be materially diminished. Access to capital markets may be hindered and increased costs of borrowing may occur as a result. In particular, as pandemic-related shifts in the way people do business or live, COVID-19 may have impacts on the desirability and use of certain residential and commercial locations that may, in turn, affect tax revenues.

COVID-19 outbreak developments, and attendant governmental and regulatory responses, are rapidly changing. Management of the District cannot presently quantify or estimate the cumulative impact of these recent developments taken as a whole. The impact of the outbreak on the District’s operations, business and financial results cannot be predicted due to the dynamic nature of the outbreak, including uncertainties relating to its duration and severity, as well as actions may be taken by governmental authorities and other institutions to contain or mitigate its impact. The continued spread of COVID-19 and containment and mitigation efforts could have a material adverse effect on the operations of the District, on the national, and global economies and the economy of the State, and, ultimately, on the value of taxable property and tax revenues generated within the District.

[To be updated/discussed.]

District Response to COVID-19. The District, along with most other healthcare providers across the United States, is continuing to experience operational challenges related to the outbreak of COVID-19. On March 4, 2020, the Governor of the State of California (the “Governor”) declared a State of Emergency with respect to COVID-19, and issued subsequent Executive Orders in response to the COVID-19 pandemic. Similar guidelines were issued by the Alameda County Department of Public Health (the “County”) on March 17, 2020. On March 19, 2020 the District canceled or postponed all non-emergency procedures. On April 22, 2020, the District resumed scheduled surgeries and other procedures with additional precautionary measures. [Briefly summarize current response and status.]

A variety of federal, state and local government efforts were initiated in response to the COVID-19 outbreak. On March 27, 2020, the approximately \$2 trillion Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) was enacted into law to provide stimulus to individuals and businesses impacted by the COVID-19 outbreak. The CARES Act includes a number of provisions important to health care providers, including provisions for certain emergency funds, making available \$175 billion to reimburse eligible health care providers for health care-related expenses or lost revenues not otherwise reimbursed that are directly attributable to COVID-19.

The District received and recognized CARES Act provider relief of \$29.9 million through June 30, 2020 and received an additional \$1.3 million (\$1.1 million recognized) through September 30, 2020 as federal grant revenue on the statement of revenues, expenses and changes in net position. [FY 2021 funding] The District also received \$59.0 million in advanced payments from the Centers of Medicare and Medicaid Services (“CMS”) Accelerated and Advanced Payments Program reported as due to third party payors on the statement of net position. \$26.5 million of these advanced payments have been repaid as of February 28, 2022.

The District recognized revenue related to CARES Act provider relief funding based on information contained in laws and regulations governing the funding, as well as interpretations issued by the Department of Health and Human Services (“HHS”), that were publicly available at June 30, 2020. In September 2020, HHS issued new reporting requirements for CARES Act provider relief funding. The District performed an analysis and determined that there would be no change to the provider relief revenue recorded as of June 30, 2020 or as of September 30, 2020 based on the new requirements. Subsequent to that, in October 2020, HHS amended the reporting requirements again. The October amendment allows increased flexibility on how the provider relief funding can be applied. [No impact to the District’s financial statements is expected from this change.] Due to the continuing evolution of the reporting requirements, there is at least a reasonable possibility that amounts recorded under the CARES Act provider relief funding recognized by the District may change in future periods.

For more information on the impact of COVID-19 on the District, see APPENDIX B – “AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEARS ENDED JUNE 30, 2021 AND 2020—MANAGEMENT’S DISCUSSION AND ANALYSIS.”

The Bonds are secured by *ad valorem* tax revenues and are not secured by the revenues from the operations of the District. See “SECURITY FOR THE BONDS” herein. It is unclear at this time what if any effect the COVID-19 outbreak and resulting economic disruption may have on future assessed values or the collection of taxes, either because of delinquencies or collection and valuation relief resulting from the pandemic. Because the COVID-19 outbreak is ongoing, it is also not possible for the District to anticipate the duration or severity of the outbreak, or the precise impact it may have on the financial condition and operations of the District over time. Future actions may be taken by the State or federal governments in response to the virus. The District is continuously monitoring the situation and will adjust its response in concert with federal, State and local health officials and governmental authorities.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Article XIII A of the State Constitution

Article XIII A of the State Constitution (“Article XIII A”), adopted and known as Proposition 13, limits the amount of *ad valorem* property taxes on real property to 1% of “full cash value” as determined by the county assessor. Article XIII A defines “full cash value” to mean “the county assessor’s valuation

of real property as shown on the 1975–76 bill under ‘full cash value,’ or thereafter, the appraised value of real property when purchased, newly constructed or a change in ownership has occurred after the 1975 assessment,” subject to exemptions in certain circumstances of property transfer or reconstruction. The “full cash value” is subject to annual adjustment to reflect increases, not to exceed 2% for any year, or decreases in the consumer price index or comparable local data, or to reflect reductions in property value caused by damage, destruction or other factors.

Article XIII A requires a vote of two-thirds of the qualified electorate of a city, county, special district (such as the District) or other public agency to impose special taxes, while totally precluding the imposition of any additional *ad valorem*, sales or transaction tax on real property. Article XIII A exempts from the 1% tax limitation any taxes above that level required to pay debt service (a) on any indebtedness approved by the voters prior to July 1, 1978, or (b), as a result of an amendment approved by State voters on July 3, 1986, on any bonded indebtedness approved by two-thirds of the votes cast by voters for the acquisition or improvement of real property, or (c) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% or more of the votes cast on the proposition, but only if certain accountability measures are included in the proposition. The tax for payment of the Bonds was approved by more than two-thirds of the votes cast by the voters voting on the proposition (Measure XX) at the election held on November 3, 2020.

Article XIII A has subsequently been amended to permit reduction of the “full cash value” base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the “full cash value” base in the event of reconstruction of property damaged or destroyed in a disaster, and in other minor or technical ways.

On June 18, 1992, the United States Supreme Court in *Nordlinger v. Hahn* issued a decision upholding the constitutionality of Article XIII A.

Legislation Implementing Article XIII A

Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1978.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership, or from the annual adjustment not to exceed 2% are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

All taxable property is shown at full market value on the tax rolls. Consequently, the tax rate is expressed as \$1 per \$100 of taxable value. All taxable property value included in this Official Statement is shown at 100 percent of market value (unless noted differently) and all tax rates reflect the \$1 per \$100 of taxable value.

Article XIII B of the State Constitution

Article XIII B of the State Constitution (“Article XIII B”) was added to the Constitution by initiative in 1979. Under Article XIII B state and local governmental entities have an annual “appropriations limit” and are not permitted to spend certain moneys that are called “appropriations subject to limitation”

(consisting of tax revenues, state subventions and certain other funds) in an amount higher than the “appropriations limit.” Article XIII B does not affect the appropriation of moneys that are excluded from the definition of “appropriations subject to limitation,” including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the “appropriations limit” is to be based on certain 1978–79 expenditures and is to be adjusted annually to reflect changes in consumer prices, populations, and services provided by these entities. Among other provisions of Article XIII B, if these entities’ revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by refunding taxes already collected or revising tax rates or fee schedules over the subsequent two years.

The appropriations of an entity of local government subject to Article XIII B limitations include the proceeds of taxes levied by or for that entity and the proceeds of certain state subventions to that entity. “Proceeds of taxes” include, but are not limited to, all tax revenues and the proceeds to the entity from (a) regulatory licenses, user charges and user fees (but only to the extent that these proceeds exceed the reasonable costs in providing the regulation, product or service), and (b) the investment of tax revenues. Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for debt service, such as the Bonds, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIII B includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during such respective fiscal years shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

The State and each local government entity has its own appropriation limit. Each year, the limit is adjusted to allow for changes, if any, in the cost of living, the population of the jurisdiction, and any transfer to or from another governmental entity of financial responsibility for providing the services. The District is required to establish an appropriation limit each year. The District receives no moneys that are considered appropriations subject to limitations and, therefore, had an appropriation limit of \$0 for fiscal year 2021-22.

Article XIII C and Article XIII D of the State Constitution

On November 5, 1996, the voters of the State approved Proposition 218, popularly known as the “Right to Vote on Taxes Act.” Proposition 218 added to the State Constitution Articles XIII C and XIII D (respectively, “Article XIII C” and “Article XIII D”), which contain a number of provisions affecting the ability of local agencies to levy and collect both existing and future taxes, assessments, fees and charges.

According to the “Title and Summary” of Proposition 218 prepared by the State Attorney General, Proposition 218 limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.” Among other things, Article XIII C establishes that every tax is either a “general tax” (imposed for general governmental purposes) or a “special tax” (imposed for specific purposes), prohibits special purpose government agencies such as hospital districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds percent vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIII C further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIII A of the State Constitution and special taxes approved by a two-thirds percent vote under Article XIII A, Section 4. Article XIII D deals with assessments and property-

related fees and charges and explicitly provides that nothing in Article XIIC or XIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

The District does not impose any taxes, assessments, or property-related fees or charges that are subject to the provisions of Proposition 218.

Proposition 8

Property owners are entitled to an assessment based on the lower of the fair market value of their property as of the lien date (January 1), or the assessed value as determined at the time of purchase or construction, and increased by no more than two percent annually. The assessor may also adjust valuations independently, without a taxpayer appeal. See “PROPERTY TAX INFORMATION—Proposition 8 Reductions and Appeals to Assessed Value” above.

Unitary Property

Some amount of property tax revenue of the District is derived from utility property, which is considered part of a utility system with components located in many taxing jurisdictions. The State Constitution provides that the State Board of Equalization (the “SBE”), rather than counties, assess certain property owned or used by regulated utilities. Such property is grouped and assessed by the SBE as “going concern” operating units, which may cross local tax jurisdiction boundaries, rather than as individual parcels of real or personal property separately assessed. Such utility property is known as “unitary property.” The SBE assesses property at “fair market value,” determined by various methods and formulae depending on the nature of the property, except that assessed value of certain railroad property is limited to a percentage of the fair market value determined by the SBE, in conformity with federal law. The SBE assesses values as of January 1 prior to the tax year of the related tax levy. Property tax on SBE-assessed property is then levied and collected by each county in the same manner as county assessed property, but at special county-wide tax rates, and distributed to each taxing agency within that county generally according to the approximate percentages as allocated to each taxing agency in the prior year.

Changes in the California electric utility industry structure and in the way in which components of that industry are regulated and owned, including the sale of electric generation assets to largely unregulated, non-utility companies, may convert the status of such assets from SBE-assessed unitary property to locally assessed property or otherwise affect how those assets are assessed in the future and which local taxing agencies are to receive the property taxes on such assets. The District cannot predict whether any changes that may occur will affect the unitary property within its boundaries or the tax revenues relating to such property.

Future Initiatives

Article XIII A, Article XIII B, Proposition 218 and Proposition 8 were each adopted as measures that qualified for the ballot pursuant to the State’s initiative process. From time to time, other initiative measures could be adopted, further affecting District revenues or the District’s ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

THE DISTRICT

The information in this section concerning the operations of the District is provided as background information only. The Bonds are payable from ad valorem taxes levied on taxable property within the District and are not secured by the revenues from the operations of the District. See “SECURITY FOR

THE BONDS” herein. For a summary of certain demographic data for the County, see APPENDIX A – “ECONOMIC AND DEMOGRAPHIC PROFILE OF ALAMEDA COUNTY.”

General

The District was formed in 1948, and the Hospital opened its doors 10 years later on November 24, 1958, as a district hospital licensed for 150 beds. In January 1995, the District’s name was changed to Washington Township Health Care District to reflect the District’s mission to provide broad health care services in addition to hospital-based services.

The District operates the Washington Hospital Healthcare System, consisting of the Hospital, which is a 415-bed acute care hospital located in Fremont, California, an urgent care center, primary care and multi-specialty outpatient clinics, an outpatient surgery center, an outpatient rehabilitation center, a radiation oncology center, a lymphedema clinic, a center for wound care and hyperbaric medicine, and an outpatient diabetes center (collectively, the “Facilities”). Through these Facilities, the District offers a full range of primary and secondary acute care health services.

The District’s boundaries encompass an area of approximately 124 square miles in southern Alameda County. Included within the District boundaries are the cities of Fremont, Newark and Union City, the southern portion of the City of Hayward and the unincorporated area known as Sunol. The estimated 2020 population of the District’s primary service area was [39.8%] and the estimated population of its secondary service area was [3.1%]. The total 2021-22 net (exclusive of all exemptions) assessed valuation of property within the District is \$85,797,282,912.

Governance and Management

The District is governed by the District Board, which consists of five publicly elected members. The District Board is charged with the general oversight of the District’s operations. Each member of the District Board serves a two- or four-year term. The current members of the District Board are set forth below.

Director	Term Expires	Occupation
Jeanette Yee, R.N., President	November 2024	Volunteer
Bernard Stewart, D.D.S., First Vice President	November 2022	Retired Dentist
Michael J. Wallace, Second Vice President	November 2022	Chairman, Fremont Bank
William F. Nicholson, M.D., Secretary	November 2024	Physician, Cardiologist
Jacob Eapen, M.D., Treasurer	November 2022	Physician, Pediatrician

The District Board delegates day-to-day management of the Washington Hospital Healthcare System to a management team. Following are the members of Washington Hospital Healthcare System’s senior management.

Kimberly Hartz, Chief Executive Officer (54). Ms. Hartz joined the Washington Hospital Healthcare System in 1994 and served in numerous leadership roles until July 2019 when she was named CEO. She oversees Washington Hospital Healthcare System, which includes a 415-bed hospital, Washington Township Medical Foundation and a number of outpatient facilities. Prior to the CEO role, Ms. Hartz had oversight of numerous areas including Human Resources, Medical Imaging, Laboratory, Gamma Knife/Neuroscience Program, Community Relations and Marketing, Off-Site Facilities, Women’s

Center, Physician Recruitment, Physician Medical Group/Foundation Development, Contracting, Strategic Management, Development Corporation and other Ancillary Services. Before coming to the Washington Hospital Healthcare System, she worked overseas as a health care consultant in New Zealand and Australia. In addition to working with numerous volunteer organizations locally, she has been a member of the Niles Rotary Club in Fremont since 2003, which includes the role of club president in 2011-2012. Ms. Hartz holds a Bachelor's Degree in Psychology with a Business Emphasis from Stanford University and a Master's of Science Degree from Oxford University in England.

