



Washington Township Health Care District

2000 Mowry Avenue, Fremont, California 94538-1716 • (510) 797-1111

Nancy Farber, Chief Executive Officer

Board of Directors

Patricia Danielson, RHIT

Jacob Eapen, M.D.

William F. Nicholson, M.D.

Bernard Stewart, D.D.S.

Michael J. Wallace

BOARD OF DIRECTORS' MEETING

Wednesday, May 11, 2016 – 6:00 P.M.

Conrad E. Anderson, MD Auditorium

AGENDA

- | | PRESENTED BY: |
|--|--|
| I. CALL TO ORDER & PLEDGE OF ALLEGIANCE | Michael Wallace
Board Member |
| II. ROLL CALL | Christine Flores
District Clerk |
| III. EDUCATION SESSION:
Annual Stroke Report | Doug Van Houten, RN |
| IV. CONSIDERATION OF MINUTES
April 13, 18, 26, and 27, 2016 | <i>Motion Required</i> |
| V. COMMUNICATIONS
A. Oral
B. Written
From Kranthi Achanta, MD Chief of Staff,
dated April 26, 2016, requesting approval
of Medical Staff Credentialing Action Items. | <i>Motion Required</i> |
| VI. INFORMATION
A. Service League Report
B. Medical Staff Report
C. Hospital Calendar | PRESENTED BY:
Debbie Jackson
Service League President
Kranthi Achanta, MD
Chief of Staff
Nancy Farber
Chief Executive Officer |

- | | | |
|----|--|--|
| D. | Lean/Kaizen Report | Kimberly Hartz
Senior Associate Administrator

Donald Pipkin
Chief of Strategic Management |
| E. | Construction Report | Ed Fayen
Senior Associate Administrator |
| F. | Quality Report
The Joint Commission 2016 National
Patient Safety Goals: Alarm Management | Kristin Ferguson
Chief of Compliance |
| G. | Finance Report | Chris Henry
Associate Administrator and
Chief Financial Officer |
| H. | Hospital Operations Report | Nancy Farber
Chief Executive Officer |

VII. ACTION

Motion Required

- A. Consideration of Resolution #1166,
Authorizing the Issuance and Sale of the
District's 2016 General Obligation Refunding
Bonds
- B. Consideration of Special Care Nursery
Warmers and Incubators
- C. Consideration of Telemetry Monitoring
System
- D. Consideration of Neurosurgery Instruments
- E. Consideration of Pulse Oximeter / Respiratory
Monitors
- F. Consideration of Blanket Warmers
- G. Consideration of LED Televisions for Patient
Rooms
- H. Consideration of Prenatal Diagnostic Center

VIII. ADJOURN TO CLOSED SESSION

*In accordance with Section 1461, 1462, 32106 and
32155 of the California health & Safety Code and
Sections 54962 and 54954.5 of the California
Government Code, portions of this meeting may be
held in closed session.*

- A. Report and discussion regarding California Government Code section 54957: Personnel matters
- B. Conference regarding medical audit reports, quality assurance reports and privileging pursuant to Health & Safety Code Section 32155.
- C. Report involving a trade secret pursuant to Health & Safety Code section 32106
New Program
Estimated date of public disclosure: May 2017

**IX. RECONVENE TO OPEN SESSION &
REPORT ON CLOSED SESSION**

Michael Wallace
Board Member

X. ADJOURNMENT

Michael Wallace
Board Member

A meeting of the Board of Directors of the Washington Township Health Care District was held on Wednesday, April 13, 2016 in the Conrad E. Anderson, MD Auditorium, 2500 Mowry Avenue, Fremont, California. Director Wallace called the meeting to order at 6:02p.m. and led those present in the Pledge of Allegiance.

CALL TO ORDER

Roll call was taken: Directors present: William Nicholson, MD; Bernard Stewart, DDS; Jacob Eapen, MD; Patricia Danielson, RHIT
Excused: Michael Wallace

ROLL CALL

Also present: Nancy Farber, Chief Executive Officer; Timothy Tsoi, Chief of Medical Staff Elect; Cherie Gamardo, Service League 1st Vice President; Christine Flores, District Clerk

Guests: Kimberly Hartz, Ed Fayen, Chris Henry, Bryant Welch, Stephanie Williams, Tina Nunez, Kristin Ferguson, Mary Bowron, John Lee, Albert Brooks, MD, David Hayne, Angus Cochran

Nancy Farber, Chief Executive Officer introduced John Lee, Chief Information Officer. Mr. Lee presented the Care Everywhere presentation. Care Everywhere is used to exchange patient data with other healthcare institutions. It helps to make sure that clinicians have the information they need to treat you, both for planned transitions such as referrals, and unplanned transitions such as visits to the emergency department. Mr. Lee shared how our patients benefit from Care Everywhere and explained how Care Everywhere works. Washington Hospital joined the Care Everywhere Health Information Exchange (HIE) Network in August of 2015. The network helps ensure that patients' health information follows them wherever they may receive care. In 2015, 21 additional Epic organizations went live with Care Everywhere, expanding the network's Direct addresses by 30%. Mr. Lee continued by sharing the Care Everywhere Continuity of Care document which provides an overview of the patient's medical information which includes: allergies, medications, conditions (active and resolved), medical history, surgical history, immunizations, family history, social history (tobacco and alcohol use), OB and Pediatric History, recent encounters, and comments. Mr. Lee shared examples of a continuity of care document and an encounter summary.

*EDUCATION SESSION:
Care Everywhere*

Director Stewart moved for approval of the minutes of March 9, 21, 23, and 28, 2016.

*APPROVAL OF
MINUTES OF MARCH 9,
21, 23, AND 28, 2016*

Director Danielson seconded the motion.

Roll call was taken:

Michael Wallace – away
William Nicholson, MD - aye
Patricia Danielson, RHIT – aye
Bernard Stewart, DDS - aye
Jacob Eapen, MD - aye

The motion carried.

There were no oral communications.

*COMMUNICATIONS:
ORAL*

The following written communication received from Timothy Tsoi, MD., Chief of Staff Elect, dated March 28, 2016 requesting approval of Medical Staff Credentialing Action Items as follows:

*COMMUNICATIONS:
WRITTEN*

Appointments:

Aldeguer, Ylaine, MD; Chang, Shurong, MD; Franco, Kelly, NP; Naing, Lin, MD; Patel, Bijal, MD; Ray, Vincent, MD; Roe, Bernardita, NP

Temporary Privileges:

Ray, Vincent, MD

Locum Tenens:

Ranzenbach, Edward, PA-C; Riordan, Nolli, MD

Reappointments:

Annadurai, Bala, MD; Chang, Andy, MD; Cheng, Jason, MD; Hsu, Susan, MD; Lin, Mimi, MD; Malek, Reza, MD; Miranda, Gabriel, MD; Ngo, Lily, MD; Steckel, Thomas, MD; Tsai, Vivian, MD; Wilson, Fredrick, DPM

Transfer in Staff Category:

Pham, Steve, MD

Completion of Proctoring & Advancement in Staff Category:

Merrick, Scot, MD; Cheng, Walter, MD; Chun, Anna, PA-C; Kelly, Thomas, MD; Harmon, Michael, MD; Kapila, Rishi, MD

Completion of Proctoring Prior to Eligibility for Advancement in Staff Category

Bhargava, Aditya, MD; Loube, Daniel, MD

Delete Privilege Requests

Annadurai, Bala, MD; Merrick, Scot, MD; Miranda, Gabriel, MD; Steckel, Thomas, MD

Leave of Absence

Terry, Tusef, PA-C

Resignations:

Lee, Sang, MD; Cherng, Rae-Pei, MD

Director Stewart moved for approval of the credentialing action items presented by Dr. Tsoi.

Director Danielson seconded the motion.

Roll call was taken:

Michael Wallace – away
William Nicholson, MD - aye
Patricia Danielson, RHIT – aye
Bernard Stewart, DDS - aye
Jacob Eapen, MD - aye

The motion carried.

Cherie Gamardo, Service League 1st Vice President presented the Service League Report. Ms. Gamardo shared that in the last month, the Service League held Information and Orientation Sessions for incoming volunteers and prospects. Ms. Gamardo shared that the scholarship chair Dian Zarzycki has received 7 applicants applying for a scholarship from the service league. The Service League Gift Shop held its first shoe sale at the hospital on March 29th and 30th. This was an opportunity for the employees and medical staff to purchase shoes, clogs, Uggs, support socks, jackets and more for their medical profession. The sale was well received and the gift-shop management is hoping that this will become a regular event supporting the medical and clinical staff in the future. For the month of March 2016, volunteers contributed a total of 2,669 hours.

*SERVICE LEAGUE
REPORT*

Dr. Timothy Tsoi reported there are 560 Medical Staff members.

*MEDICAL STAFF
REPORT
HOSPITAL CALENDAR:
Community Outreach*

The Hospital Calendar video highlighted the following events:

Past Health Promotions & Outreach Events

On Tuesday, March 15th, obstetrician/ gynecologists Dr. Alison Slack and Dr. Stacie Macdonald along with Dr. Mark Saleh, urologist, presented "Urinary Incontinence in Women: What You Need to Know"; 42 people attended.

On March 19th Washington Hospital hosted Stroke Awareness Day. This free event screened community members for carotid artery blockage, atrial fibrillation as well as cholesterol, blood sugar and blood pressure screenings. The event was staffed by Dr. Ash Jain, cardiologist, who provided results interpretation along with Washington Hospital personnel. Volunteers from San Jose State School of Nursing and the Washington Hospital Service League also assisted to make this event a success. There were 104 community members screened.

On Thursday, March 31st, Dr. Harman Chawla, internal and geriatrics medicine, presented "Cognitive Assessment as You Age"; 56 people attended.

On Wednesday, April 6th, as part of the Washington Sports Medicine and Washington Outpatient Rehab Center bimonthly education series, Dr. Russell Nord, orthopedic surgeon, and Michael Ormonde, physical therapist, presented "Prevention and Treatment of Youth Sports Injuries"; 12 people attended.

Upcoming Health Promotions & Community Outreach Events

On Friday, April 15th, from 1:00 to 3:00 p.m., Dr. Alexander Sah, orthopedic surgeon, will be presenting "Treatments for Knee Pain."

On Saturday April 16th from 10:00 a.m. to 2:00 p.m., Washington Hospital will host the 10th Annual Women's Health Conference. This event will feature topics such as treatment options for heartburn otherwise known as Gastro Esophageal Reflux Disease or GERD, weight management, complimentary therapies and a heart-healthy cooking demonstration. Dr. William Dugoni, Medical Director, will provide an update on the Washington Women's Center and Dr. Victoria Leiphart, gynecologist, will moderate the event.

On Thursday, April 21st from 6:00 to 8:00 p.m., as part of the Women Empowering Women series, Dr. Victoria Leiphart, gynecologist, will present "Navigating Health and Aging: Discussion on Preventive Screening."

On Saturday April 23rd, from 11 a.m. to 2 p.m., Washington Hospital's Green Team, the City of Fremont, and other local Tri-City organizations will present the "Let's Go Green Together!" event. This free Earth Day education expo will raise environmental awareness and share eco-friendly ideas with people in our District. Attendees are encouraged to learn about recycling and how to save energy.

On Tuesday, April 26th from 1:00 to 3:00 p.m., Dr. Prasad Kilaru, plastic surgeon, and Mark Neves, occupational therapist, will be presenting "Nerve Compression Disorders of the Arms."

On Tuesday, May 3rd from 6:00 to 8:00 p.m., as part of the Stroke Education Series, Dr. Ash Jain, cardiologist, and Doug Van Houten, R.N., will present "Stroke Prevention and Other Disease Processes and Healthy Lifestyle - Be Smart and Avoid Stroke."

On Thursday, May 5th from 6:00 to 8:00 p.m., as part of the Diabetes Matters Series, Vida Reed, R.N., will present, "The History of Diabetes."

Washington Hospital Healthcare Foundation Report

The Washington Hospital Healthcare Foundation's annual golf tournament takes place in just a couple of weeks, on Monday, April 25th, at Castlewood Country Club. Held in memory of long-time Fremont businessman, Gene Angelo Pessagno, the tournament promises a day of great golf and fun surprises. Proceeds from the event will support surgical services at Washington Hospital.

*HOSPITAL CALENDAR:
Washington Hospital
Foundation Report*

The Washington Township Healthcare District Board of Directors Report

On March 24th District Board Members represented Washington Township Health Care District at the Fremont Chamber of Commerce's State of the City address given by Mayor Bill Harrison and attended the Alameda County Special Districts Association's annual dinner. District Board Members also attended the Indo-American Community Federation's Unity Dinner on March 25th, the Fremont Leadership Prayer Breakfast on April 1st and the Washington Hospital Service League Thank You Luncheon on April 12th.

*HOSPITAL CALENDAR:
The Washington
Township Healthcare
District Board of
Directors Report*

Washington Hospital Employee Association, W.H.E.A.

The Washington Hospital Employees Association is currently accepting scholarship applications for the 2016 Don Pickinpaugh Memorial Scholarship. This \$2,000 Scholarship is available for dependents of Washington Hospital Employees.

*HOSPITAL CALENDAR:
Washington Hospital
Employee Association,
W.H.E.A.*

Washington On Wheels Mobile Health Clinic, W.O.W.

During the month of March, the Washington On Wheels Mobile Health Clinic (W.O.W.) continued to serve community members at the Fremont Family Resource Center, the Fremont Senior Center and the Ruggieri Senior Center in Union City. The W.O.W. Clinic also provided health care services to students and their family

*HOSPITAL CALENDAR:
Washington On Wheels
Mobile Health Van*

members at Brier Elementary School in Fremont. The total number of community members receiving health care from the Washington On Wheels Clinic during the month of March was 55.

Internet Marketing

There were over 33,354 visits to the hospital website in the month of March. The hospital's Employment section was the most viewed webpage with 23,003 page views, followed by the About WHHS with 10,107 page views. The Physician Finder with 9,808 page views, the Volunteers section had 4,221 page views and the Women's Health and Pregnancy section had 1,829 page views.

*HOSPITAL
CALENDAR:
Internet Report*

InHealth - Channel 78

During the month of March, Washington Hospital's cable channel 78, InHealth, captured three Health and Wellness programs titled "Vertigo & Dizziness: What You Need to Know," "Urinary Incontinence in Women: What You Need to Know," and "Cognitive Assessment as You Age." In addition, InHealth aired the March Board of Directors Meeting and a Health and Wellness program called "Learn the Signs and Symptoms of Sepsis."

*HOSPITAL
CALENDAR:
InHealth*

Awards and Recognitions

For the second year in a row, Washington Hospital has received Healthgrades' 2016 Patient Safety Excellence Award. This designation recognizes Washington Hospital's superior performance in preventing the occurrence of serious, potentially avoidable complications for patients during hospital stays.

*HOSPITAL
CALENDAR:
Awards and
Recognitions*

In addition to the 2016 Patient Safety Excellence Award, Washington Hospital has received several other Healthgrade awards including: the Distinguished Hospital Award for Clinical Excellence; America's 100 Best Hospitals for Orthopedic Surgery and Joint Replacement and among the top 5 percent in the nation for overall orthopedic services and joint replacement; plus Five-star recipient for treatment of Heart Attacks, treatment of stroke, treatment of pneumonia, and treatment of Sepsis.

Washington Hospital has been awarded a three-year term of accreditation in radiation oncology as the result of a recent review by the American College of Radiology (ACR).

The ACR is the nation's oldest and most widely accepted radiation oncology accrediting body, with over 600 accredited sites, and 27 years of accreditation experience. The ACR seal of accreditation represents the highest level of quality and patient safety.

This honor is awarded only to facilities like Washington Hospital, including the Washington Radiation Oncology Center, which are meeting specific Practice Guidelines and Technical Standards developed by ACR. The mission of the Washington Radiation Oncology Center is to provide high quality, cost effective radiation oncology services to all patients.

Additional Events

Washington Hospital celebrated National Doctor's Day on Friday, March 25th by hosting a luncheon for members of the Washington Hospital medical staff in the Anderson Auditorium. The event was the organization's way to recognize physicians for their service and commitment to their patient's health and well-being. Approximately 130 physicians attended the event.