Ed Fayen, Executive Vice President and Chief Operating Officer (65). Mr. Fayen is Executive Vice President & Chief Operating Officer. Mr. Fayen oversees Cardiovascular Services, Perioperative Services, Biomedical Engineering, Pharmacy, Food & Nutritional Services, Environmental Services, Facility Services, Purchasing, Central Supply, Security, and Information Systems. Mr. Fayen is also responsible for capital asset budgeting, reducing operating expenses for the health care system, information technology projects and construction and facility projects and renovations. Mr. Fayen has been with Washington Hospital Healthcare System since April 1996 and in his current position since July 2019. Mr. Fayen holds a Bachelor's Degree from University of Notre Dame and a Master's of Business Administration from Cornell University.

Christopher N. Henry, Vice President and Chief Financial Officer (60). Mr. Henry is a Certified Public Accountant (inactive) licensed in the State of California. Mr. Henry has served as Chief Financial Officer of the District since October 2006 and in other management roles for the District from May 2000 to October 2006. Mr. Henry is a member of the California Society of Certified Public Accountants (CalCPA), California Hospital Association (CHA), and American Institute of CPAs (AICPA). Mr. Henry serves on the executive committee of the District Hospital Leadership Forum, a statewide association of district hospitals in California. Mr. Henry serves on the Board of Directors of the Washington Township Medical Foundation and the Washington Outpatient Surgery Center. Mr. Henry has also served on The California Hospital Association's CFO Advisory Committee and the Board of Directors of George Mark Children's House. Mr. Henry holds a Bachelor's Degree in Business Administration with an Accounting Emphasis from California State University East Bay.

Larry LaBossiere, Vice President and Chief Nursing Officer (52). Mr. LaBossiere has served as Chief Nursing Officer since July 2021. Mr. LaBossiere oversees all medical/surgical patient care areas as well as the Critical Care, Stroke, Emergency and Maternal Child Health departments. He also oversees Health Information Management, Respiratory Care, Food and Nutrition Services, Patient Experience, and the Palliative and Pain Management programs. Mr. LaBossiere is a Registered Nurse and Clinical Nurse Specialist with both a Master's Degree in Nursing and Business Administration and is a Certified Emergency Nurse.

Tina Nunez, Vice President of Ambulatory and Administrative Services (53). Ms. Nunez oversees Human Resources, Medical Imaging, Laboratory, Gamma Knife/Neuroscience Program, Community Relations and Marketing, Off-Site Facilities, Women's Center, Physician Medical Group/Foundation Development, Strategic Management, Development Corporation and other Ancillary Services including Wound Care. Ms. Nunez has been with Washington Hospital Healthcare System since 1994 and in her current role since 2013. She holds a Bachelor's Degree from the University of California at San Diego and a Master's Degree in Public Health from The University of California at Los Angeles.

MATERIAL LITIGATION

[To be confirmed.] There is no litigation pending or threatened against the District concerning the validity of the Bonds or questioning the District's ability to issue the Bonds, the District's ability to receive

ad valorem taxes, its right to adopt the Bond Resolution or the organization, powers or authority of the District. The District is not aware of any litigation pending or threatened contesting the District's ability to receive *ad valorem* taxes or contesting the District's ability to issue the Bonds.

There is no governmental action or litigation pending or threatened against the District that may have a material and adverse effect on the operations or financial condition of the District or on the District's ability to collect other revenues.

TAX MATTERS

Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Bonds. Pursuant to the Bond Resolution and the tax and nonarbitrage certificate executed by the District in connection with the issuance of the Bonds (the "Tax Certificate"), the District has covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the District has made certain representations and certifications in the Bond Resolution and the Tax Certificate. Bond Counsel (defined herein) will not independently verify the accuracy of those representations and certifications.

In the opinion of Nixon Peabody LLP, Bond Counsel to the District ("Bond Counsel"), under existing law and assuming compliance with the aforementioned covenant, and the accuracy of certain representations and certifications made by the District described above, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code.

In rendering these opinions, Bond Counsel has relied upon representations and covenants of the District in the Tax Certificate concerning the property financed with Bond proceeds, the investment and use of Bond proceeds and the rebate to the federal government of certain earnings thereon. In addition, Bond Counsel has assumed that all such representations are true and correct and that the District will comply with such covenants. Bond Counsel has expressed no opinion with respect to the exclusion of the interest on the Bonds from gross income under Section 103(a) of the Code in the event that any of such District representations are untrue or the District fails to comply with such covenants, unless such failure to comply is based on the advice or the opinion of Bond Counsel.

State Taxes

Bond Counsel is also of the opinion that interest on the Bonds is exempt from personal income taxes of the State of California under present State law. Bond Counsel expresses no opinion as to other state or local tax consequences arising with respect to the Bonds nor as to the taxability of the Bonds nor the income therefrom under the laws of any state other than California.

Original Issue Discount

Bond Counsel is further of the opinion that the excess of the principal amount of a maturity of the Bonds over its issue price (i.e., the first price at which price a substantial amount of such maturity of the Bonds was sold to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) (each, a “Discount Bond” and collectively the “Discount Bonds”) constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond and the basis of each Discount Bond acquired at such issue price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Bonds, even though there will not be a corresponding cash payment. Owners of the Discount Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Discount Bonds.

Original Issue Premium

Bonds sold at prices in excess of their principal amounts are “Premium Bonds”. An initial purchaser with an initial adjusted basis in a Premium Bond in excess of its principal amount will have amortizable bond premium which offsets the amount of tax-exempt interest and is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each Premium Bond based on the purchaser’s yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, over the period to the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation with an amortizable bond premium is required to decrease such purchaser’s adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Bonds. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

Ancillary Tax Matters

Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, individuals seeking to claim the earned income credit, and taxpayers (including banks, thrift institutions, and other financial institutions), who may be deemed to have incurred or continued indebtedness to purchase or to carry the Bonds. Prospective investors are advised to consult their own tax advisors regarding these rules.

Interest paid on tax-exempt obligations such as the Bonds is subject to information reporting to the Internal Revenue Service (the “IRS”) in a manner similar to interest paid on taxable obligations. In addition, interest on the Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner’s taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Bond Counsel is not rendering any opinion as to any federal tax matters other than those described in the opinion attached as Appendix D. Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Changes in Law and Post-Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Bonds for federal or state income tax purposes, and thus on the value or marketability of the Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the Bonds from gross income for federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the Bonds may occur. Prospective purchasers of the Bonds should consult their own tax advisors regarding the impact of any change in law on the Bonds. Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Bonds may affect the tax status of interest on the Bonds. Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof upon the advice or approval of other counsel.

APPROVAL OF LEGALITY

The issuance of the Bonds is subject to the approval of their legality by Nixon Peabody LLP, San Francisco, California, Bond Counsel. A copy of the proposed form of opinion of Bond Counsel is attached hereto as Appendix D. Certain legal matters will be passed upon for the District by Mary K. Norvell, Attorney at Law, La Jolla, California, and for the Underwriter by its counsel, Norton Rose Fulbright US LLP, San Francisco, California.

UNDERWRITING

The Bonds are being purchased by the Underwriter, BofA Securities, Inc. The Underwriter has agreed to purchase the Bonds at an aggregate purchase price of \$_____, representing the par amount of the Bonds, plus/less original issue premium/discount of \$_____, and less the Underwriter's discount of \$_____. The Bond Purchase Contract provides that the Underwriter will purchase all of the Bonds, if any are purchased. The Bond Purchase Contract provides that the fees of counsel for the Underwriter will be paid by the District.

The Bonds are being offered for sale to the public at the prices shown on the inside cover page hereof. The Underwriter reserves the right to lower such initial offering prices as it deems necessary in connection with the marketing of the Bonds. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the initial public offering price or prices set forth in the Official Statement. The Underwriter reserves the right to join with dealers and other underwriters in offering the Bonds to the public. The obligation of the Underwriter to accept delivery of the Bonds is subject to the terms and conditions set forth in the Bond Purchase Contract, the approval of legal matters by counsel and other conditions. The Underwriter may

over-allot or effect transactions which stabilize or maintain the market price of the Bonds at levels above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Underwriter and its affiliates are full-service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriter and its affiliates may have certain creditor and/or other rights against the District and its affiliates in connection with such activities. In the various course of their various business activities, the Underwriter and its affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the District. The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

BofA Securities, Inc., the Underwriter of the Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Bonds.

INDEPENDENT ACCOUNTANTS

The financial statements as of 2021 and 2020 and for each of the two years in the period ended June 30, 2021, included in Appendix B to this Official Statement, have been audited by PricewaterhouseCoopers LLP, independent accountants, as stated in their report appearing herein.

RATING

Moody’s Investors Service has assigned a rating of “___” (_____ Outlook) to the Bonds. No application was made to any other rating agency for the purpose of obtaining additional ratings on the Bonds. Such rating reflects only the views of such organization, and any explanation of the significance of such rating may only be obtained from the rating agency furnishing the same. There is no assurance that the rating mentioned above will remain in effect for any given period of time or that it will not be lowered or withdrawn entirely by the rating agency, if, in the rating agency’s judgment, circumstances so warrant. The Underwriter has undertaken no responsibility either to bring to the attention of the Owners any proposed change in or withdrawal of any rating or to oppose any such proposed revision or withdrawal. The District has not undertaken any responsibility, other than as described in the Continuing Disclosure Agreement, either to bring to the attention of the Owners any proposed change in or withdrawal of any rating or to oppose any such proposed change or withdrawal. Any such downward change in or withdrawal of any rating might have an adverse effect on the market price or marketability of the Bonds.

MISCELLANEOUS

The foregoing and subsequent summaries or descriptions of provisions of the Bonds and the Bond Resolution and all references to other materials not purporting to be quoted in full are only brief outlines of some of the provisions thereof and do not purport to summarize or describe all of the provisions thereof. Reference is made to said documents for full and complete statements of the provisions of such documents. The appendices attached hereto are a part of this Official Statement. Copies, in reasonable quantity, of the Bond Resolution may be obtained during the offering period upon request to the Underwriter, and thereafter upon request to the District at 2000 Mowry Avenue, Fremont, California 94538-1716, Attention: Chief Financial Officer.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

This Official Statement has been authorized and issued by the District. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or Owners of any of the Bonds.

WASHINGTON TOWNSHIP HEALTH CARE
DISTRICT

By: _____
Chief Executive Officer
Washington Township Health Care District

APPENDIX A

ECONOMIC AND DEMOGRAPHIC PROFILE OF ALAMEDA COUNTY

APPENDIX B

**AUDITED FINANCIAL STATEMENTS OF THE DISTRICT
FOR FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

APPENDIX C

FORM OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX D

FORM OF BOND COUNSEL OPINION

[To be Updated]

[Closing Date]

Washington Township Health Care District
2000 Mowry Avenue
Fremont, California 94538-1716

Re: \$[PAR AMOUNT] Washington Township Health Care District (Alameda County, California) 2020 Election General Obligation Bonds, 2022 Series A

Ladies and Gentlemen:

We have acted as Bond Counsel to the Washington Township Health Care District, Alameda County, State of California (the “District”), in connection with the issuance by the District of \$[PAR AMOUNT] aggregate principal amount of the District’s 2020 Election General Obligation Bonds, 2022 Series A (the “Bonds”). The Bonds are issued pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (commencing with Section 53506), and a resolution adopted by the Board of Directors of the District on _____, 2022 (the “Resolution”). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Resolution.

As Bond Counsel, we have examined copies, certified to us as being true and complete copies, of the proceedings of the District for the authorization and issuance of the Bonds. In connection thereto, we have also examined such certificates of public officials and officers of the District as we have considered necessary for the purposes of this opinion. We have, with your approval, assumed that all items submitted to us as originals are authentic and that all items submitted to us as copies conform to the originals.

On the basis of such examination, our reliance upon the assumptions contained herein and our consideration of those questions of law we considered relevant, and subject to the limitations and qualifications in this opinion, we are of the opinion that:

1. The Bonds have been duly authorized and issued and constitute legally valid and binding obligations of the District, enforceable in accordance with their terms and the terms of the Resolution.

2. The Bonds are payable solely from and are secured by a pledge of *ad valorem* taxes which may be levied without limitation as to rate or amount upon all taxable real property in the District, and which, under the laws now in force with respect to the Bonds, may be levied within the limit prescribed by law upon all taxable personal property in the District, and from other available funds as set forth in the Resolution.

3. The Resolution has been duly authorized by the District and constitutes the legally valid and binding obligation of the District, enforceable in accordance with its terms. The Bonds, assuming due authentication by the Paying Agent, are entitled to the benefits of the Resolution.
4. The Internal Revenue Code of 1986, as amended (the “Code”) sets forth certain requirements which must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Bonds. Pursuant to the Resolution and the Tax and Nonarbitrage Certificate executed by the District in connection with the issuance of the Bonds (the “Tax Certificate”), the District has covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the District has made certain representations and certifications in the Resolution and the Tax Certificate. We have not independently verified the accuracy of those certifications and representations.

Under existing law, assuming compliance with the tax covenants described herein and the accuracy of the aforementioned representations and certifications, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. We are also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code.

5. Interest on the Bonds is exempt from personal income taxes of the State of California under present state law.
6. Bond Counsel is further of the opinion that the excess of the principal amount of any maturity of the Bonds over its issue price (i.e., the first price at which a substantial amount of such maturity of the Bonds was sold to the public, excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) (each, a “Discount Bond” and collectively, the “Discount Bonds”) constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond and the basis of each Discount Bond acquired at such issue price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Bonds, even though there will not be a corresponding cash payment. Owner of the Discount Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Discount Bonds.