The National Association of Clinical Nurse Specialists (NACNS) has announced that Yvonne Dobbenga- Rhodes, Maternal- Child Health Clinical Nurse Specialist, has been elected to serve on the 2016-2017 NACNS Board of Directors. Yvonne has been a member of NACNS since 2008.

National Volunteer Week began April 10th. Washington Hospital honors and thanks all of the volunteers that help to support the health care system, including the Volunteer Chaplains, Washington Hospital Employee Association Board Volunteers, the Washington Hospital Foundation Volunteers and the Service League Volunteers.

Washington Hospital is fortunate to have over four hundred men, women, college and high school students who volunteer their time to help families, provide support, answer questions and help us provide the best possible care for our patients. Activities culminated with a thank you luncheon which took place on Tuesday, April 12th; over 150 Volunteers attended.

Employee of the Month

Nicole Maxwell is a Registration Clerk primarily in the Admitting Department and provides coverage in the Emergency Department. Nicole is an excellent candidate for the employee of the month award. She demonstrates a high degree of professionalism, loyalty, and trustworthiness to the patients as well as her dependability to her colleagues. Her extensive work ethics and experience as a Registration Clerk has been a benefit to her managers; she is dependable in the areas of accountability, is very conscientious of policies and procedures while maintaining and demonstrating positive customer service. While in the Emergency Department she draws on her Admitting knowledge for patients arriving for in-house services during the weekends. Nicole definitely puts her patients first. Her pleasant demeanor puts a smile on patients she works with and gives a positive first impression of Washington Hospital.

Nancy Farber, Chief Executive Officer introduced Elizabeth Kurkjian, MD, OB/GYN, Cheryl Bernal, and Ruth Traylor, Director of the Kaizen Promotion Office. Dr. Kurkjian shared the role of the Kaizen Promotion Office. Lean is a way of thinking and acting for an entire organization based on the Toyota Production/Management System. Lean maximizes customer value/patient satisfaction while minimizing waste. The Kaizen promotion office was established in February 2015 and currently consists of two full-time and one part-time Lean educated staff. Ms. Bernal shared that the KPO team has a diverse background reflecting the organization's commitment to comprehensive implementation. The

*HOSPITAL
CALENDAR:
Additional Events*

*HOSPITAL
CALENDAR: Employee
of the Month – Nicole
Maxwell*

*LEAN/KAIZEN
REPORT*

KPO coordinates and facilitates Lean education by: facilitating certification process for those who have been through education, develop and implement curricula for training other members of the organization in Lean methodology and develop a Lean "faculty" who can continue to train others. Ms. Traylor shared pre-working planning and shared sample documents, execution, follow through as well as Department Level and Executive visibility walls.

Nancy Farber, Chief Executive Officer introduced Ed Fayen, Senior Associate Administrator. Mr. Fayen presented the construction update on the parking garage and the Morris Hyman Critical Care Pavilion. Mr. Fayen shared photos of the curb and gutter, compacting base material on Bart Way and the Bart parking lot, the edge lights and safety net at the helipad, painting of the helipad, as well as the metal panels on the North side and Southern and Eastern elevations. Mr. Fayen went on to share progress on the Morris Hyman Critical Care Pavilion. Photos of the welding structural steel at the Atrium opening as well as equipment pads for mechanical equipment on the ground floor were shared, followed by a site view photo as of April 7, 2016.

*CONSTRUCTION
REPORT
Construction Update*

Mary Bowron, Senior Director of Quality and Resource Management started off by sharing the C. Difficile Standardized Infection Ratio (SIR) for quarter ending 03/16 is at 0.721. Ms. Bowron continued by sharing the Leveraging an Electronic Medical Record System for Successful Quality Improvement presentation and the history of Electronic Medical Records and it's benefits for the community. Ms. Bowron discussed examples of Improvement in Patient Safety: Falls Prevention, as well as using Epic to decrease falls: Best Practice Alert, Mobility Gallery, and Patient Education. Ms. Bowron shared our future direction: continuing to discover opportunities for quality improvement through readily available Epic data, continue existing Washington Hospital improvement initiatives using epic, ensure existing improvements are sustains, and empower patients to take an active role in their safety, while at Washington Hospital and post-discharge.

*QUALITY REPORT:
Leveraging an Electronic
Medical Record System
for Successful Quality
Improvement*

Chris Henry, Chief Financial Officer, presented the Finance Report for February 2016. The average daily census was 168.4 with admissions of 1,030 resulting in 4,884 patient days. Outpatient observation equivalent days were 219. The average length of stay was 4.86 days. The case mix index was 1.535. Deliveries were 133. Surgical cases were 328. Joint Replacement cases were 126. Neurosurgical cases were 28. Cardiac Surgical cases were 9. The Outpatient visits were 6,789 and Emergency visits were 4,710. Total productive FTEs were 1,231.5. FTEs per adjusted occupied bed were 6.25.

FINANCE REPORT

Ms. Farber presented the Hospital Operations Report for March. There were 1,125 patient admissions resulting in 4,909 patient days. Preliminary information indicated inpatient revenue for the month of March at approximately \$178,700,000; government sponsored patient revenue made up 70.2% of total gross revenue. Non-Emergency Outpatient visits were 7,496. There were 402 surgical cases at the Hospital and 441 Cath Lab procedures. The clinics saw approximately 4,022 patients. FTEs per Adjusted Occupied Bed were 6.48.

*HOSPITAL
OPERATIONS REPORT*

Director Stewart moved for adoption of the revised "Statement of Investment Guidelines of Objectives and Policies" of the District, as recommended by the District's investment advisor and reviewed by the Board of Directors.

*APPROVAL OF
PENSION INVESTMENT
POLICY*

Director Danielson seconded the motion.

Roll call was taken:

Michael Wallace – away
William Nicholson, MD - aye
Patricia Danielson, RHIT – aye
Bernard Stewart, DDS - aye
Jacob Eapen, MD - aye

The motion carried.

In accordance with District Law, Policies and Procedures, Director Stewart moved the Chief Executive Officer be authorized to enter into the necessary contracts and proceed with the purchase of the hardware and software for the Unix to Linux Migration of Epic Server for a total amount not to exceed \$398,176.00. This expense is part of the Fiscal Year 2016 IS Capital Budget.

*APPROVAL OF UNIX
TO LINUX MIGRATION
OF EPIC SERVERS*

Director Danielson seconded the motion.

Roll call was taken:

Michael Wallace – away
William Nicholson, MD - aye
Patricia Danielson, RHIT – aye
Bernard Stewart, DDS - aye
Jacob Eapen, MD – aye

The motion carried.

In accordance with District Law, Policies and Procedures, Director Stewart moved the Chief Executive Officer be authorized to enter into the necessary contracts and proceed with the purchase of the hardware, software and implementation services of the Radiology Workstation Upgrade for a total amount not to exceed \$61,442.00. This expense is part of the Fiscal Year 2016 IS Capital Budget.

*APPROVAL OF
RADIOLOGY
WORKSTATION
UPGRADE*

Director Danielson seconded the motion.

Roll call was taken:

Michael Wallace – away
William Nicholson, MD - aye
Patricia Danielson, RHIT – aye
Bernard Stewart, DDS - aye
Jacob Eapen, MD - aye

The motion carried.

In accordance with District Law, Policies and Procedures, Director Stewart moved the Chief Executive Officer be authorized to enter into the necessary contracts and proceed with the purchase of the hardware, software and implementation services for

*APPROVAL OF
INTELLIDESK
UPGRADE*

the Intellidesk Upgrade for a total amount not to exceed \$98,680.00. This expense is part of the Fiscal Year 2016 IS Communications Capital Budget.

Director Danielson seconded the motion.

Roll call was taken:

Michael Wallace – away
William Nicholson, MD - aye
Patricia Danielson, RHIT – aye
Bernard Stewart, DDS - aye
Jacob Eapen, MD - aye

The motion carried.

In accordance with District Law, Policies and Procedures, Director Stewart moved the Chief Executive Officer be authorized to proceed with the purchase of two Convection Steamers in an amount not to exceed \$56,248.00. This expense is part of the Fiscal Year 2016 Capital Asset Budget.

*APPROVAL OF
CONVECTION
STEAMERS*

Director Danielson seconded the motion.

Roll call was taken:

Michael Wallace – away
William Nicholson, MD - aye
Patricia Danielson, RHIT – aye
Bernard Stewart, DDS - aye
Jacob Eapen, MD - aye

The motion carried.

Director Stewart moved for adoption of Resolution No. 1165, which is the Resolution of the Board of Directors of Washington Township Health Care District Adopting Revisions to the Operation of the ICU/CCU.

*ADOPTION OF
RESOLUTION NO. 1165
RESOLUTION OF THE
BOARD OF DIRECTORS
OF WASHINGTON
TOWNSHIP HEALTH
CARE DISTRICT
ADOPTING REVISIONS
TO OPERATION OF
THE ICU/CCU*

Director Danielson seconded the motion.

Roll call was taken:

Michael Wallace – away
William Nicholson, MD - aye
Patricia Danielson, RHIT – aye
Bernard Stewart, DDS - aye
Jacob Eapen, MD - aye

The motion carried.

There being no further business, Director Nicholson adjourned the meeting at 7:50pm.

ADJOURNMENT

Michael Wallace
President

Patricia Danielson, RHIT
Secretary

A meeting of the Board of Directors of the Washington Township Health Care District was held on Monday, April 19, 2016 in the Anderson C Auditorium, 2500 Mowry Avenue, Fremont, California. Director Wallace called the meeting to order at 6:05 p.m. and led those present in the Pledge of Allegiance.

CALL TO ORDER

Roll call was taken. Directors present: Michael Wallace, William Nicholson, MD; Bernard Stewart, DDS; Patricia Danielson, RHIT; Jacob Eapen, MD

ROLL CALL

Also present: Nancy Farber, Chief Executive Officer; Kimberly Hartz, Senior Associate Administrator; Ed Fayen, Senior Associate Administrator; Bryant Welch, Associate Administrator, Tina Nunez, Associate Administrator, Chris Henry, Associate Administrator; Stephanie Williams, Associate Administrator; Christine Flores, District Clerk; Larry Bowen, Treasurer; Ed Wohlleb

There were no oral communications.

COMMUNICATIONS

There were no written communications.

In accordance with Health & Safety Code Sections 1461, 1462 and 32106 and Government Section 54954.5(h) Director Wallace adjourned the meeting to closed session at 6:06 p.m., as the discussion pertained to Hospital trade secrets, Human Resources matters and Risk Management.

ADJOURN TO CLOSED SESSION

Director Wallace reconvened the meeting to open session at 7:08 p.m. and reported no reportable action was taken in closed session.

RECONVENE TO OPEN SESSION & REPORT ON CLOSED SESSION

There being no further business, Director Wallace adjourned the meeting at 7:08 p.m.

ADJOURNMENT

Michael Wallace
President

Patricia Danielson, RHIT
Secretary

A meeting of the Board of Directors of the Washington Township Health Care District was held on Tuesday, April 26, 2016 in the Boardroom, Washington Hospital, 2000 Mowry Avenue, Fremont, California. Director Nicholson called the meeting to order at 7:30 a.m.

*CALL
TO
ORDER*

Roll call was taken. Directors present: William Nicholson, MD; Bernard Stewart, DDS; Patricia Danielson, RHIT
Excused: Michael Wallace; Jacob Eapen, MD

*ROLL
CALL*

Also present: Nancy Farber, Chief Executive Officer; Kranthi Achanta, MD; Timothy Tsoi, Peter Lunny, MD; John Romano, MD; Stephanie Williams, Associate Administrator; Albert Brooks, MD

There were no oral or written communications.

COMMUNICATIONS

Director Nicholson adjourned the meeting to closed session at 7:30 a.m. as the discussion pertained to Medical Audit and Quality Assurance Matters pursuant to Health & Safety Code Sections 1461 and 32155.

*ADJOURN TO CLOSED
SESSION*

Director Nicholson reconvened the meeting to open session at 9:05 a.m. and reported no reportable action was taken in closed session.

*RECONVENE TO OPEN
SESSION & REPORT ON
CLOSED SESSION*

There being no further business, the meeting was adjourned at 9:05 a.m.

ADJOURNMENT

Michael Wallace
President

Patricia Danielson, RHIT
Secretary

A meeting of the Board of Directors of the Washington Township Health Care District was held on Wednesday, April 27, 2016 in the Anderson C Auditorium, 2500 Mowry Avenue, Fremont, California. Director Wallace called the meeting to order at 6:00 p.m. and led those present in the Pledge of Allegiance.

CALL TO ORDER

Roll call was taken. Directors present: Michael Wallace, William Nicholson, MD; Bernard Stewart, DDS; Patricia Danielson, RHIT; Jacob Eapen, MD

ROLL CALL

Also present: Nancy Farber, Chief Executive Officer; Kimberly Hartz, Senior Associate Administrator; Ed Fayen, Senior Associate Administrator; Bryant Welch, Associate Administrator, Tina Nunez, Associate Administrator, Chris Henry, Associate Administrator; Stephanie Williams, Associate Administrator; Christine Flores, District Clerk

There were no oral communications.

COMMUNICATIONS

There were no written communications.

In accordance with Health & Safety Code Sections 1461, 1462 and 32106 and Government Section 54954.5(h) Director Wallace adjourned the meeting to closed session at 6:02 p.m., as the discussion pertained to Hospital trade secrets, Human Resources matters and Risk Management.

ADJOURN TO CLOSED SESSION

Director Wallace reconvened the meeting to open session at 7:40 p.m. and reported no reportable action was taken in closed session.

RECONVENE TO OPEN SESSION & REPORT ON CLOSED SESSION

There being no further business, Director Wallace adjourned the meeting at 7:08 p.m.

ADJOURNMENT

Michael Wallace
President

Patricia Danielson, RHIT
Secretary

Lisalee Wells
Counsel
T 213-629-6075
lwells@nixonpeabody.com

Gas Company Tower
555 West Fifth St., 46th Floor
Los Angeles, CA 90013-1010
213-629-6000

May 4, 2016

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

Re: Executive Summary of Proposed Action on Refunding Bonds

Members of the Board:

Nixon Peabody LLP, as Bond Counsel to the Washington Township Health Care District (the "District"), together with other members of the District's finance team, have prepared a number of legal documents for consideration by the Board of Directors at its meeting on May 11, 2016, that would authorize the issuance and sale of up to \$37,500,000 aggregate principal amount of the District's 2016 General Obligation Refunding Bonds (the "Refunding Bonds"). This Executive Summary outlines the parameters of the action proposed to be taken by the Board at this meeting.

Under the Government Code of the State, the District is authorized to refund its outstanding general obligation bonds at any time when interest rate savings can be realized. The District has issued multiple series of general obligation bonds and general obligation refunding bonds under its 2004 bond authorization, including the District's General Obligation Bonds, Election of 2004, 2006 Series A (the "Prior Bonds"). Conditions in the financial markets now make it possible to refund the Prior Bonds by the issuance of the Refunding Bonds, generating a savings to the taxpayers of the District. In order to do this, the following documents, having the following purposes, have been submitted to the Board for the first meeting:

Authorizing Resolution. This Resolution authorizes the issuance of the Refunding Bonds and approves other legal documents necessary for the refunding, listed below. The Resolution also delegates to the Chief Executive Officer and the Associate Administrator and Chief Financial Officer of the District the power to finalize the terms of the Refunding Bonds within certain parameters and sets the maximum maturity for the Refunding Bonds (which cannot be longer than the original terms of the Prior Bonds they will refund). The Resolution confirms the appointment of specialized consultants to accomplish the refunding, including Bond Counsel, C. Gordon Howie as Special Consultant to the District, and Merrill Lynch, Pierce, Fenner & Smith, as Underwriter (the "Underwriter"). Pursuant to the Resolution, the Refunding Bonds would be sold in a negotiated offering to the Underwriter.

Escrow Agreement. Under the Escrow Agreement between the District and U.S. Bank National Association, sufficient proceeds of the Refunding Bonds would be deposited and invested in certain restricted government securities to provide for the payment of principal of and interest on the Prior Bonds through their first call date. The sufficiency of the escrow fund for this purpose will be verified by a CPA firm specializing in such matters.

Preliminary Official Statement. The Refunding Bonds will need to be marketed by the Underwriter under a Preliminary Official Statement (the “POS”). The POS is the District’s document that will describe the Prior Bonds, the Refunding Bonds, the operations and financial condition of the District, and certain other information relevant to prospective purchasers of the Refunding Bonds. The POS has been prepared by counsel to the Underwriter and will be used by the Underwriter in the marketing of the Refunding Bonds, following the issuance of a rating for the District and certain additional review. It necessarily omits certain details of the Refunding Bonds, such as the maturity schedule, interest rates and redemption provisions, which will be settled upon pricing (see “Bond Purchase Agreement” below). As members of the Board will recall, the Securities and Exchange Commission also requires that the District enter into a continuing disclosure agreement (the “Continuing Disclosure Agreement”), intended to keep purchasers and owners of the Refunding Bonds informed of circumstances at the District after the closing of the issue. A form of the Continuing Disclosure Agreement is appended to the POS. Once the pricing of the Refunding Bonds occurs, remaining details will be added to the POS, which thereupon becomes a Final Official Statement.

Bond Purchase Agreement. In order to sell the Refunding Bonds to the Underwriter, the District will enter into a Bond Purchase Agreement, which will provide the general terms under which the Underwriter will agree to purchase the Refunding Bonds, and will remain with those terms blank until the date on which the Refunding Bonds are “priced,” or sold to the public. The Bond Purchase Agreement is not binding until the authorized officers of the District agree to the terms of the Refunding Bonds.

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Page 3

We look forward to the Board meeting and answering any further questions that you may have concerning the above.

Sincerely,

Lisalee Anne Wells

RESOLUTION No. 1166

**RESOLUTION OF THE BOARD OF DIRECTORS
OF WASHINGTON TOWNSHIP HEALTH CARE DISTRICT
AUTHORIZING THE ISSUANCE AND SALE OF
ITS 2016 GENERAL OBLIGATION REFUNDING BONDS
IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$37,500,000 AND
APPROVING CERTAIN OTHER MATTERS RELATING TO THE BONDS**

TABLE OF CONTENTS

	<u>Page</u>
SECTION 1. Definitions	2
SECTION 2. Rules of Construction	5
SECTION 3. Authority for this Resolution	5
SECTION 4. Resolution to Constitute Contract.....	5
SECTION 5. Approval of Documents; Determination of Method of Sale and Terms of Bonds	6
SECTION 6. Authorization of Officers.....	7
SECTION 7. Use of Bond Proceeds.....	7
SECTION 8. Designation and Form; Payment.....	7
SECTION 9. Description of the Bonds	8
SECTION 10. Tax Covenants.	8
SECTION 11. Book-Entry System.....	9
SECTION 12. Execution of the Bonds.....	10
SECTION 13. Transfer and Exchange	11
SECTION 14. Bonds Mutilated, Destroyed, Stolen or Lost.....	11
SECTION 15. Bond Register	12
SECTION 16. Unclaimed Money.....	12
SECTION 17. Application of Proceeds; Escrow Agreement; Debt Service Fund.....	12
SECTION 18. Payment of and Security for the Bonds	13
SECTION 19. Payment of Costs of Issuance.....	13
SECTION 20. Negotiated Sale/Method of Sale	14
SECTION 21. Engagement of Consultants; Parameters of Sale	14
SECTION 22. Establishment of Additional Funds and Accounts.....	14
SECTION 23. Request for Necessary County Actions	14
SECTION 24. Notice of Redemption of Refunded Bonds.....	14
SECTION 25. Redemption.....	15
SECTION 26. Selection of Bonds for Redemption.....	15
SECTION 27. Notice of Redemption.....	15
SECTION 28. Partial Redemption of Bonds.....	16
SECTION 29. Effect of Notice of Redemption.....	16
SECTION 30. Paying Agent; Appointment and Acceptance of Duties	16
SECTION 31. Liability of Paying Agent	17
SECTION 32. Evidence on Which Paying Agent May Act.....	17
SECTION 33. Compensation.	17
SECTION 34. Ownership of Bonds Permitted.....	17
SECTION 35. Resignation or Removal of Paying Agent and Appointment of Successor	17
SECTION 36. Valuation and Sale of Investments	18
SECTION 37. Supplemental Resolutions with Consent of Owners.....	18
SECTION 38. Supplemental Resolutions Effective Without Consent of Owners.....	18
SECTION 39. Effect of Supplemental Resolution.....	19
SECTION 40. Defeasance.....	19
SECTION 41. Excess Earning Fund.	20
SECTION 42. Approval of Actions; Miscellaneous.	20

SECTION 43. Conflicts..... 20
SECTION 44. Effective Date 21

EXHIBIT A FORM OF BOND..... A-1
EXHIBIT B FORM OF 15c2-12 CERTIFICATEB-1

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RESOLUTION NO. 1166

RESOLUTION OF THE BOARD OF DIRECTORS
OF WASHINGTON TOWNSHIP HEALTH CARE DISTRICT
AUTHORIZING THE ISSUANCE AND SALE OF
ITS 2016 GENERAL OBLIGATION REFUNDING BONDS
IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$37,500,000 AND
APPROVING CERTAIN OTHER MATTERS RELATING TO THE BONDS

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 (the “**County**”), State of California, on November 2, 2004 (the “**Election**”), and thereafter canvassed pursuant to law; 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 one hundred ninety million dollars (\$190,000,000), payable from the levy of an *ad valorem* tax against the taxable property in the District (the “**Authorization**”); and

WHEREAS, as authorized by the Election, the Board of Directors of the District (the “**Governing Board**”) has previously caused to be issued, among other series, the District’s General Obligation Bonds, Election of 2004, 2006 Series A (the “**Prior Bonds**”), of which \$36,180,000 aggregate principal amount is presently outstanding and subject to redemption; and

WHEREAS, the Prior Bonds were issued pursuant to the terms of that certain Resolution of the Governing Board adopted on November 8, 2006; and

WHEREAS, circumstances now dictate the current refunding of the outstanding Prior Bonds (collectively, the “**Refunded Bonds**”) in accordance with their terms; and

WHEREAS, pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (commencing with Sections 53550 and 53580, respectively), the District is authorized to issue general obligation bonds to refund the Refunded Bonds; and

WHEREAS, the Governing Board has now determined to refund the Refunded Bonds by issuing its 2016 General Obligation Refunding Bonds (the “**Bonds**”); and

WHEREAS, pursuant to Section 53558(a) of the Government Code, the District is authorized to deposit proceeds of the sale of the Bonds in escrow in an amount sufficient to pay the principal and maturity amount of and interest and redemption premiums, if any, on the Refunded Bonds as they become due or at designated dates prior to maturity, and to use certain proceeds of the Bonds to pay the costs of issuance of the Bonds; and

WHEREAS, the Governing Board has determined that it is desirable to sell the Bonds pursuant to a negotiated underwriting to an investment banking firm and desires to appoint the firm of Merrill Lynch, Pierce, Fenner & Smith Incorporated, as underwriter of the Bonds (the “**Underwriter**”), pursuant to a Contract of Purchase, a form of which has been submitted to this meeting of the Governing Board and is on file with the Clerk of the Board of Directors (the “**Clerk**”); and

WHEREAS, in connection with the proposed issuance of the Bonds, a form of Preliminary Official Statement (the “**Preliminary Official Statement**”) has been submitted to this meeting of the Governing Board and is on file with the Clerk; and

WHEREAS, a form of Continuing Disclosure Undertaking (the “**Continuing Disclosure Undertaking**”) appears as an exhibit to the Preliminary Official Statement, a form of which is required to be executed and delivered by the District in connection with its issuance of the Bonds; and

WHEREAS, a form of escrow agreement (the “**Escrow Agreement**”), by and between the District and U.S. Bank National Association, as escrow agent (the “**Escrow Agent**”), directing the establishment of an escrow fund for deposit of certain proceeds of sale of the Bonds for the purpose of paying and redeeming the Refunded Bonds has been submitted to this meeting of the Governing Board and is on file with the Clerk; and

WHEREAS, this Governing Board desires that the Treasurer-Tax Collector of the County (the “**Treasurer**”) should 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, 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 payment of the Bonds; and

WHEREAS, the pledge included in this Resolution to secure payment of the Bonds is intended to be a consensual agreement with the Bondholders; 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 this proposed issue of Bonds (as hereinafter defined), is within all limits prescribed by law;

NOW THEREFORE, IT IS RESOLVED, DETERMINED AND ORDERED by the Board of Directors of the Washington Township Health Care District as follows:

SECTION 1. Definitions. Capitalized terms used but not defined herein shall have the meanings set forth in the Recitals hereto. Additionally, the following terms shall for all purposes of this Resolution have the following meanings:

“Auditor-Controller” shall mean the Auditor-Controller Agency of the County.

“Authorized Representative” shall mean the Chief Executive Officer of the District, the Associate Administrator and Chief Financial Officer of the District or a designee of either thereof.

“Authorizing Law” shall mean Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with Sections 53550 and 53580, respectively) of the Government Code.

“Board of Supervisors” shall mean the Board of Supervisors of the County.

“Bond Counsel” shall mean Nixon Peabody LLP or any other firm that is a nationally recognized bond counsel firm.

“Bond Register” shall mean the books referred to in Section 15 of this Resolution.

“Business Day” shall mean a day which is not a Saturday, Sunday or a day on which banking institutions in the State or the State of New York and the New York Stock Exchange are authorized or required to be closed.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Costs of Issuance” shall mean all of the costs of issuing the Bonds authorized under the Authorizing Law, including but not limited to, all printing and document preparation expenses in connection with this Resolution, the Bonds and the Preliminary Official Statement and the Official Statement (as hereinafter defined) pertaining to the Bonds and any and all other agreements, instruments, certificates or other documents prepared in connection therewith; consulting fees; expenses related to the issue; underwriting discount; rating agency fees; auditor’s fees; CUSIP service bureau charges; legal fees and expenses of counsel with respect to the financing; the initial fees and expenses of the Paying Agent, and fees of the Escrow Agent and the Verification Agent; and other fees and expenses incurred in connection with the issuance of the Bonds, to the extent such fees and expenses are approved by the District.

“Debt Service” shall have the meaning given to that term in Section 17 of this Resolution.

“Debt Service Fund” shall mean the Debt Service Fund established pursuant to Section 17 of this Resolution.

“Defeasance Securities” means lawful money or noncallable direct obligations issued by the United States Treasury 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 nationally recognized bond counsel, will not impair the exclusion from gross income for federal income tax purposes of interest on the Refunded Bonds.

“Depository” shall mean 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.

“DTC” shall mean The Depository Trust Company, New York, New York, and its successors and assigns.

“Interest Payment Date” shall mean February 1 and August 1 in each year, or as otherwise specified in the Contract of Purchase, commencing on the date specified in the Contract of Purchase.

“MSRB” shall mean 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 Undertaking. 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>.

“Nominee” shall mean the nominee of the Depository which may be the Depository, as determined from time to time by the Depository.

“Nonarbitrage Certificate” shall mean the Tax and Nonarbitrage Certificate of the District delivered in connection with the issuance of the Bonds.

“Official Statement” shall mean the final official statement of the District describing the Bonds to be approved at a subsequent meeting of the Governing Board.

“Outstanding” when used with reference to the Bonds, shall mean, as of any date, Bonds theretofore issued or thereupon being issued under this Resolution except:

- (i) Bonds canceled at or prior to such date;
- (ii) Bonds in lieu of or in substitution for which other Bonds shall have been delivered pursuant to Section 14 hereof;
- (iii) 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 40 of this Resolution.

“Owner” shall mean the registered owner, as indicated in the Bond Register, of any Bond.

“Participant” shall mean a member of or participant in the Depository.

“Paying Agent” shall mean the paying agent designated pursuant to Section 30 hereof.

“Pledged Moneys” shall have the meaning given to that term in Section 18 of this Resolution.

“Principal” or “Principal Amount” shall mean, as of any date of calculation, the principal amount of the Bonds.

“Record Date” shall mean the close of business on the fifteenth calendar day of the month next preceding an Interest Payment Date.

“Regulations” shall mean the regulations of the United States Department of the Treasury proposed or promulgated under Sections 103 and 141 through 150 of the Code which by their terms are effective with respect to the Bonds and similar Treasury Regulations to the extent not inconsistent with Sections 103 and 141 through 150 of the Code, including regulations promulgated under Section 103 of the Internal Revenue Code of 1954, as amended.

“Securities Depositories” shall mean The Depository Trust Company, 55 Water Street, New York, New York 10041, facsimile transmission: (212) 785-9681, (212) 855-3215, and, in accordance with then-current guideline of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the District may designate in a Certificate delivered to the Paying Agent.

“Securities Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

“State” shall mean the State of California.

“Superintendent” shall mean the Superintendent of the District.

“Supplemental Resolution” shall mean any resolution supplemental to or amendatory of this Resolution, adopted by the District in accordance with Section 37 or Section 38 hereof.

“Verification Agent” shall mean Causey Demgen & Moore, PC, or such other firm of certified public accountants as may be appointed by the Authorized Representative.

SECTION 2. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders, and vice versa. Except where the context otherwise requires, words importing the singular shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

SECTION 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.

SECTION 4. 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 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.

SECTION 5. Approval of Documents; Determination of Method of Sale and Terms of Bonds. Any Authorized Representative, in consultation with Bond Counsel and the other officers of the District are, and each of them acting alone is, hereby authorized and directed to issue and deliver the Bonds and to establish the initial aggregate Principal Amount thereof; provided, however, that such initial aggregate Principal Amount shall not exceed the maximum aggregate principal amount of \$37,500,000.

(a) The form of the Contract of Purchase is hereby approved. The Authorized Representatives are, and each of them acting alone is, authorized and directed to execute and deliver the Contract of Purchase for and in the name and on behalf of the District, with such additions, changes or corrections therein as the Authorized Representative executing the same on behalf of the District may approve, in his or her discretion, as being in the best interests of the District including, without limitation (i) such changes as are necessary to reflect the final terms of the Bonds to the extent such terms differ from those set forth in this Resolution, such approval to be conclusively evidenced by such Authorized Representative's execution thereof and (ii) any other documents required to be executed thereunder. The Authorized Representatives are, and each of them acting alone is, hereby authorized and directed to determine the specific maturities and amounts of the Prior Bonds or portions thereof to be refunded based upon market conditions existing at the time of the pricing of the Bonds. In addition, the Authorized Representatives are, and each of them acting alone is, hereby authorized to negotiate with the Underwriter the interest rates on the Bonds and the purchase price of the Bonds to be paid by the Underwriter, which purchase price shall reflect an Underwriter's discount of not more than 1.0% (not including original issue discount) of the Principal Amount thereof. The interest rate on the Bonds shall not exceed 6.0% per annum and shall generate savings to the taxpayers of the District, as mandated by the Authorizing Law.

(b) The form of the Preliminary Official Statement is hereby approved. This Governing Board also hereby authorizes the use and distribution of (i) the Preliminary Official Statement, with such changes as the Authorized Representative executing the certificate described below may approve, such approval to be conclusively evidenced by such Authorized Representative's execution of such certificate; and (ii) 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 Representative executing the Official Statement, such determination to be conclusively evidenced by the execution and delivery of the Official Statement; and (ii) any amendments or supplements to the Preliminary Official Statement or the Official Statement which an Authorized Representative may deem necessary or desirable. Upon approval of the Preliminary Official Statement by such Authorized Representative, said Authorized Representative shall execute a certificate substantially in the form of Exhibit B 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.

(c) The form of Continuing Disclosure Undertaking is hereby approved. The Authorized Representatives are, and each of them acting alone is, hereby authorized to execute and deliver the Continuing Disclosure Undertaking on behalf of the District with such changes therein as the Authorized Representative may approve, in his or her discretion, as being in the best interest of the District, such approval to be conclusively evidenced by such persons' execution thereof. The District hereby covenants and agrees that it will comply with and carry out all of the requirements of the Continuing Disclosure Undertaking; notwithstanding the foregoing, the failure of the District to comply with the Continuing Disclosure Undertaking shall not be considered an event of default with respect to the Bonds.