The opinions set forth in paragraphs 1, 2, and 3 above (i) assume that the Paying Agent has duly authenticated the Bonds and (ii) are subject to (a) applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors’ rights generally (including, without limitation, fraudulent conveyance laws), (b) the effect of general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing and the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or at law, and (c) the limitations on legal remedies against government entities in the State of California.

In rendering the opinions set forth in paragraphs 4 and 6 above, we are relying upon representations and covenants of the District in the Tax Certificate concerning the investment and use of Bond proceeds, the rebate to the federal government of certain earnings thereon, and the use of the property and facilities refinanced with the proceeds of the Bonds. In addition, we have assumed that all such representations are true and correct and that the District will comply with such covenants. We express no opinion with respect to the exclusion of the interest on the Bonds from gross income under Section 103(a) of the Code in the event that any of such representations are untrue or the District fails to comply with such covenants, unless such failure to comply is based on our advice or opinion.

Except as stated in paragraphs 4 through 6, we express no opinion as to any other federal, state or local tax consequences of the ownership or disposition of the Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof upon the advice or approval of other counsel.

No opinion is expressed herein on the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds. This opinion is expressly limited to the matters set forth above and we render no opinion, whether by implication or otherwise, as to any other matters.

Our opinions are limited to matters of California law and applicable federal law, and we assume no responsibility as to the applicability of laws of other jurisdictions. We call attention to the fact that the opinions expressed herein and the exclusion of interest on the Bonds from gross income for federal income tax purposes may be affected by actions taken or omitted or events occurring or failing to occur after the date hereof. We have not undertaken to determine, or inform any person, whether any such actions are taken, omitted, occur or fail to occur.

Respectfully submitted,

APPENDIX E

BOOK-ENTRY SYSTEM

The Depository Trust Company (“DTC”), New York, New York will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their beneficial ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Paying Agent and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity of Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Money Market Instrument Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, redemption proceeds and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on a payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participants and not of DTC nor of its nominee, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, redemption proceeds and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this Appendix concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

The District and the Underwriter cannot and do not give any assurances that DTC will distribute to Participants or that Participants or others will distribute to the Beneficial Owners payments of principal of, premium, if any, and interest on the Bonds paid or any redemption or other notices or that they will do so on a timely basis or will serve and act in the manner described in this Official Statement. Neither the District nor the Underwriter is responsible or liable for the failure of

DTC or any Direct Participant or Indirect Participant to make any payments or give any notice to a Beneficial Owner with respect to the Bonds or any error or delay relating thereto.

None of the District, the Underwriter or the Paying Agent will have any responsibility or obligation to Direct Participants, to Indirect Participants or to any Beneficial Owner with respect to (i) the accuracy of any records maintained by DTC, any Direct Participant, or any Indirect Participant; (ii) the payment by DTC or any Direct Participant or Indirect Participant of any amount with respect to the principal of or premium, if any, or interest on the Bonds; (iii) any notice that is permitted or required to be given to Holders under the Bond Resolution; (iv) the selection by DTC, any Direct Participant or any Indirect Participant of any person to receive payment in the event of a partial redemption of the Bonds; (v) any consent given or other action taken by DTC as Owner of the Bonds; or (vi) any other procedures or obligations of DTC, Direct Participants or Indirect Participants under the book-entry system.

\$[PAR]
WASHINGTON TOWNSHIP HEALTH CARE DISTRICT
(Alameda County, California)
2020 Election General Obligation Bonds, 2022 Series A

BOND PURCHASE CONTRACT

_____, 2022

Washington Township Health Care District
2000 Mowry Avenue
Fremont, California 94538

Ladies and Gentlemen:

BofA Securities, Inc., as underwriter (the “Underwriter”), hereby offers to enter into this Bond Purchase Contract (the “Bond Purchase Contract”) with Washington Township Health Care District, a local health care district duly organized and validly existing under and pursuant to the laws of the State of California (the “Issuer”), whereby the Underwriter will purchase and the Issuer will sell the Bonds (as defined and described below). The Underwriter is making this offer subject to the acceptance by the Issuer at or before 5:00 p.m., Pacific Time, on the date hereof. If the Issuer accepts this Bond Purchase Contract, this Bond Purchase Contract shall be in full force and effect in accordance with its terms and shall bind both the Issuer and the Underwriter. The Underwriter may withdraw this Bond Purchase Contract upon written notice delivered by the Underwriter to an authorized officer of the Issuer at any time before the Issuer accepts this Bond Purchase Contract. Terms used but not defined in this Bond Purchase Contract are defined in the District Resolution or the Official Statement (each as defined below).

1. Purchase and Sale. Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriter, all (but not less than all) of the following bonds: \$[PAR] aggregate principal amount of Washington Township Health Care District (Alameda County, California), 2020 Election General Obligation Bonds, 2022 Series A (the “Bonds”), at the purchase price of \$_____, representing the aggregate principal amount of the Bonds less an Underwriter’s discount of \$_____, [plus][less] net original issue [premium][discount] of \$_____.

The Issuer acknowledges and agrees that: (i) the Underwriter is not acting as a municipal advisor within the meaning of Section 15B of the Securities Exchange Act, as amended, (ii) the primary role of the Underwriter, as an underwriter, is to purchase securities for resale to investors, in an arm’s length commercial transaction between the Issuer and the Underwriter, and the Underwriter has financial and other interests that differ from those of the Issuer; (iii) the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor

or fiduciary to the Issuer and has not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction described herein and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Issuer on other matters); (iv) the only obligations the Underwriter has to the Issuer with respect to the transaction contemplated hereby are expressly set forth in this Bond Purchase Contract; and (v) the Issuer has consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it has deemed appropriate.

2. Description and Purpose of the Bonds. The Bonds have been authorized pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the “Act”) and shall be issued pursuant to Resolution No.[____], adopted by the Issuer on [____], 2022 (the “District Resolution”). The Bonds shall be dated their date of delivery.

The Bonds represent general obligations of the Issuer payable from *ad valorem* taxes. The Bonds shall mature in the years, bear interest, be purchased at the prices and be subject to optional [and mandatory] redemption at the times and in the amounts, all as set forth in Schedule I attached hereto. The authorized denominations, record dates, interest payment dates, sinking fund payment dates, and other details and particulars of the Bonds shall be as described in the District Resolution and the Official Statement of the Issuer.

The proceeds of the sale of the Bonds will be used to (i) finance a portion of the projects authorized by Measure XX, which was approved by voters in an election held on November 3, 2020 (“Measure XX”), which projects include the [acquisition and construction of facilities to be used by the Issuer for its public health purposes to complete the construction necessary to make Washington Hospital (the “Hospital”) earthquake safe and ensure the Hospital remains open and accessible to provide the life-saving care during a major disaster, to provide modern operating rooms, intensive care for infants and modern patient facilities, as specified in Measure XX], and (ii) pay costs of issuance associated with the Bonds.

3. Public Offering. The Underwriter hereby represents that it has been duly authorized to execute this Bond Purchase Contract and to perform its obligations as set forth herein. The Underwriter agrees to make an initial public offering of the Bonds at the price or prices described in Schedule I hereto; *provided, however*, that the Underwriter reserves the right to change such initial public offering prices as the Underwriter deems necessary or desirable, in its sole discretion, in connection with the marketing of the Bonds (but in all cases subject to the requirements of Section 8 hereof), and may offer and sell the Bonds to certain dealers, unit investment trusts and money market funds, certain of which may be sponsored or managed by the Underwriter at prices lower than the public offering prices or yields greater than the yields set forth therein (but in all cases subject to the requirements of Section 8 hereof).

4. Delivery of the Official Statement and Other Documents.

(a) The Issuer has approved and delivered or caused to be delivered to the Underwriter copies of the Preliminary Official Statement dated _____, 2022, which, together with the cover page and appendices thereto, is herein referred to as the “Preliminary Official Statement.” It is acknowledged by the Issuer that the Underwriter may deliver the

Preliminary Official Statement and a final Official Statement (as hereinafter defined) electronically over the internet and in printed paper form. For purposes of this Bond Purchase Contract, the printed paper form of the Preliminary Official Statement and the Official Statement are deemed controlling. The Issuer deems the Preliminary Official Statement final as of its date, and as of the date hereof, for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), except for any information which is permitted to be omitted therefrom in accordance with paragraph (b)(1) thereof.

(b) Within seven (7) business days from the date hereof, and in any event not later than two (2) business days before the Closing Date, the Issuer shall deliver to the Underwriter a final Official Statement relating to the Bonds dated the date hereof (such Official Statement, including the cover page, and all appendices attached thereto, together with all information previously permitted to have been omitted by Rule 15c2-12 and any amendments or supplements and statements incorporated by reference therein or attached thereto, as have been approved by the Issuer, Bond Counsel, Underwriter’s Counsel and the Underwriter, is referred to herein as the “Official Statement”) and such additional conformed copies thereof as the Underwriter may reasonably request in sufficient quantities to comply with Rule 15c2-12 and with the rules of the Municipal Securities Rulemaking Board (the “MSRB”) and to meet potential customer requests for copies of the Official Statement. The Underwriter agrees to file a copy of the Official Statement, including any amendments or supplements thereto prepared by the Issuer, with the MSRB on its Electronic Municipal Markets Access (“EMMA”) system. An Authorized Officer of the Issuer shall execute the Official Statement. The Official Statement shall be in substantially the same form as the Preliminary Official Statement and, other than information previously permitted to have been omitted by Rule 15c2-12, the Issuer shall only make such other additions, deletions and revisions in the Official Statement which are approved by the Underwriter. The Underwriter hereby agrees to cooperate and assist in the preparation of the Official Statement. The Issuer hereby agrees to deliver to the Underwriter an electronic copy of the Official Statement in a form that permits the Underwriter to satisfy its obligations under the rules and regulations of the MSRB and the U.S. Securities and Exchange Commission (the “SEC”) including in a word searchable pdf format and including any amendments thereto. The Issuer hereby ratifies, confirms and consents to and approves the use and distribution by the Underwriter, before the date hereof, of the Preliminary Official Statement and hereby authorizes the Underwriter to use the Official Statement and the District Resolution in connection with the public offering and sale of the Bonds. The Issuer agrees that its audited financial statements as of and for the years ended June 30, 2021 and 2020 will be included in an appendix to the Preliminary Official Statement and the Official Statement, and the Issuer will obtain letters from its auditors addressed to the Issuer, agreeing to the use of the auditors’ report dated November 11, 2021, in the Preliminary Official Statement and the Official Statement, respectively.

(c) In order to assist the Underwriter in complying with Rule 15c2-12, the Issuer will undertake, pursuant to the Continuing Disclosure Agreement, dated _____, 2022 (the “Continuing Disclosure Agreement”), by and between the Issuer and Hilltop Securities Inc., as dissemination agent for the Issuer (the “Dissemination Agent”), to provide annual and other required financial information and notices of the occurrence of specified events. A description of the Continuing Disclosure Agreement is set forth in, and a form of such agreement is attached as an appendix to, the Preliminary Official Statement and the Official Statement.

5. Representations, Warranties and Agreements. The Issuer represents and warrants to and agrees with the Underwriter that, as of the date hereof and as of the Closing Date (as defined below):

(a) The Issuer is a local health care district validly existing under the Constitution and Sections 32000 *et seq.* of the Health and Safety Code of the State of California and has and, at Closing (as defined below), will have full legal right, power and authority under laws of the State of California and the District Resolution (1) to enter into, execute and deliver this Bond Purchase Contract and the Continuing Disclosure Agreement, (2) to approve and execute the Official Statement, (3) to issue, sell and deliver the Bonds to the Underwriter pursuant to the District Resolution as provided herein, (4) to operate its health facilities and conduct the business thereof as set forth in and described in the Official Statement, and (5) to carry out, give effect to and consummate the transactions described in this Bond Purchase Contract, the District Resolution and the Official Statement;

(b) The Issuer has complied and at the Closing Date will be in compliance in all respects with the terms of the laws of the State of California, this Bond Purchase Contract and the District Resolution, as they pertain to the transaction described therein, herein and in the Official Statement;

(c) The Issuer has duly and validly adopted the District Resolution, has duly authorized and approved the execution and delivery of the Bonds, this Bond Purchase Contract, the Continuing Disclosure Agreement and the Official Statement and has duly authorized and approved the performance by the Issuer of its obligations contained in and the taking of any and all action as may be necessary to carry out, give effect to and consummate the transactions described in each of said documents;

(d) Each official of the Issuer executing this Bond Purchase Contract, the Official Statement and the Continuing Disclosure Agreement is authorized to execute the same on behalf of the Issuer;

(e) The Issuer has executed and delivered, or will execute and deliver on or before the Closing Date, this Bond Purchase Contract, the Official Statement and the Continuing Disclosure Agreement. The Issuer's obligations contained in this Bond Purchase Contract, the Continuing Disclosure Agreement and the District Resolution constitute, or will constitute as of the Closing Date, as applicable, legal, valid and binding obligations of the Issuer, enforceable in accordance with their respective terms, except as enforcement of each document may be limited by bankruptcy, insolvency, reorganization, moratorium and fraudulent conveyance laws, laws affecting the enforcement of creditors' rights generally, the application of principles of equity and judicial discretion, and the covenant of good faith and fair dealing, which may be implied by law into contracts; and the Bonds, when issued, delivered and paid for in accordance with the District Resolution and this Bond Purchase Contract, will constitute legal, valid and binding general obligations of the Issuer entitled to the benefits of the District Resolution and enforceable in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and fraudulent conveyance laws, laws affecting the enforcement of creditors' rights generally, the application of principles of equity and judicial discretion, and the covenant of good faith and fair dealing, which may be implied by law into

contracts; and, upon the issuance, authentication and delivery of the Bonds, the District Resolution will provide, for the benefit of the owners and holders, from time to time, of the Bonds, the legally valid and binding pledges it purports to create, as set forth therein;

(f) The Issuer is not in any material way in breach of or default under any applicable constitutional provision, applicable law or administrative regulation of the State of California or the United States or any applicable judgment or decree, except as set forth in the Preliminary Official Statement and the Official Statement, or under any escrow agreement, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or is otherwise subject, and no event has occurred and is continuing that, with the passage of time or the giving of notice or both, would constitute an event of default under any such instrument, except as expressly set forth in the Preliminary Official Statement and the Official Statement;

(g) The passage of the District Resolution, the execution and delivery of the Bonds, this Bond Purchase Contract, the Continuing Disclosure Agreement, the District Resolution and the Official Statement, and the consummation of the transaction herein and therein contemplated will not conflict with or constitute a breach of or default under any constitutional provision, administrative regulation, applicable law, judgment, decree, loan agreement, indenture, bond, note, ordinance or resolution, agreement or other instrument to which the Issuer is a party or by which the Issuer's property or assets are otherwise subject or bound, nor will any such passage, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Issuer to be pledged to secure the Bonds or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the District Resolution;

(h) The Bonds and the District Resolution conform to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement, and the Bonds, when delivered in accordance with the District Resolution and paid for by the Underwriter on the Closing Date as provided herein, will be validly issued and outstanding general obligations of the Issuer entitled to all the benefits and security of the District Resolution;

(i) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority (except in connection with Blue Sky proceedings), legislative body, board, agency or commission having jurisdiction of the matter, which are required in connection with the authorization, approval, execution and delivery of the Bonds, this Bond Purchase Contract, the District Resolution and the Official Statement and the consummation of any transaction herein or therein contemplated have been duly obtained and are in full force and effect;

(j) No action, suit or proceeding at law or in equity, before or by any court, regulatory agency, public board or body, is pending or threatened and no inquiry or investigation before or by any regulatory agency, public board or body is pending or threatened, in either case, in any way (1) affecting the existence of the Issuer or the titles of its officers to their respective offices; (2) affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds, or the application of the proceeds thereof, or the collection of the taxes pledged thereto; (3) contesting or affecting the validity or enforceability of the Bonds, the District Resolution, this Bond Purchase Contract, the Continuing Disclosure Agreement or any action of the Issuer

described in any of said documents; (4) contesting in any way the completeness or accuracy of the Official Statement or any supplement or amendment thereto; or (5) which, if adversely determined, could materially adversely affect the operating condition of the Issuer or the transaction described in the Bonds, the Official Statement or this Bond Purchase Contract; (6) contesting the powers of the Issuer or its authority with respect to the Bonds, the District Resolution, this Bond Purchase Contract, the Continuing Disclosure Agreement or any action of the Issuer contemplated by any of said documents or by the Official Statement; or (7) which would adversely affect the exclusion of interest paid on the Bonds from gross income for purposes of federal income taxation, nor, to the knowledge of the Issuer, is there any basis therefor. The Issuer shall advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise adversely affecting the use of the Preliminary Official Statement or the Official Statement in connection with the offering, sale or distribution of the Bonds;

(k) The Issuer will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order for the Underwriter (1) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (2) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualification in effect so long as required for distribution of the Bonds; provided, however, that in no event shall the Issuer be required to qualify as a foreign corporation or take any action which would subject it to general or unlimited service of process in any jurisdiction in which it is not now so subject;

(l) Except for information which is permitted to be omitted pursuant to Rule 15c2-12(b)(1), the Preliminary Official Statement (except for the information under the caption “UNDERWRITING” and the information contained in APPENDIX D – “FORM OF BOND COUNSEL OPINION” and APPENDIX E – “BOOK ENTRY SYSTEM”), as of its date and as of the date hereof, was and is true and correct in all material respects and did not and does not contain any untrue or misleading statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(m) At the time of the Issuer’s acceptance hereof and at the Closing Date, the Official Statement (except for the information under the caption “UNDERWRITING” and the information contained in APPENDIX D – “FORM OF BOND COUNSEL OPINION” and APPENDIX E – “BOOK ENTRY SYSTEM”), as amended or supplemented pursuant to this Bond Purchase Contract, is and will be true and correct in all material respects and does not and will not contain any untrue or misleading statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(n) The financial statements of the Issuer as of and for the years ended June 30, 2021, and 2020, which appear in Appendix B to the Preliminary Official Statement and the Official Statement, fairly represent the receipts, expenditures, assets, liabilities and cash balances of such amounts and, insofar as presented, other funds of the Issuer as of the dates and for the periods therein set forth. Except as disclosed in the Preliminary Official Statement and the Official

Statement or otherwise disclosed in writing to the Underwriter, there has not been any materially adverse change in the financial condition of the Issuer or in its operations since June 30, 2021, and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change;

(o) The health care facilities operated by the Issuer are duly licensed under the laws of the State of California and accredited by The Joint Commission and by all local, state and federal agencies whose license and accreditation is necessary for the full utilization and operation of such health care facilities;

(p) Any certificate signed by any official of the Issuer authorized to do so in connection with the transactions contemplated by this Bond Purchase Contract shall be deemed a representation and warranty by the Issuer to the Underwriter as to the statements made therein;

(q) If, between the date of this Bond Purchase Contract and the Closing Date, an event occurs, of which the Issuer has knowledge, which might or would cause the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements made, in the light of the circumstances under which they were made, not misleading, the Issuer will notify the Underwriter, and if, in the opinion of the Underwriter or the Issuer, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Issuer promptly will amend or supplement the Official Statement in a form and in a manner reasonably approved by the Underwriter, provided that all expenses thereby incurred will be paid by the Issuer;

(r) The Issuer will apply or cause to be applied the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the District Resolution and Measure XX, or as otherwise permitted under State law, and the Issuer will not take or omit to take any action that would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds;

(s) If the Preliminary Official Statement or the Official Statement is supplemented or amended, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended) at all times subsequent thereto up to and including the time of that date that is 25 days from the “end of the underwriting period” (as defined in Rule 15c2-12), the Preliminary Official Statement or the Official Statement as so supplemented or amended will be true and correct in all material respects and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(t) The representations, warranties and agreements in this Section 5 shall survive the Closing under this Bond Purchase Contract and shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter or any person who controls the Underwriter of any matters described in or related to the transactions contemplated hereby and by the Official Statement and the District Resolution;

(u) This Bond Purchase Contract shall be binding upon and inure solely to the benefit of the Underwriter and the Issuer and persons controlling the Underwriter, and their

respective officers, past, present and future directors, officers, employees and agents and personal representatives, successors and assigns, and no other person or firm shall acquire or have any right under or by virtue of this Bond Purchase Contract. No recourse under or upon any obligation, covenant or agreement contained in this Bond Purchase Contract shall be had against any officer or director of the Issuer, except as may be caused by their bad faith;

(v) Between the date hereof and the time of the Closing, the Issuer shall not offer or issue any bonds, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, payable from or secured by any of the taxes which will secure the Bonds, without the prior written consent of the Underwriter;

(w) Except as described in the Preliminary Official Statement and the Official Statement, the Issuer has not failed during the previous five (5) years to comply in all material respects with any previous undertakings in a written continuing disclosure contract or agreement delivered by the Issuer under Rule 15c2-12; and

(x) The Issuer, to the best of its knowledge, has never been and is not in default in the payment of principal of, premium, if any, or interest on, or otherwise is not nor has it been in default with respect to, any bonds, notes, or other obligations which it has issued, assumed or guaranteed as to payment of principal, premium, if any, or interest.

The execution and delivery of this Bond Purchase Contract by the Issuer shall constitute a representation by the Issuer to the Underwriter that the representations, warranties and agreements contained in this Section 5 are true as of the date hereof. If any of the provisions in this Section shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Bond Purchase Contract and such invalidity, illegality or unenforceability shall not affect any other provision of this Bond Purchase Contract, and this Bond Purchase Contract shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

6. Closing. At 8:00 a.m., Pacific Time, on _____, 2022, or at such other time or date as the Underwriter and the Issuer may mutually agree upon (the "Closing Date"), the Issuer will deliver or cause to be delivered to the Underwriter, at the offices of Nixon Peabody LLP ("Bond Counsel"), One Embarcadero Center, 18th Floor, San Francisco, California 94111, or at such other place as the Underwriter and the Issuer may mutually agree upon, the Bonds, through the facilities of The Depository Trust Company, New York, New York ("DTC"), duly executed and authenticated, and the other documents specified in Section 7. On the Closing Date, (a) upon satisfaction of the conditions herein specified, the Underwriter shall accept the delivery of the Bonds, and pay the purchase price therefor in federal funds payable to the order of the Paying Agent for the account of the Issuer and (b) the Issuer shall deliver or cause to be delivered the Bonds to the Underwriter through the facilities of DTC in definitive or temporary form, duly executed by the Issuer and in the authorized denominations as specified by the Underwriter, and the Issuer shall deliver the other documents hereinafter mentioned (such delivery and payment being herein referred to as the "Closing"). The Bonds shall be made available to the Underwriter at least one (1) business day before the Closing Date for purposes of inspection. Notwithstanding the foregoing, neither the failure to print CUSIP numbers on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriter to accept delivery of and

pay for the Bonds on the Closing Date in accordance with the terms of this Bond Purchase Contract. Upon initial issuance, the ownership of such Bonds shall be registered in the registration books kept by the Paying Agent in the name of Cede & Co., as the nominee of DTC.

7. Conditions Precedent. The Underwriter has entered into this Bond Purchase Contract in reliance upon the representations and agreements of the Issuer contained herein and the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the Closing Date.

(a) The Underwriter's obligations under this Bond Purchase Contract are and shall be subject to the following further conditions:

(i) The representations of the Issuer contained herein shall be true, complete and correct in all material respects on the date of acceptance hereof and on and as of the Closing Date.

(ii) At the time of the Closing, the Official Statement, the District Resolution, this Bond Purchase Contract and the Continuing Disclosure Agreement shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter.

(iii) The Issuer shall perform or have performed all of its obligations required under or specified in the Bonds, the District Resolution, this Bond Purchase Contract, the Continuing Disclosure Agreement and the Official Statement to be performed at or prior to the Closing.

(iv) The Issuer shall have delivered to the Underwriter copies of the final Official Statement by the time, and in the numbers, required by Section 4 of this Bond Purchase Contract.

(v) As of the date hereof and at the time of Closing, all necessary official action of the Issuer relating to the Bonds, the District Resolution, this Bond Purchase Contract, the Continuing Disclosure Agreement and the Official Statement shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect.

(vi) After the date hereof, up to and including the time of the Closing, there shall not have occurred any change in the Issuer, the Act, the District Resolution, this Bond Purchase Contract, the Bonds, the Continuing Disclosure Agreement or the collection of taxes pledged to payment of the Bonds, as the foregoing matters are described in the Official Statement, which in the reasonable judgment of the Underwriter materially impairs the investment quality of the Bonds.

(vii) At or prior to the Closing, the Underwriter shall receive the following documents (in each case with only such changes as the Underwriter shall approve):

(1) The approving opinion of Bond Counsel relating to the Bonds, dated the Closing Date, substantially in the form attached as Appendix [D] to the Official Statement, and a reliance letter with respect thereto addressed to the Underwriter;

(2) The supplemental opinion of Bond Counsel, addressed to the Underwriter, dated the Closing Date, in substantially the form attached hereto as Exhibit B;

(3) The opinion of Norton Rose Fulbright US LLP, counsel to the Underwriter, dated the Closing Date, to the effect that (i) the Bonds are exempt from registration under the Securities Act of 1933, as amended, the Bonds are municipal securities within the meaning of the Securities Exchange Act of 1934, as amended, and the District Resolution is exempt from qualification under the Trust Indenture Act of 1939, as amended; (ii) based upon information made available to such counsel in the course of such counsel's participation in the transaction as counsel to the Underwriter and without having undertaken to determine independently or assuming any responsibility for the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement and the Official Statement, no facts came to such counsel's attention that caused them to believe that the Preliminary Official Statement as of its date and the Official Statement as of its date and as of the Closing Date (except for any financial statements or the statistical data, the information regarding DTC, the book-entry system and the information contained in Appendices [B, D and E] included in the Preliminary Official Statement and the Official Statement, as to which no opinion or view need be expressed), contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (iii) assuming the enforceability of the Continuing Disclosure Agreement, the continuing disclosure undertaking contained in the Continuing Disclosure Agreement satisfies the requirements contained in paragraph (b)(5) of Rule 15c2-12;

(4) The opinion of counsel to the Issuer, dated the Closing Date and addressed to the Underwriter and Bond Counsel, in substantially the form attached hereto as Exhibit C;

(5) A certificate of an officer of the Issuer acceptable to the Underwriter (the "Issuer Authorized Representative"), dated the Closing Date, to the effect that (i) the representations and agreements of the Issuer contained herein are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date; (ii) no litigation or proceeding against it is pending or threatened that would (a) contest the right of the officers or officials of the Issuer to hold and exercise their respective positions, (b) contest the due organization, valid

existence or powers of the Issuer, (c) contest the validity, due authorization and execution of the Bonds, the District Resolution, the Continuing Disclosure Agreement, the Official Statement or this Bond Purchase Contract, or (d) attempt to limit, enjoin or otherwise restrict or prevent the Issuer from issuing and delivering the Bonds or functioning and directing the County, on behalf of the Issuer, to collect taxes pledged and other money to be applied to make payments on the Bonds pursuant to the District Resolution; (iii) the District Resolution has been duly passed by the Issuer, is in full force and effect and has not been modified, amended or repealed; (iv) there have been no material adverse changes in the operations or financial condition of the Issuer relative to the sources of taxes pledged as security for the Bonds nor in the general economy of the service area of the Issuer, except as described in the Preliminary Official Statement and the Official Statement; and (v) no event affecting the Issuer has occurred since the date of the Official Statement that would cause, as of the Closing Date, any statement or information contained in the Official Statement to contain any untrue statement of a material fact, or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading;

(6) Executed or certified copies of the Bond Purchase Contract and the Continuing Disclosure Agreement;

(7) A Tax Certificate and Agreement of the Issuer, in form satisfactory to Bond Counsel, executed by such officials of the Issuer as shall be satisfactory to the Underwriter and Bond Counsel;

(8) A certified copy of the District Resolution;

(9) Evidence satisfactory to the Underwriter of the rating of “[Aa3]” assigned to the Bonds by Moody’s Investors Service;

(10) The letters of PricewaterhouseCoopers LLP addressed and provided to the Issuer, agreeing to the use of its report dated November 11, 2021, with respect to the audited financial statements as of and for the years ended June 30, 2021 and 2020, in the Preliminary Official Statement and in the Official Statement, respectively;

(11) A certificate of an authorized officer of the Paying Agent, dated the Closing Date, in substantially the form attached hereto as Exhibit D;

(12) Two copies of the Official Statement executed on behalf of the Issuer by a District Authorized Representative;

(13) Evidence that a Form 8038-G relating to the Bonds has been executed by the Issuer and will be filed with the Internal Revenue Service within the applicable time limit;

(14) A copy of the Blue Sky Memorandum with respect to the Bonds;

(15) A copy of the Issuer's executed Blanket Letter of Representation to The Depository Trust Company; and

(16) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter, counsel for the Underwriter or Bond Counsel may reasonably request to evidence compliance by the Issuer with legal requirements, the truth and accuracy, as of the time of Closing, of the representations of the Issuer contained herein and the due performance or satisfaction by the Issuer at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Issuer and all conditions precedent to the issuance of additional Bonds pursuant to the District Resolution shall have been fulfilled.