(d) The form of the Escrow Agreement is hereby approved. The Authorized Representatives are, and each of them acting alone is, hereby authorized and directed, for and in the name of and on behalf of the District, to execute and deliver the Escrow Agreement in substantially the form on file with the District and considered at this meeting, with such changes therein as the Authorized Representative 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 to be conclusively evidenced by the execution and delivery of the Escrow Agreement by such Authorized Representative. The Authorized Representatives are, and each of them acting alone is, hereby authorized and directed to make changes to the Escrow Agreement to achieve the purposes for which the Bonds are being executed and delivered.

(e) This Governing Board also hereby authorizes the preparation of a paying agent agreement in connection with the Bonds, in such form as shall be determined by an Authorized Representative, such determination to be conclusively evidenced by the execution and delivery of the paying agent agreement by such Authorized Representative.

SECTION 6. Authorization of Officers. The Authorized Representatives of the District are, and each of them acting alone is, hereby authorized to execute any and all documents and do and perform any and all acts and things, from time to time, consistent with this Resolution and necessary or appropriate to carry the same into effect and to carry out its purposes.

SECTION 7. Use of Bond Proceeds. The proceeds of the Bonds, together with other available funds, shall be applied to pay the principal of and interest and redemption premium, if any, on the Refunded Bonds as they become due or at their redemption date and to pay Costs of Issuance.

SECTION 8. Designation and Form; 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 \$37,500,000. Such Bonds shall be general obligations of the District, payable as to Principal, premium, if any, and interest from *ad valorem* taxes to be levied upon all of the taxable property in the District. The Bonds shall be designated the "Washington Township Health Care District 2016 General Obligation Refunding Bonds." The Bonds shall be issued as current interest bonds and may be issued as serial bonds or term bonds, as set forth in the Contract of Purchase, subject to the provisions of this Resolution.

(a) The form of the Bonds shall be substantially in conformity with the standard form of registered public agency bonds, a form of which is attached hereto as Exhibit A

and incorporated herein by this reference, with such changes as are necessary to reflect the final terms of the Bonds.

(b) Principal, premium, if any, and interest with respect to any Bond are payable in lawful money of the United States of America. Principal and premium, if any, is payable upon surrender thereof at maturity or earlier redemption at the office designated by the Paying Agent.

SECTION 9. Description of the Bonds. The Bonds shall be issued in fully registered form, in denominations of \$5,000 or any integral multiple thereof, except as provided in the Contract of Purchase. The Bonds shall be dated and shall mature on the dates, in the years and in the Principal Amounts, and interest shall be computed at the rates set forth in the Contract of Purchase.

Interest on each Bond shall accrue from its dated date as set forth in the Contract of Purchase. Interest on the Bonds shall be computed using a year of 360 days comprised of twelve 30-day months and shall be payable on each Interest Payment Date to the Owner thereof as of the close of business on the Record Date. Interest with respect to each Bond will be payable from the Interest Payment Date next preceding the date of registration thereof, unless (i) it is registered after the close of business on any Record Date and before the close of business on the immediately following Interest Payment Date, in which event interest with respect thereto shall be payable from such following Interest Payment Date; or (ii) it is registered prior to the close of business on the first Record Date, in which event interest shall be payable from its dated date; provided, however, that if at the time of registration of any Bond interest with respect thereto is in default, interest with respect thereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment. Payments of interest on the Bonds will be made on each Interest Payment Date by check or draft of the Paying Agent sent by first-class mail, postage prepaid, to the Owner thereof on the Record Date, or by wire transfer to any Owner of \$1,000,000 Principal Amount or more of such Bonds, to the account specified by such Owner in a written request delivered to the Paying Agent on or prior to the Record Date for such Interest Payment Date; provided, however, that 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.

SECTION 10. Tax Covenants.

In order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds, the District hereby covenants to comply with each applicable requirement of Section 103 and Sections 141 through 150 of the Code. In furtherance of these covenants, the District agrees to comply with the covenants contained in the Nonarbitrage Certificate with respect to the Bonds. The District further agrees to comply with its Post-Issuance Tax Compliance Procedures with respect to the Bonds. The District hereby agrees to deliver instructions to the Paying Agent as may be necessary in order to comply with the Nonarbitrage Certificate.

SECTION 11. 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. Upon initial issuance, the ownership of each such global Bond 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.

With respect to Bonds registered in the Bond Register in the name of the Nominee, the District shall have no 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 (as defined in Section 27 below), (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 and the Paying Agent may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute Owner of such Bond for the purpose of payment of Principal of, 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 Principal of, 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, 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, premium, if any, and interest, pursuant to this Resolution. Upon delivery by the Depository to the Paying Agent and the District 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) In order to qualify the Bonds for the Depository's book-entry system, the District is hereby authorized to execute and deliver to such 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 deputies and designees, are hereby authorized to take

any other actions, not inconsistent with this Resolution, to qualify the Bonds for the Depository's book-entry program.

(c) 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 received notice or became aware of such condition, as the case may be, subsection (a) hereof shall no longer be applicable and the District shall cause the issuance of bonds representing the Bonds as provided below. In addition, the District may determine at any time that the Bonds shall no longer be lodged with a Depository and that the provisions of subsection (a) hereof shall no longer apply to the Bonds. In any such event, the District shall cause the execution and delivery of bonds representing the Bonds as provided below. Bonds issued in exchange for global bonds pursuant to this subsection (c) shall be registered in such names and delivered in such denominations as the Depository shall instruct the District. The District shall cause delivery of such 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 global bond 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.

(d) 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 with respect to Principal of, 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.

(e) The initial Depository under this Resolution shall be DTC. The initial Nominee shall be Cede & Co., as nominee of DTC.

SECTION 12. Execution of the 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.

Each Bond shall bear thereon a certificate of authentication executed manually by the Paying Agent. Only such Bonds as shall bear thereon such certificate of authentication duly executed by the Paying Agent shall be entitled to any right or benefit under this Resolution and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Paying Agent. Such certificate of the Paying Agent upon any Bond shall be conclusive evidence that the Bond so authorized has been duly authenticated and delivered under this Resolution and that the Owner thereof is entitled to the benefit of this Resolution.

SECTION 13. Transfer and Exchange. The registration of any Bond may be transferred upon the Bond Register upon surrender of such Bond to the Paying Agent. Such Bond shall be endorsed or accompanied by delivery of the written instrument of transfer shown in Exhibit A hereto, duly executed by the Owner or his duly authorized attorney, and payment of such reasonable transfer fees as the Paying Agent may establish. Upon such registration of transfer, a new Bond or Bonds, of like tenor and maturity in the same Principal Amount and in authorized denominations, will be executed and delivered to the transferee in exchange therefor.

The Paying Agent shall deem and treat the person in whose name any Outstanding Bond shall be registered upon the Bond Register as the absolute owner of such Bond, whether the Principal, premium, if any, or interest with respect to such Bond shall be overdue or not, for the purpose of receiving payment of Principal, premium, if any, and interest with respect to such Bond and for all other purposes, and any such payments so made to any such Owner or upon his order shall be valid and effective to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and the District or the Paying Agent shall not be affected by any notice to the contrary.

Bonds may be exchanged at the office of the Paying Agent for Bonds of like tenor, maturity and Principal Amount of other authorized denominations. All Bonds surrendered in any such exchange shall thereupon be cancelled by the Paying Agent. The Paying Agent may charge the Owner a reasonable sum for each new Bond executed and delivered upon any exchange (except in the case of the first exchange of any Bond in the form in which it is originally delivered, for which no charge shall be imposed) and the Paying Agent may require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Paying Agent shall not be required to register the transfer or exchange of any Bond (i) during the period beginning at the close of business on any Record Date through the close of business on the immediately following Interest Payment Date, or (ii) that has been called or is subject to being called for redemption, during a period beginning at the opening of business 15 days before any selection of Bonds to be redeemed through the close of business on the applicable redemption date, except for the unredeemed portion of any Bond to be redeemed only in part.

SECTION 14. Bonds Mutilated, Destroyed, Stolen or Lost. 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, 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 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.

SECTION 15. Bond Register. The Paying Agent shall keep or cause to be kept at its office sufficient books for the registration and registration of transfer of the Bonds. Upon presentation for registration of transfer, the Paying Agent shall, as above provided and under such reasonable regulations as it may prescribe subject to the provisions hereof, register or register the transfer of the Bonds, or cause the same to be registered or cause the registration of the same to be transferred, on such books. While the Bonds are held in the book-entry system, the Paying Agent is not required to keep the Bond Register.

SECTION 16. Unclaimed Money. All money which the Paying Agent shall have received from any source and set aside for the purpose of paying or redeeming any of the Bonds shall be held in trust for the respective Owners of such Bonds, but any money which shall be so set aside or deposited by the Paying Agent and which shall remain unclaimed by the Owners of such Bonds for a period of one year after the date on which any payment or redemption with respect to such Bonds shall have become due and payable 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 said money has not been claimed and that after a date named therein any unclaimed balance of said money then remaining will be transferred to the General Fund of the District. Thereafter, the Owners of such Bonds shall look only to the General Fund of the District for payment of such Bonds.

SECTION 17. Application of Proceeds; Escrow Agreement; Debt Service Fund. A portion of the proceeds of sale of the Bonds shall be transferred to the Escrow Agent for deposit into an Escrow Fund established under the Escrow Agreement in an amount necessary to purchase the Defeasance Securities needed to defease and redeem the Refunded Bonds.

(a) Accrued interest, if any, shall be kept separate and apart in the fund hereby created and established and to be designated as the "Washington Township Health Care District General Obligation Refunding Bonds, 2016 Refunding Debt Service Fund" (the "**Debt Service Fund**") and used only for payments of Principal of and interest on the Bonds. Any excess proceeds of the Bonds not needed for the authorized purposes set forth herein for which the Bonds are being issued shall be transferred to the Debt Service Fund and applied to the payment of Principal of and interest on the Bonds.

(b) All Pledged Moneys shall be deposited upon collection by the County into the Debt Service Fund and used for the payment of the Principal of, premium, if any, and interest on the Bonds.

(c) On the Business Day immediately preceding each Interest Payment Date, the District shall transfer or cause to be transferred from the Debt Service Fund to the Paying

Agent, an amount in immediately available funds sufficient to pay all the Principal of, premium, if any, and interest on the Bonds (collectively, the “**Debt Service**”) on such Payment Date. Debt Service on the Bonds shall be paid by the Paying Agent in the manner provided by law for the payment of Debt Service.

(d) Certain proceeds of the Bonds shall be applied to pay Costs of Issuance as provided in Section 19 below.

SECTION 18. Payment of and Security for the Bonds. There shall be levied on all the taxable property in the District, in addition to all other taxes a continuing direct *ad valorem* tax annually during the period the Bonds are outstanding in an amount sufficient 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 fall due (the “**Pledged Moneys**”). When collected by the County, Pledged Moneys will be placed in the Debt Service Fund of the District. The property taxes and amounts collected shall be immediately subject to this pledge, and the pledge constitute a lien and security interest which shall immediately attach to the property taxes and amounts held in the Debt Service 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 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 year. The District covenants to cause the County to take all actions necessary to levy such *ad valorem* tax, in accordance with this Section and Section 53559 of the Government Code.

Except as required to satisfy the requirements of Section 148(f) of the Code, interest earned on the investment of monies held in the Debt Service Fund shall be retained in the Debt Service Fund and used to pay Principal of and interest on the Bonds when due.

The pledge is an agreement between the District and the Bondholders 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 applicable voter-approved measure.

SECTION 19. Payment of Costs of Issuance. Proceeds of the sale of the Bonds necessary to pay all costs of issuing the Bonds shall be deposited in the fund of the District known as the “Washington Township Health Care District 2016 Refunding Costs of Issuance Fund” (the “**Costs of Issuance Fund**”) and shall be kept separate and distinct from all other District funds, and those proceeds shall be used solely for the purpose of paying Costs of Issuance of the Bonds. The Costs of Issuance Fund may be held and administered by the Paying Agent. Notwithstanding the foregoing, all or a portion of the Costs of Issuance may be paid by the Underwriter or by a fiscal agent designated for such purpose. Any amounts retained for payment of Costs of Issuance and returned to the District pursuant to the Contract of Purchase shall be transferred to the Debt Service Fund to be applied to the payment of Principal of and/or interest on the Bonds.

SECTION 20. Negotiated Sale/Method of Sale. The Bonds shall be sold by negotiated sale to the Underwriter inasmuch as such a sale: (a) will allow the District to integrate the sale of the Bonds with other public financings undertaken, or to be undertaken, by the District; (b) will allow the District to utilize the services of consultants who are familiar with the financial needs, status and plans of the District; (c) 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, in order to insure that savings are generated by the within refunding. The interest rate on the Bonds shall not exceed 6.0% per annum. The District acknowledges receipt of the letter from the Underwriter in compliance with Rule G-17 of the Municipal Securities Rulemaking Board.

SECTION 21. Engagement of Consultants; Parameters of Sale. 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 Merrill Lynch, Pierce, Fenner & Smith, Incorporated, as Underwriter in connection with the sale and issuance of the Bonds. The estimated Costs of Issuance associated with the sale of the Bonds are 1.2% of the Principal amount thereof and the Underwriter's discount shall not exceed 1.0% of the Principal amount thereof, without regard to original issue discount, if any.

SECTION 22. 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.

SECTION 23. Request for Necessary County Actions. (a) 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 pursuant to law to provide for the levy and collection of a property tax on all taxable property of the District sufficient to provide for payment of all principal of, redemption premium, if any, and interest on the Bonds as the same shall become due and payable as necessary for the payment of the Bonds, and the Secretary is hereby authorized and directed to deliver certified copies of this Resolution to the Clerk of the Board of Supervisors of the County, the Auditor-Controller of the County, and the Treasurer. The District hereby agrees to reimburse the County for any costs associated with the levy and collection of said tax, upon such documentation of said costs as the District shall reasonably request.

(b) 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, upon, but only upon, the defeasance or redemption of the Refunded Bonds from proceeds of the Bonds, to discontinue the levy of property taxes on all taxable property of the District for the payment of the Refunded Bonds, pursuant to Section 53561 of the Government Code.

SECTION 24. Notice of Redemption of Refunded Bonds. The Paying Agent is hereby authorized and directed to give timely notice of redemption of the Refunded Bonds, pursuant to the terms of the resolution pursuant to which the Refunded Bonds were issued.

SECTION 25. Redemption. The Bonds shall be subject to redemption as provided in the Contract of Purchase.

SECTION 26. Selection of Bonds for Redemption. Whenever provision is made in this Resolution or in the Contract of Purchase 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 as provided herein, shall select Bonds for redemption in the manner directed by the District, or in the event the District shall fail to provide such direction, in inverse order of maturity and within a maturity, by lot. 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.

SECTION 27. Notice of Redemption. When redemption is authorized or required pursuant to this Resolution or the Contract of Purchase, the Paying Agent, upon written instruction from the District given at least 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 (a) 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 (b) 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:

(i) At least 20 but not more than 45 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.

(ii) In the event that the Bonds shall no longer be held in book-entry-only form, at least 35 but not more than 45 days before the redemption date, such Redemption Notice shall be given by (i) first-class mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service, to each of the Securities Depositories.

(iii) In the event that the Bonds shall no longer be held in book-entry-only form, at least 35 but not more than 45 days before the redemption date, such Redemption Notice shall be given by (A) first-class mail, postage prepaid, or (B) overnight delivery service, to the MSRB.

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 issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

A Redemption Notice given hereunder may be conditioned upon the receipt of sufficient moneys to pay the redemption price of the affected Bonds and may be rescinded by the District 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 if, for any reason, on the date fixed for redemption, the District does not expect moneys to be available in the Debt Service 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, if any, shall be given by the Paying Agent in the same manner as a Redemption Notice above.

SECTION 28. Partial Redemption of Bonds. 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 Principal Amounts to the unredeemed portion of the Bond 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.

SECTION 29. Effect of Notice of Redemption. 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 Debt Service Fund or in an escrow fund established therefor, 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 Section 25 hereof, together with interest to such redemption date, shall be held by 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 Section 25 shall be cancelled upon surrender thereof and delivered to or upon the order of the District. All or any portion of a Bond purchased by the District shall be cancelled by the Paying Agent upon written notice by the District given to the Paying Agent.