8. Establishment of Issue Price.

(a) The Underwriter agrees to assist the Issuer in establishing the issue price of the Bonds and shall execute and deliver to the Issuer at Closing an "issue price" or similar certificate, substantially in the form attached hereto as Exhibit A, together with the supporting pricing wires or equivalent communications, with such modifications as may be deemed appropriate or necessary, in the reasonable judgment of the Underwriter, the Issuer and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(b) [Except for the maturities set forth in Schedule I attached hereto as "hold-the-offering-price maturities" (each a "Restricted Maturity"),] the Issuer intends to treat the first price at which 10% of each maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). [If, as of the date hereof, the 10% test has not been satisfied as to any maturity of the Bonds for which the Issuer has elected to utilize the 10% test, the Underwriter agrees to promptly report to the Issuer the prices at which it sells Bonds of that maturity or maturities to the public. That reporting obligation shall continue until the earlier of the date upon which the 10% test has been satisfied as to the Bonds of that maturity or maturities or the Closing Date.]

(c) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Bond Purchase Contract at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Schedule I attached hereto, except as otherwise set forth therein. Schedule I also sets forth, as of the date of this Bond Purchase Contract, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Issuer and the Underwriter agree that the restrictions set forth in the next sentence shall apply (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any [maturities set forth in Schedule I attached hereto as "hold-the-offering-price maturities" (each a "Restricted Maturity")][Restricted Maturity] of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of a Restricted Maturity to any person at a price that is

higher than the initial offering price of such Restricted Maturity to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the Underwriter has sold at least 10% of the Bonds of the particular Restricted Maturity to the public at a price that is no higher than the initial offering price of such Restricted Maturity to the public.

The Underwriter shall promptly advise the Issuer when it has sold 10% of the Bonds of the particular Restricted Maturity to the public at a price that is not higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(d) The Underwriter confirms that any selling group agreement and any retail or other third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail or other third-party distribution agreement, as applicable, to (A)(i) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (ii) comply with the requirements for establishing issue price of the Bonds, including, but not limited to, the agreement to comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter, (B) promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an regulatory underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and (C) acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public. The Issuer acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a retail or other third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail or other third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail or other third-party distribution agreement, to comply with its corresponding agreement regarding the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to any Restricted Maturity.

(e) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this Section. Further, for purposes of this Section:

(i) “public” means any person other than a regulatory underwriter or a related party to a regulatory underwriter,

(ii) “regulatory underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead regulatory underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail or other third-party distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a “related party” to a regulatory underwriter if the regulatory underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Bond Purchase Contract by all parties.

9. Termination. If the Issuer shall be unable to satisfy the conditions of the Underwriter’s obligations contained in this Bond Purchase Contract or if the Underwriter’s obligations shall be terminated for any reason permitted by this Bond Purchase Contract, this Bond Purchase Contract may be terminated by the Underwriter at, or at any time before, the time of the Closing. Notice of such termination shall be given by the Underwriter to the Issuer in writing, or by telephone confirmed in writing. The performance by the Issuer of any or all conditions contained in this Bond Purchase Contract for the benefit of the Underwriter may be waived by the Underwriter.

(a) The Underwriter shall also have the right, before the time of Closing, to cancel its obligation to purchase the Bonds, by written notice by the Underwriter to the Issuer, if between the date hereof and the time of Closing:

(i) Any event or circumstance occurs or information becomes known, which, in the reasonable judgment of the Underwriter, makes untrue in any material respect any statement of a material fact set forth in the Preliminary Official

Statement and the Official Statement or results in an omission to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; or

(ii) The market for the Bonds or the market prices of the Bonds at the initial offering prices set forth in the Official Statement or the ability of the Underwriter to enforce contracts for the sale of the Bonds shall have been materially and adversely affected, in the reasonable judgment of the Underwriter, by:

(1) An amendment to the Constitution of the United States or the State of California shall have been passed or legislation shall have been introduced in or enacted by the Congress of the United States or the legislature of the State of California legislation pending in the Congress of the United States shall have been amended or legislation shall have been recommended to the Congress of the United States or to the State of California or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation shall have been proposed for consideration by either such Committee by any member thereof or presented as an option for consideration by either such Committee by the staff of such Committee or by the staff of the joint Committee on Taxation of the Congress of the United States, or legislation shall have been favorably reported for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or a decision shall have been rendered by a court of the United States or of the State of California or the Tax Court of the United States, or a ruling shall have been made or a regulation or temporary regulation shall have been proposed or made or any other release or announcement shall have been made by the Treasury Department of the United States, the Internal Revenue Service or other federal or State of California authority, with respect to federal or State of California taxation upon revenues or other income of the general character to be derived by the Issuer or upon interest received on obligations of the general character of the Bonds which, in the reasonable judgment of the Underwriter, may have the purpose or effect, directly or, indirectly, of affecting the tax status of the Issuer, its property or income, its securities (including the Bonds) or the interest thereon, or any tax exemption granted or authorized by State of California legislation; or

(2) The declaration of war or engagement in or escalation of military hostilities by the United States or the occurrence of any other national emergency or calamity or terrorism affecting the operation of the government of, or the financial community in, the United States; or

(3) The declaration of a general banking moratorium by federal, New York or California authorities; or

(4) The occurrence of a major financial crisis, a material disruption in commercial banking or securities settlement or clearance services, or a material disruption or deterioration in the fixed income or municipal securities market; or

(5) Additional material restrictions not in force or being enforced as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange; or

(6) The general suspension of trading on any national securities exchange; or

(iii) Legislation enacted, or a decision rendered by a court established under Article III of the Constitution of the United States or by the Tax Court of the United States, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made by or on behalf of the SEC, or any other governmental agency having jurisdiction of the subject matter shall have been made or issued to the effect that the Bonds, other securities of the Issuer or obligations of the general character of the Bonds are not exempt from registration under the Securities Act of 1933 (the "1933 Act"), or that the District Resolution is not exempt from qualification under the Trust Indenture Act; or

(iv) Any change in or particularly affecting the Issuer, the Act, the District Resolution, the Bonds, the Continuing Disclosure Agreement or the collection of *ad valorem* property taxes pledged to payment of the Bonds as the foregoing matters are described in the Preliminary Official Statement or the Official Statement, which in the reasonable judgment of the Underwriter materially impairs the investment quality of the Bonds; or

(v) An order, decree or injunction of any court of competent jurisdiction, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including any or all underlying obligations, as described herein or in the Preliminary Official Statement or the Official Statement, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws as amended and then in effect; or

(vi) A stop order, ruling, regulation or official statement by the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering or sale of the Bonds, or the execution and delivery of any documents, as described herein or in the Preliminary Official Statement or the

Official Statement, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws, including the 1933 Act, the Securities Exchange Act of 1934 or the Trust Indenture Act, each as amended and as then in effect; or

(vii) Any litigation has been instituted or is pending at the time of the Closing to restrain or enjoin the issuance, sale or delivery of the Bonds, or in any way contesting or affecting any authority for or the validity of the proceedings authorizing and approving the Bonds, the District Resolution, this Bond Purchase Contract, the Continuing Disclosure Agreement or the existence or powers of the Issuer with respect to its obligations under the Bonds, this Bond Purchase Contract or the Continuing Disclosure Agreement; or

(viii) A reduction or withdrawal in the following assigned rating, or, as of the Closing Date, the failure by Moody's Investors Service to assign the rating of "[Aa3]" to the Bonds.

10. Amendments to Official Statement. During the period commencing on the Closing Date and ending twenty-five (25) days after the end of the underwriting period, the Issuer shall advise the Underwriter if any event relating to or affecting the Official Statement shall occur as a result of which it may be necessary or appropriate to amend or supplement the Official Statement in order to make the Official Statement not misleading in light of the circumstances existing at the time it is delivered to a purchaser or "potential customer" (as defined for purposes of Rule 15c2-12). If any such event occurs and in the reasonable judgment of the Underwriter and the Issuer, an amendment or supplement to the Official Statement is appropriate, the Issuer shall, at its expense, forthwith prepare and furnish to the Underwriter a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to counsel for the Underwriter) that will amend or supplement the Official Statement so that it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser or "potential customer," not misleading.

11. Expenses. All reasonable expenses and costs of the Issuer incident to the performance of its obligations in connection with the authorization, issuance and sale of the Bonds to the Underwriter, including the costs of printing or reproduction of the Bonds and the Official Statement in reasonable quantities, fees of consultants, fees of rating agencies, advertising expenses, fees and expenses of the Paying Agent and its counsel and fees and expenses of counsel to the Issuer, counsel to the Underwriter and Bond Counsel, shall be paid by the Issuer from the proceeds of the Bonds or other revenues of the Issuer. The Issuer shall be solely responsible for and shall pay for any expenses incurred by the Underwriter on behalf of the Issuer's employees and representatives which are incidental to implementing this Bond Purchase Contract, including, but not limited to, meals, transportation, lodging, and entertainment of those employees and representatives. All out-of-pocket expenses and costs of the Underwriter incurred under or pursuant to this Bond Purchase Contract, including, without limitation, California Debt Investment and Advisory Commission fees, meals and travel expenses, shall be paid by the Underwriter (which may be included as an expense component of the Underwriter's discount).

12. Use of Documents. The Issuer hereby authorizes the Underwriter to use, in connection with the public offering and sale of the Bonds, this Bond Purchase Contract, the Preliminary Official Statement, the Official Statement and the Continuing Disclosure Agreement, and the information contained herein and therein.

13. Qualification of Securities. The Issuer will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and to provide for the continuance of such qualification; *provided, however*, that the Issuer will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any state.

14. Notices. Any notice or other communication to be given to the Issuer under this Bond Purchase Contract may be given by delivering the same in writing to 2000 Mowry Avenue, Fremont, California 94538, Attention: Chris Henry, and any such notice or other communication to be given to the Underwriter may be given by delivering the same in writing to BofA Securities, Inc., 555 California Street, Suite 1160, CA5-705-11-00, San Francisco, California 94104, Attention: Ed Wohlleb.

15. Benefit. This Bond Purchase Contract is made solely for the benefit of the Issuer and the Underwriter (including their respective successors or assigns) and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. Except as otherwise expressly provided herein, all of the agreements and representations of the Issuer contained in this Bond Purchase Contract and in any certificates delivered pursuant hereto shall remain operative and in full force and effect regardless of: (i) any investigation made by or on behalf of the Underwriter; (ii) delivery of and payment for the Bonds hereunder; or (iii) any termination of this Bond Purchase Contract, other than pursuant to Section 9.

16. Attorneys' Fees. In the event of a dispute arising under this Bond Purchase Contract, the prevailing party shall have the right to collect from the other party its reasonable costs and necessary disbursements and attorneys' fees incurred in enforcing this Bond Purchase Contract.

17. Governing Law. This Bond Purchase Contract shall be construed in accordance with and governed by the Constitution and laws of the State of California applicable to contracts made and performed in the State of California. This Bond Purchase Contract shall be enforceable in the State of California, and any action arising hereunder shall be filed and maintained in Alameda County, California.

18. Counterparts. This Bond Purchase Contract may be executed in several counterparts, each of which shall be deemed an original hereof.

19. Miscellaneous. This Bond Purchase Contract contains the entire agreement between the parties relating to the subject matter hereof and supersedes all oral statements, prior writings and representations with respect thereto.

Very truly yours,

By: BofA SECURITIES, INC., as Underwriter

By: _____
Authorized Representative

Approved and Agreed to:
_____, 2022

WASHINGTON TOWNSHIP HEALTH
CARE DISTRICT

By: _____
Authorized Officer

SCHEDULE I

**Principal Amounts, Interest Rates, Yields, Prices
and Optional [and Mandatory] Redemption**

The Bonds shall mature in the amounts and in the years, shall bear interest at the respective rates per annum and be offered to the public at the yields specified in the following table:

<u>Maturity Date (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>
	\$	%	%	%

C

- ^(A) Represents a Maturity which satisfies the 10% test.
^(H) [Represents a Maturity subject to the hold-the-offering-price rule.]
^(C) Priced to optional redemption date of August 1, 20__.

Optional Redemption. The Bonds maturing on or after August 1, 20__ are subject to redemption prior to their stated maturities, at the option of the Issuer, as a whole or in part on any date, on or after August 1, 20__, from any source of available funds, at a redemption price equal to the principal amount of Bonds to be redeemed, without premium, plus accrued interest thereon to the date fixed for redemption.

[Mandatory Redemption.]

EXHIBIT A
TO BOND PURCHASE CONTRACT

\$[PAR]
Washington Township Health Care District
(Alameda County, California)
2020 Election General Obligation Bonds, 2022 Series A

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of BofA Securities, Inc. (“BofA Securities”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

[Select appropriate provisions below:]

1. [Alternative 1¹ – All Maturities Use General Rule: *Sale of the Bonds*. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.][Alternative 2² – Select Maturities Use General Rule: *Sale of the General Rule Maturities*. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.]

2. *Initial Offering Price of the [Bonds] [Hold-the-Offering-Price Maturities]*.

a) [Alternative 1³ – All Maturities Use Hold-the-Offering-Price Rule: BofA Securities offered the Bonds to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.][Alternative 2⁴ – Select Maturities Use Hold-the-Offering-Price Rule: BofA Securities offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.]

1 If Alternative 1 is used, delete the remainder of paragraph 1 and all of paragraph 2 and renumber paragraphs accordingly.

2 If Alternative 2 is used, delete Alternative 1 of paragraph 1 and use each Alternative 2 in paragraphs 2(a) and (b).

3 If Alternative 1 is used, delete all of paragraph 1 and renumber paragraphs accordingly.

4 Alternative 2(a) of paragraph 2 should be used in conjunction with Alternative 2 in paragraphs 1 and 2(b).

b) [Alternative 1 – All Maturities use Hold-the-Offering-Price Rule: As set forth in the Bond Purchase Contract, BofA Securities has agreed in writing that, (i) for each Maturity of the Bonds, it would neither offer nor sell any of the unsold Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “*hold-the offering-price rule*”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail or other third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail or other third-party distribution agreement, to comply with the hold-the-offering-price rule. BofA Securities has not offered or sold any Maturity of the unsold Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period. [Alternative 2 – Select Maturities Use Hold-the-Offering-Price Rule: As set forth in the Bond Purchase Contract, BofA Securities has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the unsold Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “*hold-the-offering-price rule*”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail or other third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail or other third-party distribution agreement, to comply with the hold-the-offering-price rule. BofA Securities has not offered or sold any unsold Bonds of any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. *Defined Terms*

a) [*General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “*General Rule Maturities.*”]

b) [*Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “*Hold-the-Offering-Price Maturities.*”]

c) [*Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (_____, 2022), or (ii) the date on which BofA Securities has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

d) *Issuer* means Washington Township Health Care District.

e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2022.

h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail or other third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents BofA Securities’ interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Nixon Peabody LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Bonds. The representations set forth herein are not necessarily based on personal knowledge.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

BofA SECURITIES, INC.

By: _____
Authorized Representative

Dated: _____, 2022

SCHEDULE A

**SALE PRICES OF THE GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**

(Attached)

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)

EXHIBIT B
BOND PURCHASE CONTRACT

Proposed Form of Supplemental Opinion of Bond Counsel

[To be updated.]

_____, 2022

BofA Securities, Inc.
555 California Street, Suite 1160
CA5-705-11-00
San Francisco, California 94104

Washington Township Health Care District
2000 Mowry Avenue
Fremont, California 94538

\$[PAR]
WASHINGTON TOWNSHIP HEALTH CARE DISTRICT
(Alameda County, California)
2020 Election General Obligation Bonds, 2022 Series A

Ladies and Gentlemen:

This letter is addressed to you pursuant to Section 7(a)(vii)(2) of the Bond Purchase Contract, dated _____, 2022 (the “Purchase Contract”), between BofA Securities, Inc., as underwriter (the “Underwriter”) and the Washington Township Health Care District (the “District”), providing for the purchase of the above-referenced bonds (the “Bonds”). The Bonds are being issued in accordance with Resolution No. [____], adopted by the District on [____], 2022 (the “District Resolution”). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the District Resolution or, if not defined in the District Resolution, in the Purchase Contract.

In connection with our role as Bond Counsel, we have reviewed the Purchase Contract; the District Resolution; the Tax Certificate and Agreement; opinions of counsel to the District, and the Paying Agent; certificates of the District, the Paying Agent, and others; and such other documents, opinions and matters to the extent we deemed necessary to provide the opinions or conclusions set forth herein.

The opinions or conclusions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions or conclusions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine or to inform any person whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof.

Based on and subject to the foregoing and in reliance thereon, as of the date hereof, we are of the following opinions or conclusions:

1. The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the District Resolution is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

2. The statements contained in the Preliminary Official Statement and the Official Statement under the captions "THE BONDS," "SECURITY FOR THE BONDS," "TAX MATTERS," and APPENDIX D – "FORM OF BOND COUNSEL OPINION," excluding any material that may be treated as included under such captions by cross-reference, insofar as such statements purport to summarize certain provisions of the Bonds, the District Resolution and the final form and content of our final legal opinion, dated the date hereof, concerning certain tax matters relating to the Bonds, are accurate in all material respects.

3. We are not passing upon and do not assume any responsibility for the accuracy (except as explicitly stated in paragraph 2 above), completeness or fairness of any of the statements contained in the Preliminary Official Statement or the Official Statement and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. In our capacity as bond counsel in connection with issuance of the Bonds, we participated in conferences with your representatives, your counsel, and others, during which conferences the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed. Based on our participation in the above-referenced conferences, and in reliance thereon and on the records, documents, certificates, opinions and matters herein mentioned (as set forth above), subject to the limitations on our role as bond counsel, we advise you that no facts came to the attention of the attorneys in our firm rendering legal services in connection with such issuance which caused us to believe that the Preliminary Official Statement, as of its date and as of the date of the sale of the Bonds, and the Official Statement, as of its date and as of the date hereof (except for CUSIP numbers, any financial, statistical, economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, or any information about book-entry, The Depository Trust Company, and the information contained in Appendices A, B, C and E of Preliminary Official Statement and the Official Statement, as applicable, included or referred to therein, as to which we expressly exclude from the scope of this paragraph and as to which we express no opinion or view) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

4. The Purchase Contract has been duly authorized, executed and delivered by the District, and, assuming due authorization, execution and delivery by the Underwriter, constitutes

a legal, valid and binding agreement of the District enforceable against each in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and equitable remedies if equitable remedies are sought, and except no opinion is expressed as to the enforceability of the indemnification, waiver, choice of law or contributions provisions contained in the Purchase Contract.

This letter is furnished by us as bond counsel. No attorney-client relationship has existed or exists between our firm and the Underwriter in connection with the Bonds or by virtue of this letter. Our engagement with respect to the Bonds has concluded with their issuance. We disclaim any obligation to update this letter. This letter is delivered to the Underwriter as the underwriter of the Bonds, is solely for the benefit of the Underwriter in such capacity and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any person other than the District and the Underwriter. This letter is not intended to, and may not, be relied upon by owners of the Bonds or by any other party to whom it is not specifically addressed.

Very truly yours,

EXHIBIT C
BOND PURCHASE CONTRACT

Proposed Form of Opinion of District Counsel

[To be updated.]

_____, 2022

BofA Securities, Inc.
555 California Street
CA5-705-11-00
San Francisco, CA 94104

Nixon Peabody LLP
One Embarcadero Center, 32nd Floor
San Francisco, CA 94111

Re: \$ _____ Washington Township Health Care District (Alameda
County, California) 2020 Election General Obligation Bonds, 2022 Series A

Ladies and Gentlemen:

I have acted as special counsel to Washington Township Health Care District, a political subdivision of the State of California (the “District”), organized and existing under and pursuant to The Local Health Care District Law of the State of California (Division 23 of the California Health and Safety Code (the “Law”)) in connection with the issuance of the Washington Township Health Care District (Alameda County, California), 2020 Election General Obligation Bonds, 2022 Series A (the “Bonds”).

My opinion is delivered pursuant to Section 7(a)(vii)(4) of the Bond Purchase Contract for the Bonds, dated _____, 2022 (the “Bond Purchase Contract”), between BofA Securities, Inc., as underwriter (the “Underwriter”), and the District. My opinion is based on the general transaction structure described below. All capitalized terms not otherwise defined herein shall have the meanings given to them in Resolution No. ____, adopted by the Board of Directors of the District on _____, 2022 (the “District Resolution”), or in the Bond Purchase Contract.

The Bonds were authorized at an election of the District held on November 3, 2020, pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Authorization”), and are being issued on the date hereof (the “Closing Date”) in

accordance with the District Resolution. The Bonds are payable from *ad valorem* taxes levied and collected by the County of Alameda.

The District will undertake, pursuant to a Continuing Disclosure Agreement, dated _____, 2022, between the District and Hilltop Securities, Inc., as dissemination agent, to provide quarterly and annual reports as described therein and notices of certain events relating to the Bonds.

An Official Statement dated _____, 2022 (the “Official Statement”), has been prepared to furnish information concerning the offering of the Bonds.

The District has executed a Tax and Nonarbitrage Certificate dated _____, 2022 (the “Tax Certificate”).

In rendering the opinions expressed herein, I have examined such documents, obtained and relied upon such certificates from public officials and officers and representatives of the District and made such investigations of fact and law as I have determined to be necessary or appropriate as a basis for the opinions expressed below. As to questions of fact relevant to this opinion, I have been furnished with, relied solely upon and have not verified the accuracy of (i) certificates and oral confirmations of public officials, (ii) certificates and oral confirmations of certain officers and authorized representatives of the District, (iii) answers given by officers and other representatives of the District to questions regarding, and documents submitted to me in response to, the information request to the District sent _____, 2022 (including (A) the Alameda County Board of Supervisors Resolution No. 50910 dated June 17, 1948, declaring the District a duly organized hospital district under and pursuant to the Local Hospital District Law (now known as the Local Health Care District Law) (the “1948 Resolution”), (B) Statement of Facts Roster of Public Agencies Filing dated _____, 202_, certified by the Secretary of State on _____, 2022, (C) the current bylaws of the District, (D) (I) Resolution No. ____ (Resolution Ordering Election, Setting forth the Specifications thereof and Requesting and Authorizing Certain Actions and Accountability Measures with respect thereto) adopted at a meeting of the Board of Directors of the District held on _____, 202_, (II) Certified Final Results (Cumulative Totals) of all votes cast in Alameda County and in Washington Township Health Care District at the General District Election held on Tuesday, November 3, 2020, certified on November __, 2020, by the Registrar of Voters for the County of Alameda, State of California, and (III) Sample Ballot of the County of Alameda, State of California for the General Election held on Tuesday, November 3, 2020 (the “2020 Election Documents”), and (E) the District Resolution, (iv) representations and warranties made by the District in the agreements and certificates executed by the District in connection with the Bonds, and (v) other information provided to me by the District. I have assumed and have not verified the accuracy of the facts stated in any certificate, answers to questions, or the documents provided to me in response to the information request including, without limitation, those listed above.

As described above, I have acted as special counsel to the District in matters related to the sale and delivery of the Bonds, but I am not general counsel to the District.

As used herein, the words “to my knowledge” or similar language means my actual knowledge, based solely upon (i) my review of the Bonds, the District Resolution, the Bond

Purchase Contract and the Continuing Disclosure Agreement (collectively, the “District Documents”), (ii) my review of documents made available by the District in response to the Due Diligence List sent _____, 2022, and (iii) information and certifications contained in a certificate of the Chief Executive Officer of the District dated _____, 2022 (the “Officer’s Certificate”), all without further investigation; provided that for purposes of the opinions expressed in (A) subparagraphs (a) through (d) of paragraph 5, “to my knowledge” means my actual knowledge based solely on a litigation search, without further investigation, of the docket of (1) the federal court for the Northern District of California and (2) the Alameda County Superior Court, in each case, performed by CLAS Worldwide Information Services as of _____, 2022, (the “Litigation Search”), and (B) subparagraph (b) of paragraph 8, “to my knowledge” means my actual knowledge based solely on the Litigation Search and the Officer’s Certificate, each without further investigation.

My opinion in (i) paragraph 1 is based solely upon my review of the 1948 Resolution, and (ii) paragraph 4 is based solely upon my review of the 2020 Election Documents.

In rendering this opinion, I have made the following assumptions:

- (1) the authenticity of all items submitted to me as originals, (2) the conformity to originals of all items submitted to me as certified or photostatic copies, (3) originals or certified or photostatic copies submitted have not been amended or modified after submission to me, and (4) except for the signatures on behalf of the District, the genuineness of such signatures and the legal capacity and due authority of all persons executing the same.
- All parties other than the District have: (1) the requisite corporate or other authority and power to execute, deliver and perform their obligations under the documents to which they are parties; (2) duly authorized by all requisite corporate or other action the execution and delivery of the documents to which they are parties; and (3) duly executed and delivered the documents to which they are parties.
- All documents to be executed by parties other than the District constitute valid and binding agreements enforceable against each of such parties thereto in accordance with their respective terms.

Based on the foregoing and solely in reliance thereon, and subject to the qualifications set forth below, as of the date hereof, it is my opinion that:

1. The District is a local health care district and public entity duly organized and existing under the Law and the Constitution of the State of California.
2. The District has full right, power and authority, as a local healthcare district, to execute and deliver, and perform its obligations under, the District Documents and as described in the Official Statement.

3. The District Resolution was duly adopted at a meeting of the District's Board of Directors, with all notice required by law and at which a quorum was present and acting throughout, and is in full force and effect and has not been modified, amended or rescinded.

4. The Authorization was duly approved at an election duly called and held in compliance with applicable laws of the State of California.

5. (a) Except as otherwise disclosed in the Official Statement, to my knowledge, there is no litigation, proceeding, action, suit, or investigation at law or in equity before or by any court, governmental agency or body, pending or threatened against the District, challenging the creation, organization or existence of the District or the right or title of any officer of the District to hold his or her respective office or exercise or perform the powers and duties pertaining thereto.

(b) Except as otherwise disclosed in the Official Statement, to my knowledge, there is no litigation, proceeding, action, suit, or investigation at law or in equity before or by any court, governmental agency or body, pending or threatened against the District, challenging the validity of the District Documents or the Authorization, or seeking to restrain or enjoin the issuance, sale or repayment of the Bonds, or in any way affecting the validity of the District Documents or the Authorization, or contesting the authority of the District to enter into or perform its obligations under any of the District Documents.