SECTION 30. Paying Agent; Appointment and Acceptance of Duties. (a) U.S. Bank National Association is hereby appointed as Paying Agent (the "Paying Agent") for the Bonds. All fees and expenses incurred for services of the Paying Agent, including its third-party agents, shall be the sole responsibility of the District, subject to Section 33 below. The Paying Agent shall keep accurate records of all funds administered by it and of all Bonds paid and discharged by it.

(b) Unless otherwise provided, the office of the Paying Agent designated by the Paying Agent, initially in San Francisco, California, shall be the place for the payment of principal of, premium, if any, and interest on the Bonds.

SECTION 31. Liability of Paying Agent. The Paying Agent makes no representations as to the validity or sufficiency of this Resolution or of any Bonds issued hereunder or as to the security afforded by this Resolution, and the Paying Agent shall incur no liability in respect hereof or thereof.

SECTION 32. Evidence on Which Paying Agent May Act. The Paying Agent, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of this Resolution, shall examine such instrument to determine whether it conforms to the requirements of this Resolution and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. The Paying Agent may consult with counsel, who may or may not be counsel to the District, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Resolution in good faith and in accordance therewith.

SECTION 33. Compensation. The District shall pay to the Paying Agent from time to time reasonable compensation for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under this Resolution, all of which may be paid from the County's annual levy of *ad valorem* taxes.

SECTION 34. Ownership of Bonds Permitted. The Paying Agent or the Underwriter may become the Owner of any Bonds.

SECTION 35. Resignation or Removal of Paying Agent and Appointment of Successor. (a) The initially appointed Paying Agent may resign from service as Paying Agent at any time. Prior to such resignation a new Paying Agent shall be appointed by the District in accordance with applicable law, which shall be the Treasurer or a bank or trust company doing business in and having a corporate trust office in Los Angeles or San Francisco, California, with at least \$50,000,000 in net assets. Such successor Paying Agent shall signify the acceptance of its duties and obligations hereunder by executing and delivering to the District, a written acceptance thereof. Resignation of the initial or a successor Paying Agent shall be effective upon appointment and acceptance of a successor Paying Agent.

(b) Any Paying Agent appointed may resign from service as Paying Agent and may be removed at any time by the District as provided in the Paying Agent's service agreement. If at any time the Paying Agent shall resign or be removed, a new Paying Agent shall be appointed in accordance with applicable law, which shall be either the Treasurer or a bank or trust company doing business in and having a corporate trust office in Los Angeles or San Francisco, California, with at least \$50,000,000 in net assets. Such successor Paying Agent shall signify the acceptance of its duties and obligations hereunder by executing and delivering to

the District, a written acceptance thereof. Resignation or removal of the Paying Agent shall be effective upon appointment and acceptance of a successor Paying Agent.

(c) In the event of the resignation or removal of the Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor. The District shall promptly provide notice of the name and principal corporate trust office address of the Paying Agent appointed to replace any resigned or removed Paying Agent to the Owners of the Bonds by first-class mail, postage prepaid, at their addresses appearing on the Bond Register.

SECTION 36. Valuation and Sale of Investments. Obligations purchased as an investment of moneys in any fund or account shall be deemed at all times to be a part of such fund or account. Profits or losses attributable to any fund or account shall be credited or charged to such fund or account. In computing the amount in any fund or account created under the provisions of this Resolution for any purpose provided in this Resolution, obligations purchased as an investment of moneys therein shall be valued at cost, plus, where applicable, accrued interest.

SECTION 37. Supplemental Resolutions with Consent of Owners. This Resolution, and the rights and obligations of the District and of the Owners of the Bonds issued hereunder, may be modified or amended at any time by a Supplemental Resolution adopted by the District with the written consent of Owners owning at least 60% in aggregate Bond Obligation of the Outstanding Bonds, exclusive of Bonds, if any, owned by the District. Notwithstanding the foregoing, 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. No such Supplemental Resolution shall change or modify any of the rights or obligations of any Paying Agent without its written assent thereto. Notwithstanding anything herein to the contrary, no such consent shall be required if the Owners are not directly and adversely affected by such amendment or modification.

SECTION 38. 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 District may be adopted, which, without the requirement of consent of the Owners, shall be fully effective in accordance with its terms:

(a) 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;

(b) 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;

(c) 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;

(d) To cure any ambiguity, supply any omission, or cure to correct any defect or inconsistent provision in this Resolution; or

(e) To amend or supplement this Resolution in any other respect, provided such Supplemental Resolution does not, in the opinion of Bond Counsel, adversely affect the interests of the Owners.

SECTION 39. 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 relating 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 thereof from taking any action pursuant thereto.

SECTION 40. Defeasance. If any or 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 of, premium, if any, and interest on such Bonds, and when the same become due and payable;

(b) by depositing with the Paying Agent or with a duly appointed escrow agent, in trust, at or before maturity, cash which, together with the amounts then on deposit in the Debt Service Fund (and the accounts therein other than amounts that are not available to pay Debt Service) and together with the interest to accrue thereon without the need for further investment, is fully sufficient to pay such Bonds at maturity thereof, 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 of serving as successor Paying Agent pursuant to Section 35 hereof selected by the District, in trust, lawful money or noncallable direct obligations issued by the United States Treasury (including State and Local Government Series) 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 nationally recognized 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, together with the interest to accrue thereon without the need for further investment, be fully sufficient to pay and discharge such Bonds at maturity or earlier redemption thereof, for which notice has been given or provided for, 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 such Bonds shall cease and terminate, except only the obligation of the Paying Agent or escrow

agent to pay or cause to be paid to the Owners of such Bonds all sums due thereon, and the obligation of the District to pay to the Paying Agent amounts owing to the Paying Agent under Section 33 hereof.

SECTION 41. Excess Earning Fund. There is hereby established in trust a special fund designated "Washington Township Health Care District 2016 General Obligation Refunding Bonds 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 Nonarbitrage Certificate. Amounts on deposit in the Excess Earnings Fund shall only be applied to payments made to the United States or otherwise transferred to other accounts or funds established hereunder in accordance with the Nonarbitrage Certificate.

SECTION 42. Approval of Actions; Miscellaneous. (a) The Authorized Representatives of the District 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 or 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.

(b) The County, the Board of Supervisors, officers, agents, and employees shall not be responsible for any proceedings or the preparation or contents of any resolutions, certificates, statements, disclosures, notices, contracts, or other documents relating to the sale and issuance of the Bonds.

(c) The Principal of and interest and redemption premium (if any) on the Bonds shall not constitute debt or an obligation of the County, its Board of Supervisors, officers, agents, or employees, and the County, the Board of Supervisors, officers, agents, and employees thereof shall not be liable thereon. In no event shall the Principal of and interest and redemption premium (if any) on any Bond be payable out of any funds or property of the County.

(d) The Clerk of the Board shall send a certified copy of this Resolution, together with the final debt service schedule for the Bonds, to the Treasurer.

SECTION 43. Conflicts. If there is any inconsistency or conflict between any provision of this Resolution and any provision of the Contract of Purchase, the Contract of Purchase 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 Nonarbitrage Certificate, the Nonarbitrage Certificate prevails to the extent of the inconsistency or conflict.

SECTION 44. Effective Date. This Resolution shall take effect immediately upon its passage.

ADOPTED, SIGNED AND APPROVED this 11th day of May, 2016, by the Board of Directors of the Washington Township Health Care District, at a regularly scheduled meeting held in Fremont, California, at a location freely accessible to the public, by the following roll-call vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

WASHINGTON TOWNSHIP HEALTH CARE DISTRICT

By: _____
President, Board of Directors

Attest:

By: _____
Secretary, Board of Directors

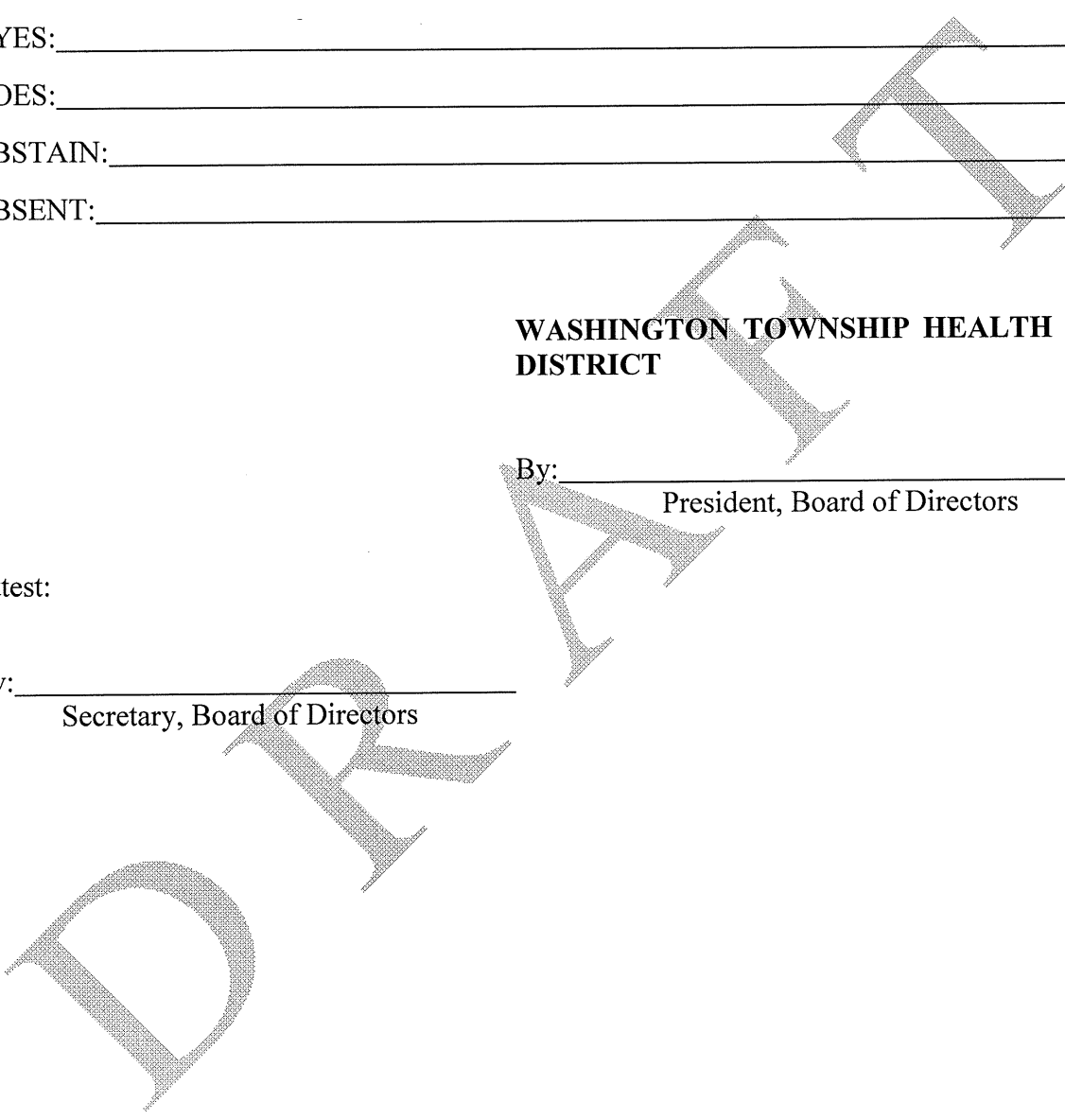


EXHIBIT A
FORM OF BOND

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE RESOLUTION) 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.

UNITED STATES OF AMERICA

STATE OF CALIFORNIA

WASHINGTON TOWNSHIP HEALTH CARE DISTRICT
(Alameda County, California)
2016 GENERAL OBLIGATION REFUNDING BONDS

\$ _____

No. R-

Interest
Rate

Maturity
Date

Dated
Date

CUSIP

_____ %

August 1, _____

REGISTERED OWNER:

PRINCIPAL AMOUNT:

Washington Township Health Care District (the “**District**”), a health care district duly organized and existing under the laws of the State of California, located within the County of Alameda, State of California (the “**County**”), for value received, hereby acknowledges itself indebted and promises to pay to the Registered Owner set forth above, or registered assigns, the Principal Amount set forth above, on the Maturity Date set forth above, together with interest thereon from the Dated Date set forth above until the principal amount hereof shall have been paid or provided for, in accordance with the Resolution hereinafter referred to, at the interest rate set forth above. Interest on this Bond is payable on August 1, 2016, and semiannually thereafter on the first day of February and August (each, an “**Interest Payment Date**”) in each year to the registered owner hereof from the Interest Payment Date next preceding the date on which this Bond is registered (unless it is registered after the close of business on the fifteenth calendar day

of the month preceding any Interest Payment Date (each “**Record Date**”) and before the close of business on the immediately following Interest Payment Date, in which event it shall bear interest from such following Interest Payment Date, or unless this Bond is registered prior to the close of business on the first Record Date, in which event it shall bear interest from its date; *provided, however*, that if at the time of registration of this Bond interest with respect hereto is in default, interest with respect hereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment). The principal amount hereof is payable at the office of U.S. Bank National Association, as paying agent (the “**Paying Agent**”), or at the office of a successor Paying Agent appointed pursuant to the Resolution (as hereinafter defined). The interest hereon is payable by check or draft mailed by first-class mail to each registered owner, at his address as it appears on the registration books kept by the Paying Agent as of the Record Date, or by wire transfer to any Owner of \$1,000,000 Principal Amount or more of this Bond, to the account specified by the Owner in a written request delivered to the Paying Agent on or prior to the Record Date for such Interest Payment Date; provided, however, that payments of defaulted interest shall be payable to the person in whose name this 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 Bonds of this issue are comprised of \$ _____ aggregate principal amount of Washington Township Health Care District 2016 General Obligation Refunding Bonds. This Bond is issued by the District under and in accordance with the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with Sections 53550 and 53580, respectively) of the Government Code of the State of California, and pursuant to a resolution adopted by the Board of Directors of the District on May 11, 2016 (the “**Resolution**”). Reference is hereby made to the Resolution, a copy of which is on file with the Clerk of the Board of Directors of the District, for a description of the terms on which the Bonds are delivered, and the rights thereunder of the registered owners of the Bonds and the rights and duties of the Paying Agent, and the District, to all of the provisions of which the registered owner of this Bond, by acceptance hereof, assents and agrees. All capitalized terms used but not otherwise defined herein shall have the respective meanings set forth in the Resolution.

This Bond is a general obligation of the District, payable as to both principal and interest from *ad valorem* taxes which, under the laws now in force, may be levied without limitation as to rate or amount upon all of the taxable property in the District. Neither the payment of the Principal of this Bond, or any part thereof, nor any interest or premium hereon constitutes a debt, liability or obligation of the County.

This Bond is issued in fully registered form. Registration of this Bond is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the aforesaid offices of the Paying Agent, but only in the manner, subject to the limitations, and upon payment of the charges, provided in the Resolution and upon surrender and cancellation of this Bond. Upon such registration of transfer, a new Bond or Bonds, of like tenor and maturity in the same principal amount and in authorized denominations will be issued to the transferee in exchange herefor. The District and the Paying Agent may treat the registered owner hereof as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary.

The Bonds maturing on and prior to August 1, 20 __, shall not be subject to redemption prior to their scheduled maturities; Bonds maturing on and after August 1, 20 __, shall be subject to optional redemption at a price of par, plus accrued interest to the date of redemption, on August 1, 20 __, and any date thereafter.

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.

The rights and obligations of the District and of the owners of the Bonds may be modified or amended at any time by a supplemental resolution adopted by the District with the written consent of owners of at least 60% in aggregate principal amount of the Outstanding Bonds, exclusive of Bonds, if any, owned by the District. Notwithstanding the foregoing, 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. No such supplemental resolution shall change or modify any of the rights or obligations of any Paying Agent without its written assent thereto. Notwithstanding anything herein to the contrary, no such consent shall be required if the Owners are not directly and adversely affected by such amendment or modification.

A supplemental resolution of the District may be adopted, which, without the requirement of consent of the registered owners, shall be fully effective in accordance with its terms: (1) to add to the covenants and agreements of the District in the Resolution, other covenants and agreements to be observed by the District which are not contrary to or inconsistent with the Resolution as theretofore in effect; (2) to add to the limitations and restrictions in the Resolution, other limitations and restrictions to be observed by the District which are not contrary to or inconsistent with the Resolution as theretofore in effect; (3) to confirm as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by the Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under the Resolution; (4) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution; or (5) to amend or supplement the Resolution

in any other respect, provided such supplemental resolution does not, in the opinion of nationally recognized bond counsel, adversely affect the interests of the registered owners of the Bonds.

If this Bond is called for redemption and the principal amount of this Bond plus premium, if any, and accrued interest due with respect hereto are duly provided therefor as specified in the Resolution, then interest shall cease to accrue with respect hereto from and after the date fixed for redemption.

This Bond shall not become valid or obligatory for any purpose until the Certificate of Authentication hereon endorsed shall have been dated and executed manually by the Paying Agent.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED, that all of the proceedings of the Board of Directors of the District and in the matter of the issuance of this Bond were regular and in strict accordance with the provisions of the Authorizing Law and of the Constitution of the State of California.

IN WITNESS WHEREOF, Washington Township Health Care District has caused this Bond to be executed on behalf of the District as of the date hereof by the facsimile signatures of the President of the Board of Directors and the Clerk of the Board of Directors of the District.

WASHINGTON TOWNSHIP HEALTH CARE DISTRICT

Dated: _____

By: [form only]
President of the Board of Directors

Attest:

By: [form only]
Clerk of the Board of Directors

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Resolution of Washington Township Health Care District.

DATED: _____

U.S. BANK NATIONAL ASSOCIATION,
as Paying Agent

By: _____
Authorized Signatory

DRAFT

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner hereby sells, assigns and transfers unto

Name of Transferee: _____

Address for Payment of Interest: _____

Social Security Number or other Tax Identification No.:

the within-mentioned Bond and hereby irrevocably constitutes and appoints _____ attorney, to transfer the same on the books of the Paying Agent with full power of substitution in the premises.

Registered Owner

Dated: _____

NOTICE: The signature on this Assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature _____
guaranteed

[Bank, Trust Company or Firm]

By: _____
Authorized Officer

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

EXHIBIT B

FORM OF 15c2-12 CERTIFICATE

With respect to the proposed sale of its 2016 General Obligation Refunding Bonds (the “Bonds”) in the maximum aggregate amount of not to exceed \$37,500,000, the Washington Township Health Care District (the “**District**”) has delivered to Merrill Lynch, Pierce, Fenner & Smith Incorporated, 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 of the Securities Exchange Commission (“**Rule 15c2-12**”), deems the Preliminary Official Statement to be final as of its date, except for the omission of no more than the information permitted under Rule 15c2-12.

WASHINGTON TOWNSHIP HEALTH CARE
DISTRICT

Dated: _____, 2016

By: [form only]
 Authorized Representative

D
R
A
F
T

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2016

NEW ISSUE — BOOK-ENTRY ONLY

RATING:
Moody's:
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 with respect to individuals and corporations. 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.

\$ _____ *

WASHINGTON TOWNSHIP HEALTH CARE DISTRICT
(Alameda County, California)
2016 General Obligation Refunding Bonds

Dated: Date of Delivery

Due: August 1, as set forth on inside cover

The Washington Township Health Care District (Alameda County, California) 2016 General Obligation Refunding Bonds (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 are authorized pursuant to California Government Code Sections 53550 and 53580, respectively, and are being issued for the purpose of (i) refunding certain outstanding general obligation bonds of the District and (ii) paying certain costs of issuance of the Bonds, 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 for the payment of principal of and interest on the Bonds when due.

Interest due on the Bonds is payable on February 1 and August 1 of each year, commencing August 1, 2016. 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 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 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, 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, Sidley Austin 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 June __, 2016.

BofA MERRILL LYNCH

Date: _____, 2016

* Preliminary, subject to change.

MATURITY SCHEDULE

\$ _____[§]

**WASHINGTON TOWNSHIP HEALTH CARE DISTRICT
(Alameda County, California)
2016 General Obligation Refunding Bonds**

<u>Maturity Date (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP[†]</u>
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[†] A registered trademark of The American Bankers Association. CUSIP data is provided by Standard & Poor's CUSIP Service Bureau, a Standard & Poor's Financial Services LLC business. CUSIP numbers are provided for convenience of reference only. Neither the District nor the Underwriter assumes any responsibility for the accuracy of such numbers.

[§] Preliminary, subject to change.

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.

This Official Statement is in a form deemed final as of its date by the District for the purposes of Rule 15c2-12 of the Securities and Exchange Commission (except for the omission of certain information permitted to be omitted under Rule 15c2-12(b)(1)).

WASHINGTON TOWNSHIP HEALTH CARE DISTRICT

Board of Directors

<u>Director</u>	<u>Term Expires</u>
Michael J. Wallace, President	November 2018
William F. Nicholson, M.D., First Vice President	November 2016
Bernard Stewart, D.D.S., Second Vice President	November 2018
Jacob Eapen, M.D., Treasurer	November 2018
Patricia Danielson, RHIT, Secretary	November 2016

District Officials

Nancy D. Farber, Chief Executive Officer
Christopher N. Henry, Associate Administrator and Chief Financial Officer
Ed Fayen, Senior Associate Administrator
Kimberly Hartz, Senior Associate Administrator
Stephanie Williams, Associate Administrator and Chief Nursing Officer

Bond Counsel

Nixon Peabody LLP

District Counsel

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

Paying Agent and Escrow Agent

U.S. Bank National Association
San Francisco, California

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY STATEMENT.....	1
Purpose of this Official Statement	1
The District	1
Authority for Issuance of the Bonds	1
Security for the Bonds	2
Purpose of the Bonds	2
Plan of Refunding	2
ESTIMATED SOURCES AND USES OF FUNDS.....	2
THE BONDS.....	3
General.....	3
Redemption.....	4
Defeasance.....	6
Paying Agent	7
Registration, Transfer and Exchange of Bonds	7
SECURITY FOR THE BONDS	8
ANNUAL DEBT SERVICE REQUIREMENTS.....	9
CONTINUING DISCLOSURE	10
PROPERTY TAX INFORMATION	10
<i>Ad Valorem</i> Property Taxation	10
Assessed Valuations	11
Tax Collection Procedure	14
Proposition 8 Reductions and Appeals to Assessed Value.....	16
Tax Rate and Collection Record.....	16
Major Taxpayers.....	17
Direct and Overlapping Debt.....	17
Limitation on Remedies; Bankruptcy.....	20
CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT	
REVENUES AND APPROPRIATIONS	20
Article XIII A of the State Constitution.....	20
Legislation Implementing Article XIII A	21
Article XIII B of the State Constitution.....	21
Article XIII C and Article XIII D of the State Constitution	22
Proposition 8.....	23
Unitary Property	23
Future Initiatives.....	23
THE DISTRICT	23
General.....	23
Governance and Management	24

MATERIAL LITIGATION	25
TAX MATTERS	26
Federal Income Taxes	26
State Taxes.....	26
Original Issue Discount	26
Original Issue Premium	27
Ancillary Tax Matters.....	27
Changes in Law and Post-Issuance Events.....	27
APPROVAL OF LEGALITY	28
UNDERWRITING.....	28
INDEPENDENT ACCOUNTANTS	29
VERIFICATION.....	29
RATING.....	29
MISCELLANEOUS.....	29
APPENDIX A – ECONOMIC AND DEMOGRAPHIC PROFILE OF ALAMEDA COUNTY	A-1
APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEARS ENDED JUNE 30, 2014 and 2015	B-1
APPENDIX C – FORM OF CONTINUING DISCLOSURE AGREEMENT	C-1
APPENDIX D – FORM OF BOND COUNSEL OPINION	D-1
APPENDIX E – BOOK-ENTRY SYSTEM	E-1

D R A F T

OFFICIAL STATEMENT

§ _____ *

WASHINGTON TOWNSHIP HEALTH CARE DISTRICT
(Alameda County, California)
2016 General Obligation Refunding Bonds

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 \$ _____* aggregate principal amount of Washington Township Health Care District (Alameda County, California) 2016 General Obligation Refunding Bonds (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 341-bed acute care hospital located in Fremont, California, an urgent care center, three primary care 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

Pursuant to an election held on November 2, 2004, and a resolution of the District adopted on November 8, 2006, the District previously caused to be issued, among other series, the District's General Obligation Bonds, Election of 2004, 2006 Series A, of which \$36,180,000 aggregate principal amount is presently outstanding (the "Prior Bonds"). Pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (commencing with Sections 53550 *et seq.* and 53580 *et seq.*, respectively) (the "Authorizing Law"), the District is authorized to issue, or cause to be

* Preliminary, subject to change.

issued, general obligation bonds to refund the Prior Bonds. Specifically, the District is authorized to deposit proceeds of the sale of the Bonds in an escrow fund (the "Escrow Fund") established pursuant to an escrow agreement, dated as of June 1, 2016 (the "Escrow Agreement"), between the District and U.S. Bank National Association, as escrow agent (in such capacity, the "Escrow Agent"), in an amount sufficient to pay the principal and maturity amount of and interest and redemption premiums, if any, on the Prior Bonds as they become due or at designated dates prior to maturity, and to use certain proceeds of the Bonds to pay the costs of issuance of the Bonds.

The Bonds are issued pursuant to the Authorizing Law and Resolution No. , adopted by the Board of Directors of the District on May 11, 2016 (the "Bond Resolution"). The Bonds will be sold by the District to Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Underwriter"), as described under "UNDERWRITING" herein.

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.

Purpose of the Bonds

Proceeds from the Bonds will be used to refund the Prior Bonds and to pay certain costs of issuance in connection with such refunding. See "Plan of Refunding" below.

Plan of Refunding

A portion of the proceeds of sale of the Bonds shall be transferred to the Escrow Agent for deposit into the Escrow Fund in an amount necessary to purchase the Defeasance Obligations (as defined in the Escrow Agreement) that will be verified as sufficient to defease and redeem the Prior Bonds, at a price of par plus accrued interest, on August 1, 2016. See "VERIFICATION" herein.

Accrued interest, if any, shall be kept separate and apart in a fund established under the Bond Resolution to be designated as the "Washington Township Health Care District General Obligation Refunding Bonds, 2016 Refunding Debt Service Fund" (the "Debt Service Fund") and used only for payments of principal of and interest on the Bonds. Any excess proceeds of the Bonds not needed for the authorized purposes for which the Bonds are being issued shall be transferred to the Debt Service Fund and applied to the payment of principal of and interest on the Bonds.

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 2016 Refunding Costs of Issuance Fund," which will be established by the Paying Agent and maintained as a special account (the "Costs of Issuance Fund").

ESTIMATED SOURCES AND USES OF FUNDS

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

Sources of Funds

Par Amount of Bonds
Net Original Issue Premium/Discount _____
Total _____

Uses of Funds

Deposit to Escrow Fund
Costs of Issuance⁽¹⁾ _____
Total _____

⁽¹⁾ Includes Underwriter's discount, verification, Escrow Agent and 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, an "Interest Payment Date"), commencing August 1, 2016. Interest on the Bonds shall be computed on the basis of a 360-day year of twelve 30-day months. Interest with respect to each Bond will be payable from the Interest Payment Date next preceding the date of registration thereof, unless (i) it is registered after the close of business on any Record Date (as defined below) and before the close of business on the immediately following Interest Payment Date, in which event interest with respect thereto shall be payable from such following Interest Payment Date; or (ii) it is registered prior to the close of business on the first Record Date, in which event interest shall be payable from its dated date; provided, however, that if at the time of registration of any Bond interest with respect thereto is in default, interest with respect thereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment. 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 shall be made to the person appearing on the registration books of the Paying Agent as the Owner thereof as of the 15th day of the calendar month next preceding such Interest Payment Date (the "Record Date"), such interest to be paid by check mailed to such Owner on the Interest 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 premiums, 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 on any one date, the Paying Agent, upon written instructions from the District, given at least 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.

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:

Bonds due August 1, 20__

Mandatory Sinking
Fund Payment 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 45 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 35 but not more than 45 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 each of the Securities Depositories.

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 at 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.

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 Debt Service 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 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. 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.

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, premium, if any, and interest on the Bonds, as and when the same become due and payable;

(b) by depositing with the Paying Agent or with a duly appointed escrow agent, in trust, at or before maturity, cash which together with the amounts then on deposit in the Debt Service Fund (and the accounts therein other than amounts that are not available to pay Debt Service) together with the interest to accrue thereon without the need for further investment, is fully sufficient to pay such Bonds at maturity thereof, 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 of serving as successor Paying Agent pursuant to the Bond Resolution selected by the District, in trust, lawful money or noncallable direct obligations issued by the United States Treasury (including State and Local Government Series) 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 nationally recognized 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, together with the interest to accrue thereon without the need for further investment, be fully sufficient to pay and discharge such Bonds at maturity or earlier redemption thereof, for which notice has been given or provided for, including any premium and 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 or escrow agent to pay or cause to be paid from funds described above to the Owners

of the Bonds all sums due thereon, and the obligation of the District to pay amounts owing to the Paying Agent.

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 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.

The Paying Agent shall not be required to register the transfer or exchange of any Bond (i) during the period beginning at the close of business on any Record Date through the close of business on the

immediately following Interest Payment Date, or (ii) that has been called or is subject to being called for redemption, during a period beginning at the opening of business 15 days before any selection of Bonds to be redeemed through the close of business on the applicable redemption date, except for the unredeemed portion of any Bond to be redeemed only in part.

SECURITY FOR THE BONDS

The Bonds represent general obligations of the District payable from *ad valorem* 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 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 Debt Service Fund held by the Paying Agent, which is required to be used by the Paying Agent solely for the payment of the principal 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 Debt Service Fund are pledged to the payment of principal and redemption price of and interest on the Bonds. Amounts on deposit in the Debt Service 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 Interest 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* 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 *ad valorem* 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* taxes will be sufficient to pay the Bonds when due.

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, including by mandatory sinking account redemption, the payment of interest on the Bonds, 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.

<u>Year Ending (August 1)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service on Bonds</u>	<u>Total Debt Service on all Prior General Obligation Bonds⁽¹⁾</u>	<u>Total Debt Service</u>
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⁽¹⁾ Comprising the [2009 Series Bonds, the 2013 Series A Bonds, the 2013 Series B Bonds and the 2015 Series B Bonds].

CONTINUING DISCLOSURE

Pursuant to a Continuing Disclosure Agreement, dated the date of issuance and delivery of the Bonds (the "Continuing Disclosure Agreement"), with FSC Continuing Disclosure Services, 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 currently ends June 30), commencing with the report for the 2015-16 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 readable PDF or other acceptable 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").

As a result of the failure by its prior dissemination agent to file and/or post data timely provided by the District to such dissemination agent, certain of the District's operating data for its fiscal years ended June 30, 2011 and 2012 were not timely filed with the MSRB as required by the District's prior continuing disclosure undertakings. The District has replaced the prior dissemination agent. Additionally, notices of certain listed events were not timely filed by the District with the MSRB as required in connection with a ratings downgrade of certain outstanding bonds of the District and with a ratings downgrade of the bond insurer for certain other outstanding bonds of the District. All such required filings have since been made.

Except with respect to the foregoing late filings, 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."

PROPERTY TAX INFORMATION

[To Be Updated, as Applicable]

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 July 1. See “—Tax Collection Procedure” and “—Tax Rate and Collection Record” below.

The amount of the annual *ad valorem* tax levied by the County to repay the Bonds will be based on the assessed valuation of taxable property in the District and 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* taxes and transfer such *ad valorem* taxes to the Paying Agent as described above.

A reduction in the assessed valuation of taxable property located in the District, such as may be caused by economic recession, 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 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 2015-16 of \$58,474,687,798. The following table presents the ten-year history of assessed valuations in the District.