(c) Except as otherwise disclosed in the Official Statement, to my knowledge, there is no litigation, proceeding, action, suit, or investigation at law or in equity before or by any court, governmental agency or body, pending or threatened against the District, under which a determination adverse to the District would have a material adverse effect upon the financial condition, or operations or the revenues of the District.

(d) Except as otherwise disclosed in the Official Statement, to my knowledge, there is no litigation, proceeding, action, suit, or investigation at law or in equity before or by any court, governmental agency or body, pending or threatened against the District, which, in any manner, questions the right of the District to cause *ad valorem* taxes to be applied to the repayment of the Bonds or affects in any manner the right or ability of the District to collect or pledge such *ad valorem* taxes to the payment of the principal of and interest on the Bonds.

6. The District Documents have each been duly authorized, executed and delivered by the District.

7. The District Documents constitute the legal, valid and binding obligations of the District enforceable against the District in accordance with their respective terms except, in each case, as such enforceability may be limited by bankruptcy, reorganization, insolvency and other similar laws affecting the enforceability of creditors' rights generally, by the application of equitable principles, if equitable remedies are sought, and the application of judicial discretion, by the covenant of good faith and fair dealing which by law may be implied into contracts, and except as the enforcement of any indemnification provisions may be (i) held to be against public policy, or (ii) limited by applicable law.

8. The authorization, execution and delivery by the District of, and the performance by the District of its obligations under, the District Documents do not constitute a violation or

breach of or default under (a) any California or federal law known to me to be applicable to the District and typically applicable to transactions of the type described in the District Documents, (b) any applicable court order or decree known to me, or (c) to my knowledge, any contract, instrument or agreement to which the District is a party or by which it is bound, which violation, breach or default might have consequences that would materially and adversely affect consummation by the District of the transactions described in the District Documents.

9. Based upon the information made available to me in the course of my review of the Official Statement, in preliminary form (the "Preliminary Official Statement"), and the Official Statement, and without having undertaken to determine independently or assuming any responsibility for the accuracy, completeness or fairness of the information or the statements contained in the Preliminary Official Statement or in the Official Statement, nothing has come to my attention that would lead me to believe that the Preliminary Official Statement, as of the date thereof and as of the date of sale of the Bonds, or the Official Statement, as of the date thereof and as of the date hereof (except, in each case, for the financial statements or financial information (including pro forma information), demographic, statistical, economic or engineering data or forecasts, numbers, charts, tables, graphs, projections, assumptions or expressions of opinions, the information concerning The Depository Trust Company its nominee the book-entry system, or the Paying Agent, and Appendices A, B, D, and E, as to all of which I express no opinion or view), contains or contained any untrue statement of a material fact or omits or omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

I express no opinion with respect to the laws of any state or jurisdiction other than California, except that I express my opinion with respect to federal law with respect to (i) subparagraph (a) of paragraph 8 and (ii) paragraph 9. My opinion with respect to the enforceability of, or the effect of any fact upon, any agreement referred to herein is rendered as if such agreement were to be construed in accordance with and governed by the laws of the State of California, whether or not such agreement is to be so construed or governed. I advise you that under existing law, a provision for indemnity of any person may not be enforced to the extent such person is guilty of fraud, bad faith or willful misconduct. I further advise you that enforcement of indemnification provisions in any of the documents may be limited by applicable securities or other laws or held to be against public policy. I express no opinion as to the enforceability of any provision concerning governing or choice of law, jurisdiction, waiver or contribution.

I express no opinion as to any state or federal securities or blue sky laws or their application to any of the documents referred to herein or any transaction described in such documents, except as to the standards of materiality necessary to give my opinion in paragraph 9.

My opinions herein are based on laws, regulations, rulings and court decisions as of the date hereof.

My opinions herein are further qualified as follows: (i) as special counsel to the District in this matter, I have not rendered financial advice to it and do not represent by this letter or otherwise that I have reviewed or made any assessment about, nor do I express any opinion with respect to, the past, present or future financial condition of the District or any of its affiliates, (ii) as set forth above, I have undertaken a limited review in connection with the opinions expressed herein, and

because of the complexity of the laws applicable to, and the myriad of operations and transactions entered into by, a modern hospital, healthcare system and healthcare district and all their related organizations, (A) there can be no assurance that all relevant facts have been revealed to me in the course of my review, and (B) my limited review would not necessarily disclose every violation of applicable law.

The opinions set forth herein are expressed as of the date of this letter, and I assume no obligation to advise you of any circumstances, events or developments which may be brought to my attention following the date hereof and which may alter, affect or modify the opinions expressed herein.

This opinion is furnished by me as special counsel to the District and it may be relied upon only by the addressees in connection with the transactions described in the District Resolution, the Bond Purchase Contract and the Official Statement. This letter shall not be used, quoted, disseminated, circulated or relied upon by any other person or entity, for any purpose without my prior written consent; except that it may be included in the transcript of documents prepared in connection with the execution and delivery of the Bonds.

Very truly yours,

MARY K. NORVELL
Attorney at Law

EXHIBIT D TO
BOND PURCHASE CONTRACT

CERTIFICATE OF PAYING AGENT

The undersigned hereby states and certifies as follows:

(a) the undersigned is an authorized officer of U.S. Bank Trust Company, National Association (the “Bank”), a national banking association duly organized and validly existing under the laws of the United States of America and serving as paying agent in connection with the \$[PAR] aggregate principal amount of Washington Township Health Care District (Alameda County, California), 2020 Election General Obligation Bonds, 2022 Series A (the “Bonds”), which are issued in accordance with Resolution No. [_____] (the “District Resolution”) of the Board of Directors of the Washington Township Health Care District (the “District”), adopted on [____], 2022;

(b) to the knowledge of the undersigned officer, the compliance with the provisions on the Bank’s part contained in the District Resolution and the Paying Agent Agreement, dated as of [____], 2022 (the “Agreement”), between the Bank and the District, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, or decree (except that no representation, warranty or agreement is made with respect to any federal or state securities or Blue Sky laws or regulations), nor will any such execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets held by the Bank pursuant to the District Resolution and the Agreement under the terms of any such law, administrative regulation, judgment, or decree, except as provided in the District Resolution and the Agreement;

(c) to the knowledge of the undersigned officer, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, that has been served on or threatened against the Bank affecting the existence of the Bank or the entitlement of its officers to their respective offices, or seeking to prohibit, restrain or enjoin the execution and delivery of the Agreement or the collection of moneys pledged or to be pledged to pay the principal, premium, if any, and interest on the Bonds or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Agreement, or contesting the power or authority of the Bank to enter into, adopt or perform its obligations under the foregoing, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Agreement;

(d) within the scope of its obligations imposed by the District Resolution and the Agreement, the Bank will furnish such information as it has in its possession, execute such applications and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in writing in order to enable (i) the qualification of the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States of America as the Underwriter may designate and (ii) the determination of the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, or to enable the continuance of such qualification in effect so long as required for

distribution of the Bonds; provided, however, that in no event shall the Bank be required to take any action that would (i) subject it to any service of process in any jurisdiction in which it is not now so subject or (ii) result in it doing business in any jurisdiction in which it is not now so doing business.

Unless otherwise specified, all capitalized terms used herein shall be as defined in the District Resolution.

Dated: _____, 2022

U.S. Bank Trust Company, National Association,
as Paying Agent

By: _____
Authorized Representative

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Disclosure Agreement”) is executed and delivered by Washington Township Health Care District, a local health care district of the State of California (the “District”), and Hilltop Securities Inc. (the “Dissemination Agent”), in connection with the issuance of \$[PAR] aggregate principal amount of Washington Township Health Care District (Alameda County, California), 2020 Election General Obligation Bonds, 2022 Series A (the “Bonds”). The Bonds are being issued pursuant to certain provisions of the California Government Code and other applicable laws and pursuant to Resolution No. [____], adopted by the Board of Directors (the “Board”) of the District on [____], 2022 (the “District Resolution”). The District and the Dissemination Agent hereby covenant and agree as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the District and the Dissemination Agent for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the District Resolution, which apply to any capitalized term used in this Disclosure Agreement, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the District pursuant to and as described in Sections 3 and 4 of this Disclosure Agreement.

“Beneficial Owner” shall mean any person that has the power, directly or indirectly, to vote or consent with respect to or to dispose of ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“CUSIP Numbers” shall mean the Committee on Uniform Security Identification Procedure’s unique identification number for each public issue of a security.

“Dissemination Agent” shall mean Hilltop Securities Inc., acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the District and which has filed with the Paying Agent a written acceptance of such designation.

“EMMA System” shall mean the MSRB’s Electronic Municipal Market Access system.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Holder” or “Holders” shall mean registered owners of the Bonds or, if the Bonds are registered in the name of The Depository Trust Company or another recognized depository, any applicable participant in such depository system.

“Listed Events” shall mean any of the events listed in Section 5 of this Disclosure Agreement.

“MSRB” means the Municipal Securities Rulemaking Board, or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule.

“Official Statement” shall mean the Official Statement, dated _____, 2022, with respect to the Bonds.

“Participating Underwriter” shall mean BofA Securities, Inc.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports; Quarterly Reports. (a) The District shall or shall cause the Dissemination Agent, not later than six months after the end of the District’s fiscal year (which date would be January 1 following the end of the District’s fiscal year on the prior June 30), commencing with the report for the 2021-22 fiscal year, to provide to the MSRB through its EMMA System an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that, if the audited financial statements of the District are not available by the date required above for the filing of the Annual Report, the District shall submit unaudited financial statements and submit the audited financial statements as soon as available. If the District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5.

(b) In addition to the Annual Report required to be filed pursuant to subsection (a), the District shall, or shall cause the Dissemination Agent to, provide to the MSRB through its EMMA System, no later than 75 days after the end of each quarter of the District’s fiscal year (except for the fourth fiscal quarter), beginning with the first quarter of the 2022-23 fiscal year (commencing July 1, 2022), unaudited financial information for the District for such fiscal quarter prepared by the District, including a balance sheet, a cash flow statement and a statement of revenues, expenses, and changes in net position.

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB through its EMMA System by the date required in subsection (a), the Dissemination Agent shall send a notice to the MSRB through the EMMA System substantially in the form attached as Exhibit A hereto.

(d) The Dissemination Agent shall file a report with the District certifying that the Annual Report has been provided to the MSRB through the EMMA System pursuant to this Disclosure Agreement.

Section 4. Content of Annual Reports. The Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the District for the most recently concluded fiscal year, prepared in accordance with generally accepted accounting principles as promulgated from time to time by the Government Accounting Standards Board. If the audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the District shall file or cause to be filed with EMMA an Annual Report containing unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and shall then file its audited financial statements in the same manner when they become available.

(b) To the extent not contained in (a) above, (i) assessed value of taxable property in the District as shown on the most recent equalized assessment role; (ii) property tax levies, collections and delinquencies for the District, for the fiscal year most recently concluded; and (iii) the ten largest property owners in the District for the then-current fiscal year, as measured by secured assessed valuation, the respective taxable values of their property and their percentage of total secured assessed value.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the MSRB through its EMMA System. If the document included by reference is a final official statement, it must be available from the MSRB. The District shall clearly identify each such other document included by reference.

Section 5. Reporting of Listed Events. The District shall give or cause to be given, notice to the MSRB of the occurrence of any of the following Listed Events with respect to the Bonds:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves, if any, reflecting financial difficulties;
- (d) unscheduled draws on any credit enhancement facility reflecting financial difficulties;
- (e) substitution of the provider of any credit enhancement facility or any failure by said provider to perform on any credit enhancement facility;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other material events affecting the tax-exempt status of the Bonds;
- (g) modifications to rights of Holders, if material;
- (h) Bond calls, if material, and tender offers;
- (i) defeasances;

- (j) release, substitution or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the District¹;
- (m) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional paying agent or the change of name of a paying agent, if material;
- (o) incurrence of a Financial Obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect Holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

The District shall file, or shall cause to be filed, a notice of the occurrence of a Listed Event with the MSRB through its EMMA System, in an electronic format as prescribed by the MSRB, in a timely manner but not in excess of ten (10) business days after the occurrence of such Listed Event.

If the Dissemination Agent has been instructed by the District to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB with a copy to the District.

The Dissemination Agent shall, within one (1) business day of obtaining knowledge of the occurrence of any of the Listed Events, inform the District of the event, and, for any Listed Event that requires the District to determine if such event is material, request that the District promptly notify the Dissemination Agent in writing whether or not to report the event.

Section 6. CUSIP Numbers. Whenever providing information to the Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference in the

¹ This Listed Event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer of the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

Annual Reports and notices of Listed Events, the District shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

Section 7. Termination of Reporting Obligation. The District's and the Dissemination Agent's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination or substitution in the same manner as for a Listed Event under Section 5(i).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a different Dissemination Agent to assist it in carrying out the obligations under this Disclosure Agreement and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Agreement. If at any time there is not any other designated Dissemination Agent, the Paying Agent shall be the Dissemination Agent. The initial Dissemination Agent shall be Hilltop Securities Inc.

The Dissemination Agent shall be paid compensation by the District for its services provided hereunder in accordance with its schedule of fees, as amended from time to time, and all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the District and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall agree to any amendment so requested by the District which does not impose any greater duties, nor greater risk of liability, on the Dissemination Agent) and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of an obligated person with respect to the Bonds or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the District Resolution for amendments to the District Resolution with the consent of Holders, or (ii) does not, in the opinion of the Dissemination Agent or nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the District shall describe such amendment in the next Annual Report and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or,

in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the District shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the District or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the request of the Participating Underwriter or the Holders of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds, shall), or any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the District Resolution, and the sole remedy under this Disclosure Agreement in the event of any failure of the District or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance. A default under this Disclosure Agreement shall not create a presumption of any kind that a violation of any applicable securities laws or regulations (other than the Rule) has occurred. The Dissemination Agent shall not owe any fiduciary duty to the Participating Underwriter, nor shall its failure to comply with the request of the Participating Underwriter result in a breach of any of its fiduciary duties owed to the Holders.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liability which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct or breach of this Disclosure Agreement. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment in full of the Bonds.