Assessed Valuations⁽¹⁾
Fiscal Years 2006-07 through 2015-16

	Secured ⁽²⁾	Utility	Unsecured	Total
2006-07	\$ 41,623,918,829	\$ 17,973,163	\$ 2,688,685,309	\$ 44,330,577,301
2007-08	44,489,848,620	5,555,462	2,753,833,689	47,249,237,771
2008-09	46,497,875,502	5,363,430	2,931,873,586	49,435,112,518
2009-10	45,417,793,368	5,363,430	3,254,694,563	48,677,851,361
2010-11	45,088,121,991	5,475,101	3,314,940,834	48,408,537,926
2011-12	44,612,336,760	5,475,101	3,118,198,410	47,736,010,271
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

⁽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 2015-16 is \$395,349,395. (Source: Alameda County Auditor-Controller)

Source: California Municipal Statistics, Inc.

D R A F T

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 2015–16.

**Assessed Valuation and Parcels by Land Use
(Secured Tax Rolls)
Fiscal Year 2015–16**

	2015-16 Assessed Valuation ⁽¹⁾	% of Total	No. of Parcels	% of Total
Non-Residential:				
Agricultural/Rural	\$ 221,492,833	0.40%	399	0.42%
Commercial/Office	4,211,560,808	7.70	1,562	1.66
Vacant Commercial	79,732,511	0.15	126	0.13
Industrial	8,943,058,690	16.34	1,713	1.82
Vacant Industrial	380,381,501	0.70	262	0.28
Recreational	40,700,838	0.07	19	0.02
Government/Social/Institutional	156,653,120	0.29	379	0.40
Subtotal Non-Residential	<u>\$ 14,033,580,301</u>	<u>25.65%</u>	<u>4,460</u>	<u>4.74%</u>
Residential:				
Single-Family Residence	\$ 32,631,437,455	59.64%	68,656	72.94%
Condominium/Townhouse	5,130,663,445	9.38	18,145	19.28
Mobile Home	22,922,160	0.04	582	0.62
Mobile Home Park	45,359,622	0.08	13	0.01
2–4 Residential Units	337,398,783	0.62	889	0.94
5+ Residential Units/Apartments	2,306,964,040	4.22	362	0.38
Vacant Residential	206,436,780	0.38	1,015	1.08
Subtotal Residential	<u>\$ 40,681,182,285</u>	<u>74.35%</u>	<u>89,662</u>	<u>95.26%</u>
Total	<u>\$ 54,714,762,586</u>	<u>100.00%</u>	<u>94,122</u>	<u>100.00%</u>

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

Source: California Municipal Statistics, Inc.

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The table below shows the fiscal year 2015–16 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 2015–16**

	No. of Parcels	2015-16 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single-Family Residential	68,656	\$32,631,437,455	\$475,289	\$423,801

Assessed Valuation ⁽¹⁾	No. of Parcels ⁽¹⁾	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
\$0 - \$99,999	7,622	11.102%	11.102%	\$ 510,270,074	1.564%	1.564%
\$100,000 - \$199,999	6,609	9.626	20.728	991,070,151	3.037	4.601
\$200,000 - \$299,999	8,459	12.321	33.049	2,141,694,904	6.563	11.164
\$300,000 - \$399,999	9,702	14.131	47.180	3,380,027,240	10.358	21.522
\$400,000 - \$499,999	8,548	12.450	59.631	3,850,840,786	11.801	33.323
\$500,000 - \$599,999	7,755	11.295	70.926	4,244,096,704	13.006	46.330
\$600,000 - \$699,999	6,373	9.283	80.209	4,121,415,727	12.630	58.960
\$700,000 - \$799,999	4,712	6.863	87.072	3,516,938,392	10.778	69.738
\$800,000 - \$899,999	3,068	4.469	91.540	2,587,973,390	7.931	77.668
\$900,000 - \$999,999	1,714	2.497	94.037	1,619,881,039	4.964	82.633
\$1,000,000 - \$1,099,999	1,080	1.573	95.610	1,128,588,274	3.459	86.091
\$1,100,000 - \$1,199,999	802	1.168	96.778	921,754,662	2.825	88.916
\$1,200,000 - \$1,299,999	547	0.797	97.575	680,393,002	2.085	91.001
\$1,300,000 - \$1,399,999	399	0.581	98.156	537,550,288	1.647	92.648
\$1,400,000 - \$1,499,999	294	0.428	98.584	425,171,056	1.303	93.951
\$1,500,000 - \$1,599,999	218	0.318	98.902	337,318,803	1.034	94.985
\$1,600,000 - \$1,699,999	157	0.229	99.130	258,722,013	0.793	95.778
\$1,700,000 - \$1,799,999	141	0.205	99.336	246,076,669	0.754	96.532
\$1,800,000 - \$1,899,999	68	0.099	99.435	125,765,869	0.385	96.917
\$1,900,000 - \$1,999,999	77	0.112	99.547	149,745,592	0.459	97.376
\$2,000,000 and greater	311	0.453	100.000	856,142,820	2.624	100.000
Total	68,656	100.000%		\$32,631,437,455	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.

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 2010-11 through 2014-15. [TABLE TO BE UPDATED]

**Secured Tax Charges and Delinquencies
Fiscal Years 2009-10 through 2013-14**

Fiscal Year	Secured Tax Charge ⁽¹⁾	Amount Delinquent (June 30 th)	% Delinquent
2009-10	\$ 2,832,273.69	\$63,965.06	2.26%
2010-11	8,379,544.36	150,938.01	1.80
2011-12	8,281,329.15	145,324.77	1.75
2012-13	8,164,765.88	81,672.70	1.00
2013-14	13,825,787.22	99,757.54	0.72

⁽¹⁾ District's general obligation bond debt service levy for the 2006 Series Bonds, the 2009 Series Bonds, the 2013 Series A Bonds and the 2013 Series B 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 2011-12 through 2015-16. [TABLE TO BE UPDATED]

Typical Aggregate Tax Rate (TRA 12-013) Fiscal Years 2010-11 through 2014-15

Fiscal Year	Percentage Against Assessed Value
2010-11	1.1009%
2011-12	1.1317
2012-13	1.1241
2013-14	1.1268
2014-15	1.1787

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 2015-16 secured assessed valuations.

Largest Local Secured Property Taxpayers Fiscal Year 2015-16

	Property Owner	Primary Land Use	2015-16 Assessed Valuation	% of Total ⁽¹⁾
1.	Tesla Motors Inc.	Industrial	\$ 755,816,428	1.38%
2.	Catellus Development Corporation	Industrial	274,068,569	0.50
3.	Hart Pacific Commons LLC	Shopping Center	270,772,517	0.49
4.	John T. Arrillaga and Richard T. Peery Trust	Industrial	208,674,564	0.38
5.	BMR Gateway Boulevard LLC	Industrial	105,115,404	0.37
6.	Transcontinental Northern California 200	Industrial	189,056,111	0.35
7.	SCI LP I	Industrial	162,985,328	0.30
8.	SI 30 LLC	Industrial	161,373,060	0.29
9.	BRE Properties Inc.	Apartments	157,637,634	0.29
10.	Essex Portfolio LP	Apartments	141,192,033	0.26
11.	Fremont Pat Ranch LLC	Residential Development	137,442,156	0.25
12.	Fremont Retail Partners LP	Shopping Center	135,548,377	0.25
13.	Thermo Fisher Scientific Inc.	Industrial	120,369,642	0.22
14.	Seagate Technology LLC	Industrial	94,957,390	0.17
15.	Metropolitan Life Insurance Co.	Industrial	92,087,063	0.17
16.	BTMU Capital Leasing & Finance Inc.	Industrial	91,233,661	0.17
17.	Rreef America REIT II Corp.	Industrial	89,401,179	0.16
18.	EQR Fanwell 2007 LP	Apartments	89,233,103	0.16
19.	SSR Western Multifamily LLC	Apartments	89,047,796	0.16
20.	Bay Apartment Communities Inc.	Apartments	83,037,692	0.15
			<u>\$ 3,549,049,707</u>	<u>6.49%</u>

⁽¹⁾ 2015-16 Local Secured Assessed Valuation: \$54,714,762,586.

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 May 1, 2016. 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 May 1, 2016 [TABLE TO BE UPDATED]
(\$ in Thousands)

2015-16 Assessed Valuation: \$58,474,687,798

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable (1)</u>	<u>Debt 9/1/15</u>
Bay Area Rapid Transit District	9.702%	\$ 60,841,727
Chabot-Las Positas Community College District	9.088	38,208,455
Ohlone Community College District	99.990	250,141,840
Fremont Unified School District	99.988	281,786,182
New Haven Unified School District	97.173	179,603,328
Newark Unified School District	100.	85,233,934
Other School Districts	Various	717,853
City of Fremont	99.988	41,804,983
Washington Township Healthcare District	100.	193,495,000 (2)
East Bay Regional Park District	14.893	22,450,453
City of Fremont Community Facilities District No. 1	100.	79,700,000
City of Union City Dyer Street Community Facilities District	100.	5,160,000
City of Fremont 1915 Act Bonds	100.	1,505,000
City of Newark 1915 Act Bonds	100.	7,711,055
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$ 1,248,359,810
 <u>OVERLAPPING GENERAL FUND DEBT:</u>		
Alameda County General Fund Obligations	24.673%	\$ 214,458,826
Alameda County Pension Obligations	24.673	16,571,429
Alameda-Contra Costa Transit District Certificates of Participation	25.158	5,354,880
Fremont Unified School District Certificates of Participation	99.988	54,563,452
Other School District General Fund Obligations	Various	38,181
City of Fremont Certificates of Participation	99.988	123,760,147
City of Hayward General Fund Obligations	6.849	1,769,524
City of Newark Certificates of Participation	100.	10,045,262
City of Union City Pension Obligations	99.660	18,056,372
Hayward Area Recreation and Park District Certificates of Participation	1.469	240,328
TOTAL OVERLAPPING GENERAL FUND DEBT		\$ 444,858,401
 <u>OVERLAPPING TAX INCREMENT DEBT (SUCCESSOR AGENCIES):</u>		 \$ 143,361,694
 COMBINED TOTAL DEBT		 \$ 1,836,579,905 (3)

- (1) Based on 2014-15 ratios.
- (2) Excludes issue to be sold.
- (3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2015-16 Assessed Valuation:

Direct Debt (\$193,495,000)	0.33%
Total Direct and Overlapping Tax and Assessment Debt.....	2.13%
Combined Total Debt.....	3.14%

Ratio to Redevelopment Incremental Assessed Valuation (\$2,355,600,988):

Total Overlapping Tax Increment Debt.....	6.09%
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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. Under Chapter 9 of the Federal Bankruptcy Code (Title 11, United States Code) (the "Bankruptcy Code"), no involuntary petitions for bankruptcy relief are permitted. However, California health care districts may petition for bankruptcy relief under Chapter 9 of the Bankruptcy Code. If the District were a debtor in bankruptcy, the parties may be prohibited from taking any action to collect any amount from the District (including *ad valorem* property tax revenues) or to enforce any obligation of the District, without the bankruptcy court's permission. This prohibition may also prevent the Paying Agent 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.

Potential Statutory Lien on Ad Valorem Property Taxes. California Senate Bill 222 (2015) ("SB 222") added a provision to the California Government Code that provides that general obligation bonds issued and sold by a local agency such as the District will be 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. The statutory lien provides bondholders with a security interest in the *ad valorem* property taxes that should survive a bankruptcy of the District.

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 tax revenues (whether collected before or after commencement of the bankruptcy), and if the County does not voluntarily turn over such 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 tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

[To Be Revised, as Applicable]

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* 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.

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 2015-16.

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 XIII C or XIII D 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. AB 454 (Chapter 921, Statutes of 1987), now Section 100 of the Revenue and Taxation Code of the State (“AB 454”), provides that revenues derived from most utility property (e.g., pipelines in more than one county, regulated railways, and telephone, electric and gas utility companies) assessed by the State Board of Equalization (referred to in the statute as “Unitary Property”), commencing with the 1988–89 fiscal year, is based on a uniform rate within each county and allocated as follows: (1) each jurisdiction will receive up to 102% of its prior year State-assessed revenues; and (2) if county-wide revenues generated from Unitary Property are less than the previous year’s revenues or greater than 102% of the previous year’s revenues, each jurisdiction will share the burden of the shortfall or excess revenues by a specified formula. This provision applies to all Unitary Property except railroads, whose valuation will continue to be allocated to individual tax rate areas.

The provisions of AB 454 do not constitute an elimination of the assessment of any State-assessed properties nor a revision of the methods of assessing utilities by the State Board of Equalization. Generally, AB 454 allows valuation growth or decline of Unitary Property to be shared by all jurisdictions in a county.

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 not from the revenues of the District or Washington Hospital Healthcare System. 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 Washington 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 Washington Hospital, which is a 341-bed acute care hospital located in Fremont, California, an urgent care center, three primary care 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 2014 population of the District’s primary service area was 336,964 and the estimated population of its secondary service area was 525,529. The total 2015-16 net (exclusive of all exemptions) assessed valuation of property within the District is \$58,079,338,403.

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
Michael J. Wallace, President	November 2018	Chairman, Fremont Bank
William F. Nicholson, M.D., First Vice President	November 2016	Physician, Cardiologist
Bernard Stewart, D.D.S., Second Vice President	November 2018	Dentist
Jacob Eapen, M.D., Treasurer	November 2018	Physician, Pediatrician
Patricia Danielson, RHIT, Secretary	November 2016	Consultant, Health Information Management

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.

Nancy D. Farber, Chief Executive Officer. Ms. Farber has served as Chief Executive Officer of the District since 1994 and in other senior management roles for the District from 1984 to 1994. Prior to that time, Ms. Farber held executive management positions at Hoag Memorial Hospital (Newport Beach, California), Kaiser Foundation Hospital (Los Angeles) and U.C.L.A. Hospital and Clinics (Los Angeles). Ms. Farber currently serves on the Board of Directors of the District Hospital Leadership Forum. She is also a member of the California Hospital Association/California Association of Hospitals and Health Systems, the California Special Districts Association, and the Ohlone College Foundation. Ms. Farber formerly served as a member of the Board of Directors of BETAlliance, the California Hospital Association, the Region 9 Policy Board of the American Hospital Association, the Dana Farber Cancer Institute and Cooperative Hospitals, Inc. Ms. Farber holds a Bachelor of Arts Degree with Honors from Stanford University and a Master’s in Public Health from the University of California at Los Angeles.

Christopher N. Henry, Associate Administrator, Chief Financial Officer. Mr. Henry is a Certified Public Accountant 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), Healthcare Financial Management Association

(HFMA), American Institute of CPAs (AICPA), and District Hospital Leadership Forum. 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.

Ed Fayen, Senior Associate Administrator. Mr. Fayen is Senior Associate Administrator of System Operations & Management Support Services at Washington Hospital. Mr. Fayen oversees Cardiovascular Services, Perioperative Services, Biomedical Engineering, Pharmacy, Food & Nutritional Services, Environmental Services, Facility Services, Purchasing, Central Supply, Security, Finance, 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 October 2006. Mr. Fayen holds a Bachelor's Degree from University of Notre Dame and a Master's of Business Administration from Cornell University.

Kimberly Hartz, Senior Associate Administrator. Ms. Hartz is Senior Associate Administrator of Ambulatory Care Services at Washington Hospital Healthcare System. In this role she oversees a number of areas including 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. Ms. Hartz has been with Washington Hospital Healthcare System since April 1994 and in her current position since September 2013. 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.

Stephanie Williams, Associate Administrator and Chief Nursing Officer. Ms. Williams has served as Chief Nursing Officer since April 2012. Ms. Williams oversees all medical/surgical patient care areas as well as the Critical Care, Stroke, Emergency and Maternal Child Health departments. From October 2006 to April 2012 Ms. Williams served as Chief of Quality and Resource Management. In this role she had oversight of Quality, Case Management, Social Services, Spiritual Care and Diabetes and Health Information Management. Ms. Williams served in other management roles for the District from 1999 to October 2006. Ms. Williams is a Registered Nurse with a Master's Degree in Health Care Administration and is a Certified Professional in Healthcare Quality.

MATERIAL LITIGATION

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 with respect to individuals and corporations. Interest on the Bonds is, however, included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations.