Section 13. Notices. Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To the District: Washington Township Health Care District
2000 Mowry Avenue
Fremont, California 94538-1716
Attention: Treasurer
Telephone: 510-745-6580
Facsimile: 510-739-3895

To the Dissemination Agent: Hilltop Securities Inc.
1201 Elm Street, Suite 3500
Dallas, TX 75270
Attention: Tanya Calvit, Director
Telephone: 214-953-4037
Facsimile: 214-953-4050

Either party may, by written notice to the other party listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

Section 14. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 15. MSRB: EMMA SYSTEM. Documents submitted to the MSRB through its EMMA System pursuant to this Disclosure Agreement shall be in electronic format and accompanied by identifying information as prescribed by the MSRB in accordance with the Rule.

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Section 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Dated: _____, 2022

WASHINGTON TOWNSHIP HEALTH CARE
DISTRICT

By: _____
Authorized Officer

HILLTOP SECURITIES INC.,
as Dissemination Agent

By: _____
Authorized Officer

EXHIBIT A

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF FAILURE TO
FILE ANNUAL REPORT**

Name of District: Washington Township Health Care District

Name of Bond Issue: Washington Township Health Care District (Alameda County,
California), 2020 Election General Obligation Bonds, 2022 Series A

Date of Issuance: _____, 2022

NOTICE IS HEREBY GIVEN that Washington Township Health Care District has not provided an Annual Report with respect to the above named Bonds as required by the Continuing Disclosure Agreement relating to the Bonds, dated _____, 2022. Washington Township Health Care District anticipates that the Annual Report will be filed by _____.

Dated: _____

HILLTOP SECURITIES INC.,

on behalf of
Washington Township Health Care District

By: _____

cc: Washington Township Health Care District

APPENDIX A

Economic and Demographic Profile of Alameda County

The following information about the County of Alameda (the “County”) is presented as general background information because the District is located in the southern part of the County. As discussed under “SECURITY FOR THE BONDS,” the Bonds are payable from ad valorem taxes and are not a debt of or payable by the County. In addition, certain information below covers periods prior to the outbreak of COVID-19 and may not reflect current conditions. See “PROPERTY TAX INFORMATION—Ongoing Impacts of COVID-19” in the body of this Official Statement.

General

The County is located on the east side of the San Francisco Bay. The County encompasses 821 square miles and extends from Albany and Berkeley in the north to Fremont in the south and from Alameda in the west to Livermore in the East. The County enjoys a diversified geography ranging from urban marinas to rolling open space and hillside lakes and streams.

One of the oldest counties in the State of California (the “State”), the County was created by the State Legislature in March 1853 from portions of the territory of two counties formed in 1850, Contra Costa and Santa Clara. It was given the locals’ name for the region, “Alameda,” which is a Spanish term that translates loosely to “a grove of poplars.” When it was formed, the County was primarily undeveloped agricultural area. The County is governed by five elected members of the Board of Supervisors and the County seat is Oakland.

The population in Alameda County exceeds 1.6 million, making it the seventh most populous county in California according to U.S. Census Bureau data. Population growth in the County has come from a natural net increase of births over deaths, migration from other areas of the United States and from overseas immigration. Population growth has occurred because workers and their families followed jobs to the County, where housing tends to be less expensive than the areas to the west of the County. As a result of past and current immigration, the County has become one of the most ethnically diverse regions in the San Francisco Bay Area (the “Bay Area”) and the nation. Immigration has added highly desired skills to the workforce, greatly boosted the entrepreneurial activity of the region and provided access to family and business networks throughout the world. It also has contributed depth and richness to the County’s cuisine, culture and the arts.

Population

There are 14 incorporated cities in the County and six unincorporated communities. The County’s population increased 8.30% from 2012 to 2021.

The following table illustrates the County’s population growth relative to the population of the State and the United States for the years shown.

**POPULATION ESTIMATES
(In Thousands)**

Year	Alameda County⁽¹⁾	Percent Change	State of California⁽¹⁾	Percent Change	United States⁽²⁾	Percent Change
2012	1,546	1.32%	37,925	0.97%	313,914	0.75%
2013	1,570	1.56	38,270	0.91	316,498	0.82
2014	1,591	1.32	38,557	0.75	318,857	0.75
2015	1,613	1.42	38,866	0.80	322,260	1.07
2016	1,631	1.11	39,104	0.61	323,071	0.25
2017	1,644	0.80	39,352	0.64	325,719	0.81
2018	1,652	0.45	39,520	0.42	327,167	0.44
2019	1,660	0.48	39,605	0.22	328,231	0.62
2020	1,663	0.21	39,649	0.11	331,501	1.00
2021	1,657	-0.39	39,467	-0.46	331,894	0.12

⁽¹⁾ As of January 1 of the year shown.

⁽²⁾ As of July 1 of the year shown.

Sources: California Department of Finance, E-4 Population Estimate for Cities, Counties, and the State, 2011-2021, with 2010 Census Benchmark; U.S. Census Bureau.

Employment

The table below sets forth information regarding the size of the labor force, as well as employment and unemployment rates for the County, the State and the United States for the years 2016 through 2020.

**LABOR FORCE—EMPLOYMENT AND UNEMPLOYMENT
ANNUAL AVERAGES
By Place of Residence**

	2016	2017	2018	2019	2020
County of Alameda					
Labor Force	837,900	848,500	848,200	844,400	813,800
Employment	802,400	817,600	822,800	819,700	742,400
Unemployment Rate	4.2%	3.6%	3.0%	2.9%	8.8%
State of California					
Labor Force	19,102,700	19,312,000	19,398,200	19,411,600	18,821,200
Employment	18,065,000	18,393,000	18,582,800	18,627,400	16,913,100
Unemployment Rate	5.4%	4.8%	4.2%	4.0%	10.1%
United States					
Labor Force	159,187,000	160,320,000	162,075,000	163,539,000	160,742,000
Employment	151,436,000	153,337,000	155,761,000	157,538,000	147,795,000
Unemployment Rate	4.9%	4.4%	3.9%	3.7%	8.1%

Sources: California Data—California Employment Development Department, Monthly Labor Force Data for Counties, Annual Average 2010-20.

National Data—U.S. Department of Labor, Bureau of Labor Statistics.

Across all industries, the County recorded an 8.8% unemployment rate in 2020, which was lower than the State unemployment rate of 10.01%.

The County possesses a diverse economic base featuring a wide range of manufacturing industries (consisting of transportation, equipment, computer, food processing, fabricated metal products, non-electrical machinery, and stone-clay-glass products). The County has one of the most diversified manufacturing sectors in Northern California. The Port of Oakland ranks among the top five in the nation in terms of annual container traffic and is a major economic engine in the Bay Area.

The County has become one of the leading research centers in the country with research activities at the University of California Berkeley, Lawrence Berkeley National Laboratory, Lawrence Livermore National Laboratory, and the many private biotechnology firms which have located near the University and the Labs.

As of June 30, 2020, the major private sector employers in the County included Kaiser Permanente Medical Group Inc., Tesla, Safeway Inc., Sutter Health, John Muir Health and Chevron Corp.

The following table sets forth the annual average employment of individuals within the County, by employment sector, for the years 2016 through 2020. Annual 2021 figures are not yet available.

**ALAMEDA COUNTY
NON-AGRICULTURAL LABOR FORCE AND INDUSTRY EMPLOYMENT
ANNUAL AVERAGES
(In Thousands)**

Employment Sector	2016	2017	2018	2019	2020
Mining, Logging and Construction	43,000	45,900	49,000	49,600	46,600
Manufacturing	75,000	79,900	84,700	85,000	83,000
Goods Producing	118,100	125,900	133,800	134,600	129,600
Trade, Transportation & Utilities	137,900	138,300	139,700	138,800	128,900
Wholesale and Retail Trade	110,500	109,300	109,500	106,700	95,500
Transportation, Warehousing and Utilities Services	27,500	29,000	30,300	32,200	33,400
Information	18,200	18,800	20,000	20,500	19,900
Financial Activities	30,300	28,700	28,000	28,400	27,300
Professional and Business Services	128,700	130,400	134,000	136,600	128,800
Educational and Health Services	117,600	122,200	123,600	126,000	120,900
Leisure and Hospitality	70,900	74,100	76,400	78,000	52,900
Other Services	26,200	27,200	27,500	27,500	22,400
Government	123,500	124,200	123,900	124,100	118,400
Service Producing	653,400	663,800	673,100	679,900	619,600
Total, All Non-Farm Industries	771,400	789,700	806,800	814,500	749,100

Note: Totals may not add due to rounding.
Source: California Employment Development Department.

Building Activity

The following table sets forth selected information relating to building permits issued in the County in the years 2016 through 2020. Annual 2021 figures are not yet available.

COUNTY OF ALAMEDA BUILDING PERMIT VALUATIONS (Dollars in Thousands)

	2016	2017	2018	2019	2020
New Single-dwelling	\$ 791,891	\$ 736,678	\$ 689,529	\$ 675,129	\$ 394,500
New Multi-dwelling	497,341	1,307,094	1,431,985	782,536	722,0238
Additions, alterations	466,239	501,276	469,158	512,409	293,866
Total Residential	<u>\$1,755,472</u>	<u>\$2,572,048</u>	<u>\$2,590,673</u>	<u>\$1,970,076</u>	<u>\$1,410,405</u>
New Commercial	\$ 399,142	\$ 518,776	\$ 495,437	\$ 596,865	\$ 180,177
New Industrial	53,242	26,714	302,121	5,638	0
Other	194,619	212,940	145,795	199,753	189,786
Additions, alterations	775,032	829,414	819,041	992,668	628,230
Total Nonresidential	<u>\$1,332,035</u>	<u>\$1,587,834</u>	<u>\$1,762,395</u>	<u>\$1,794,925</u>	<u>\$998,194</u>
Total Valuation	<u>\$3,087,506</u>	<u>\$4,159,882</u>	<u>\$4,353,068</u>	<u>\$3,765,001</u>	<u>\$2,408,599</u>
Single-Unit Permit	2,348	2,175	1,867	1,871	1,152
Multi-Unit Permit	3,171	6,889	6,540	4,145	2,610
Total Permits	<u>5,519</u>	<u>9,064</u>	<u>8,407</u>	<u>6,016</u>	<u>3,762</u>

Note: Totals may not add due to rounding.

Source: California Homebuilding Foundation | Construction Industry Research Board.

Income

The following table summarizes the median household income for the County, the State and the nation for years 2015 through 2019. Annual 2020 figures are not yet available.

MEDIAN HOUSEHOLD INCOME⁽¹⁾ FOR YEARS 2015 THROUGH 2019

Year	County of Alameda	State of California	United States
2015	\$87,927	\$69,607	\$59,789
2016	95,524	72,197	61,369
2017	100,564	74,746	62,876
2018	104,198	76,418	62,860
2019	108,322	80,440	65,712

⁽¹⁾ Estimated amounts, adjusted annually for inflation.

Source: U.S. Census Bureau – Economic Characteristics – American Community Survey.

Set forth below is the distribution of income by certain income groupings per household for the County, the State and the nation for 2019. Annual 2020 figures are not yet available.

INCOME GROUPINGS 2019⁽¹⁾
(Percent of Households)

<u>Income Per Household</u>	<u>County of Alameda</u>	<u>State of California</u>	<u>United States</u>
\$24,999 and Under	12.5%	14.9%	18.1%
25,000 – 49,999	11.2	16.7	20.3
50,000 and Over	76.3	68.3	61.6

⁽¹⁾ Estimated amounts, adjusted annually for inflation.

Source: U.S. Census Bureau – Economic Characteristics – American Community Survey.

Transportation

Surface and air transportation facilities serve County residents and businesses. Transbay bridges include the San Francisco-Oakland Bay Bridge, which extends Interstate 80 into San Francisco; the Richmond-San Rafael Bridge, leading into Marin County and northern areas; and the Hayward-San Mateo and Dumbarton Bridges connecting East Bay points with San Mateo and Palo Alto on the San Francisco Peninsula.

The Southern Pacific and Union Pacific Railroads, which have merged, operate rail terminal facilities in Oakland. The Burlington Northern and Santa Fe Railway serves the East Bay from its Richmond switching yards. Amtrak provides passenger service through its Oakland and Emeryville stations to Southern California, Sacramento, and other destinations.

Local motor coach transportation is provided by AC Transit, which serves East Bay cities and continues into San Francisco via the Bay Bridge. Bay Area Rapid Transit (“BART”), a high-speed rail transit system services the County, in addition to the counties of Contra Costa and San Francisco. Currently, BART stretches from San Francisco International Airport and Millbrae on the San Francisco Peninsula, through Oakland, to Richmond in the north, Antioch in the northeast, Berryessa/North San Jose in the south, and Dublin/Pleasanton in the southeast.

The Oakland International Airport (the “Airport”) is located in the City of Oakland, about 6.5 miles southeast of downtown Oakland. The Airport includes 2,600 acres, including 327 acres of wetlands under jurisdiction of the U.S. Army Corps of Engineers. Currently, the Airport has 29 boarding gates at two terminals, 8 domestic and 3 international scheduled passenger airlines. The Airport is ranked among the top 20 airports in the U.S. in regards to the amount of air cargo handled, which is serviced by two major cargo carriers.

Education

Eighteen independent school districts provide educational programs for the elementary and secondary public school children in the County.

Community colleges in California are locally operated and administered two-year institutions of higher education. They offer Associates in Arts and Associates in Science degrees and have extensive vocational curricula. There are four community college districts in the County with students currently at seven campuses.

Among the institutions of higher education offering bachelors and graduate programs in the County are the University of California at Berkeley, California State University East Bay in Hayward, Graduate Theological Union in Berkeley, Holy Names University in Oakland, and Mills College in Oakland.