In rendering these opinions, Bond Counsel has relied upon representations and covenants of the District in the Tax Certificate concerning the property refinanced 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 or 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 any maturity of the Bonds over the 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 initial offering 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 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 Premium 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, and individuals seeking to claim the earned income credit. Ownership of the Bonds may also result in other federal tax consequences to taxpayers 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. Bond Counsel notes that each year since 2011, President Obama released legislative proposals that would limit the extent of the exclusion from gross income of interest on obligations of states and political subdivisions under Section 103 of the Code (including the Bonds) for taxpayers whose income exceeds certain thresholds. 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, 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, Sidley Austin LLP, San Francisco, California.

UNDERWRITING

The Bonds are being purchased by the Underwriter, Merrill Lynch, Pierce, Fenner & Smith Incorporated. The Underwriter has agreed to purchase the Bonds at an aggregate purchase price of \$_____, representing the par amount of the Bonds, plus/minus net 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 District intends to use a portion of the proceeds from this offering to redeem the Prior Bonds. To the extent the Underwriter or an affiliate thereof is an owner of Prior Bonds, the Underwriter or its affiliate, as applicable, would receive a portion of the proceeds from the issuance of the Bonds contemplated herein in connection with such Prior Bonds being redeemed by the District.

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.

INDEPENDENT ACCOUNTANTS

The financial statements of the District as of 2014 and 2015 and for each of the two years ended June 30, 2015 and 2014, included in Appendix B to this Official Statement, have been audited by PricewaterhouseCoopers LLP, independent accountants, as stated in their report appearing therein.

VERIFICATION

Concurrently with the issuance of the Bonds, Causey, Demgen & Moore P.C. will deliver a report with respect to the mathematical accuracy of certain computations, contained in schedules provided to them, which were prepared by the Underwriter, relative to the sufficiency of moneys deposited into the Escrow Fund to pay, when due, the principal and interest requirements of the Prior Bonds. The report of Causey, Demgen & Moore P.C. will include the statement that the scope of its engagement is limited to verifying the mathematical accuracy of the aforesaid computations and that it has no obligation to update its report because of events occurring, or data or information coming to its attention, subsequent to the date of the report.

RATING

Moody's Investors Service has assigned a rating of "___" 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.

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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

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APPENDIX A

ECONOMIC AND DEMOGRAPHIC PROFILE OF ALAMEDA COUNTY

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APPENDIX B

**AUDITED FINANCIAL STATEMENTS OF THE DISTRICT
FOR FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

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APPENDIX C

FORM OF CONTINUING DISCLOSURE AGREEMENT

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APPENDIX D

FORM OF BOND COUNSEL OPINION

[Closing Date]

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

Re: \$ _____ *Washington Township Health Care District 2016 General Obligation Refunding Bonds*

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 \$ _____ aggregate principal amount of the District's 2016 General Obligation Refunding Bonds (the "Bonds"). The Bonds are issued pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (commencing with Sections 53550 and 53580, respectively), and a resolution adopted by the Board of Directors of the District on May 11, 2016 (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 obligations 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 with respect to individuals and corporations. Interest on the Bonds is, however, included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations.

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 the 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 initial offering 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.

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,

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APPENDIX E
BOOK-ENTRY SYSTEM

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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.

General

The County is located on the east side of the San Francisco Bay. The County encompasses 813 square miles and extends from Albany and Oakland 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.

The County celebrated its 163rd anniversary of its incorporation on March 25, 2016. As one of the oldest counties in the State of California (the "State"), the County was created by the State Legislature in March 1853 from the territory of two counties formed earlier 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 population in Alameda County exceeds 1.5 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.

The diversity of the County's economic base has helped the County's economy to remain strong in recent years despite multiple challenges to the economy of the region and the nation. Long-term challenges include interrelated problems of housing affordability and traffic congestion. Adequate electricity generation and transmission infrastructure are also of concern.

The County continues to be one of the fastest growing regions in the Bay Area in population and employment. It is particularly attractive to businesses located in the Bay Area because much of their workforce live in the County, land for expansion is more available and less expensive than in other areas of the Bay Area, and transportation for the movement of goods and services is accessible. The area north of Hayward is highly urbanized and includes many older residential and industrial areas. From the south, the Silicon Valley continues to expand into the southern and central areas of the County. The cities that are situated in the southern region of the County have been the beneficiary of this expansion and have become centers for technology based firms. To the east, the Livermore Valley area is home to one of the State's oldest wine regions with a wine making tradition dating back to 1840 and has been transitioning from an agricultural environment into a center for established and emerging software, telecommunications and medical technology companies.

Population

There are 14 incorporated cities in the County and six unincorporated communities. The County's population increased 9.1% from 2006 to 2015.

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
2006	1,462	-.07%	36,116	.69%	298,593	.96%
2007	1,471	.62	36,400	.79	301,580	1.00
2008	1,484	.88	36,704	.84	304,375	.92
2009	1,498	.94	36,967	.72	307,007	.87
2010	1,509	.73	37,224	.70	309,326	.76
2011	1,518	.60	37,428	.55	311,588	.73
2012	1,530	.79	37,669	.64	313,914	.75
2013	1,549	1.24	37,966	.79	316,498	.82
2014	1,574	1.61	38,357	1.03	318,857	.75
2015	1,595	1.33	38,714	.93	322,260	1.07
2016	1,627	1.10	39,255	.90	N/A ⁽³⁾	N/A ⁽³⁾

(1) As of January 1 of the year shown.

(2) As of July 1 of the year shown.

(3) U.S. 2016 Population Data not available.

Sources: State of California Department of Finance; 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 2010 through 2015.

LABOR FORCE—EMPLOYMENT AND UNEMPLOYMENT ANNUAL AVERAGES By Place of Residence

	2010	2011	2012	2013	2014	2015
County of Alameda						
Labor Force	762,000	765,300	775,900	806,400	811,300	824,800
Employment	676,000	686,100	705,900	747,800	763,700	785,700
Unemployment Rate	11.3%	10.4%	9.0%	7.3%	5.9%	4.70%
State of California						
Labor Force	18,330,500	18,404,500	18,494,900	18,671,600	18,811,400	18,981,800
Employment	16,063,500	16,237,300	16,560,300	17,002,900	17,397,100	17,798,600
Unemployment Rate	12.4%	11.8%	10.5%	8.9%	7.5%	6.20%
United States						
Labor Force	153,889,000	153,617,000	154,975,000	155,389,000	155,922,000	157,130,000
Employment	139,064,000	139,869,000	142,469,000	143,929,000	146,305,000	148,834,000
Unemployment Rate	9.6%	8.9%	8.1%	7.4%	6.2%	5.30%

Sources: California Data—California Employment Development Department, Labor Market Information Division.
National Data—U.S. Department of Labor, Bureau of Labor Statistics.

Across all industries, the County recorded a 4.7% unemployment rate in 2015, which is lower than the State unemployment rate of 6.2%.

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 County's fastest growing sector is services, which in 2015 accounted for 46% of total non-agricultural employment. The Port of Oakland ranks among the top five in the nation and 59th in the world 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.

Major private sector employers in the County include Oracle, Bayer Corporation, Tesla Motors, Clorox Technical Center and Safeway.

The following table sets forth the annual average employment of individuals within the County, by employment sector, for the years [2010 through 2014].

**[ALAMEDA COUNTY
NON-AGRICULTURAL LABOR FORCE AND INDUSTRY EMPLOYMENT
ANNUAL AVERAGES
(In Thousands)**

Employment Sector	2010	2011	2012	2013	2014
Goods Producing	90.5	93.0	95.6	100.2	104.0
Manufacturing	61.4	63.1	62.9	65.6	66.4
Trade, Transportation & Utilities					
Wholesale and Retail Trade	94.2	94.9	98.3	24.6	26.0
Transportation, Warehousing and Utilities	23.5	24.1	24.8	12.9	12.7
Services					
Information	14.0	13.6	13.6	12.9	12.7
Financial Activities	22.9	23.0	23.5	24.4	24.3
Professional and Business Services	108.5	111.6	118.3	121.3	126.0
Educational and Health Services	100.4	99.7	104.4	112.4	114.3
Leisure and Hospitality	54.5	56.0	58.7	62.8	66.6
Other Services	23.2	23.3	24.0	24.8	25.2
Government	116.1	116.0	114.9	115.1	117.0
 Total, All Non-Farm Industries	<u>709.2</u>	<u>718.3</u>	<u>739.0</u>	<u>779.6</u>	<u>800.2</u>

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 2010 through 2015.

COUNTY OF ALAMEDA BUILDING PERMIT VALUATIONS (Dollars in Thousands)

	2010	2011	2012	2013	2014	2015
New Single-dwelling	\$276,660	\$269,313	\$372,939	\$541,297	\$400,498	\$578,158
New Multi-dwelling	157,459	249,684	343,670	300,514	392,331	437,067
Additions, alterations	243,290	243,208	235,265	227,675	325,493	344,238
Total Residential	\$677,409	\$762,205	\$951,874	\$979,470	\$1,118,323	1,359,463
New Commercial	\$13,508	\$157,926	\$20,749	\$87,796	\$242,257	219,761
New Industrial	82,476	17,486	29,808	140,059	102,926	92,470
Other	60,255	160,000	47,133	44,680	81,646	160,627
Additions, alterations	403,573	397,162	358,683	364,237	599,941	673,564
Total Nonresidential	\$559,812	\$732,574	\$456,374	636,773	1,026,771	1,146,422
Total Valuation	\$2,474,442	\$2,989,558	\$2,816,495	\$3,322,501	\$4,290,186	\$5,011,770
Single-Unit Permit	907	817	1,119	1,339	1,076	[]
Multi-Unit Permit	936	1,352	1,508	2,203	2,048	[]
Total Permits	1,843	2,169	2,627	3,542	3,124	[]

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 2010 through 2014.

MEDIAN HOUSEHOLD INCOME⁽¹⁾ FOR YEARS 2010 THROUGH 2014

Year	County of Alameda	State of California	United States
2010	\$67,169	\$57,708	\$50,046
2011	67,558	57,287	50,502
2012	70,500	58,328	51,371
2013	72,399	60,190	52,250
2014	77,214	61,933	53,657

⁽¹⁾ Estimated amounts, adjusted annually for inflation.

Source: U.S. Census Bureau – Annual Social and Economic Supplements – Current Population Survey
California Department of Finance – 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.

INCOME GROUPINGS 2014⁽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	18.8%	20.5%	23.4%
25,000 – 49,999	17.5	21.4	23.9
50,000 and Over	63.8	58.2	52.7

⁽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 were recently merged, operate rail terminal facilities in Oakland. Atcheson, Topeka, 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. Other bus service is available through the Central Contra Costa Transit District, the Livermore Transit Corporation and Greyhound bus lines. San Mateo County Transit District provides bus service between Hayward and the San Francisco Peninsula across the Hayward-San Mateo 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, Pittsburg in the northeast, Fremont 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 is 2,600 acres, including 327 acres of wetlands under jurisdiction of the U.S. Army Corps of Engineers. Currently, the Airport has 32 boarding gates at two terminals, 9 domestic and 3 international scheduled passenger airlines, with Southwest Airlines being the largest. 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 three major cargo carriers.

Education

Eighteen independent school districts provide educational programs for the elementary and secondary public school children in the County. Thirteen of the County’s school districts also operate adult education programs.

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 three community college districts in the County with students currently at seven campuses. The County also operates four Regional Occupation Programs providing technical job training for high school students and adults.

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.

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CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “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 FSC Continuing Disclosure Services, a Division of First Southwest Company, LLC (the “Dissemination Agent”), in connection with the issuance of \$_____ aggregate principal amount of Washington Township Health Care District (Alameda County, California), 2016 General Obligation Refunding Bonds (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 May 11, 2016 (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 FSC Continuing Disclosure Services, 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.

“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 June __, 2016, with respect to the Bonds.

“Participating Underwriter” shall mean Merrill Lynch, Pierce, Fenner & Smith Incorporated.

“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 to, 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 2015-16 Fiscal Year, 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 fiscal year 2017 (commencing July 1, 2016), 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 operations.

(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.

(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; and
- (n) appointment of a successor or additional paying agent or the change of name of a paying agent, if material.

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 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 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.

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.

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 the Paying Agent.

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 (if other than the Paying Agent or the Paying Agent in its capacity as 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 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: FSC Continuing Disclosure Services
325 North St. Paul Street, Suite 800
Dallas, Texas 75201-3852
Attention: Tanya Calvit, Assistant Vice President
Telephone: 214-953-4037
Facsimile: 214-953-4050

Any person may, by written notice to the other persons 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: June __, 2016

WASHINGTON TOWNSHIP HEALTH CARE
DISTRICT

By: _____
Authorized Officer

FSC CONTINUING DISCLOSURE SERVICES,
as Dissemination Agent

By: _____
Authorized Officer

D
R
A
F
T

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), 2016 General Obligation Refunding Bonds

Date of Issuance: June __, 2016

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 June __, 2016. Washington Township Health Care District anticipates that the Annual Report will be filed by _____.

Dated: _____

FSC CONTINUING DISCLOSURE SERVICES,
on behalf of Washington Township Health Care
District

By: _____

cc: Washington Township Health Care District

\$ _____
WASHINGTON TOWNSHIP HEALTH CARE DISTRICT
(Alameda County, California)
2016 General Obligation Refunding Bonds

BOND PURCHASE CONTRACT

June __, 2016

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

Ladies and Gentlemen:

Merrill Lynch, Pierce, Fenner & Smith Incorporated (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: \$ _____ Washington Township Health Care District (Alameda County, California), 2016 General Obligation Refunding Bonds (the "Bonds"), at the purchase price of \$ _____, representing the aggregate principal amount of the Bonds less an Underwriter's discount of \$ _____, plus/minus net original issue premium/discount of \$ _____.

The Issuer acknowledges and agrees that: (i) 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; (ii) 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 contemplated hereby 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); (iii) the only obligations the Underwriter has to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this Bond Purchase Contract; and (iv) 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 Articles 9 and 11 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 May 11, 2016 (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) refund the Issuer’s General Obligation Bonds, Election of 2004, 2006 Series A, of which \$36,180,000 currently is outstanding (the “Prior Bonds”), 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 a *bona fide* public offering of the Bonds at a price not in excess of the initial offering price or prices or yields not less than the yields set forth on the inside cover page of the printed paper form of the Official Statement of the Issuer; *provided, however,* 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, 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. The Underwriter shall provide to the Issuer a certificate setting forth the offering prices of the Bonds in substantially the form set forth on Exhibit A.

4. Delivery of the Official Statement and Other Documents.

(a) The Issuer has delivered or caused to be delivered to the Underwriter copies of the Preliminary Official Statement dated _____, 2016, 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, rules of the Municipal Securities Rulemaking Board ("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. The Issuer shall execute the Official Statement by an authorized officer of the Issuer. 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 ("SEC"). The Issuer hereby ratifies, confirms 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.

In order to assist the Underwriter in complying with Rule 15c2-12, the Issuer will undertake, pursuant to the Continuing Disclosure Agreement, dated June __, 2016 (the "Continuing Disclosure Agreement"), by and between the Issuer and FSC Continuing Disclosure Services, as dissemination agent for the Issuer (the "Dissemination Agent"), to provide annual 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.

The Issuer will enter into an Escrow Agreement, dated as of June 1, 2016 (the "Escrow Agreement"), with U.S. Bank National Association, as escrow agent (the "Escrow Agent"), directing the establishment of an escrow fund for the deposit of certain proceeds of the sale of the Bonds for the purpose of paying and redeeming the Prior Bonds.

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 healthcare 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, the Escrow Agreement 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 the 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, the Escrow Agreement 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, the Bond Purchase Contract and the District Resolution, as they pertain to the transactions described therein 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, the Escrow 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, the Escrow Agreement 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 Escrow Agreement, the Official Statement and the Continuing Disclosure Agreement. The Issuer's obligations contained in this Bond Purchase Contract, the Continuing Disclosure Agreement, the Escrow 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 Official Statement, or 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 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, the Escrow Agreement and the Official Statement, and the consummation of the transactions 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 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, the Escrow Agreement 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 Escrow Agreement, 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 transactions 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 Escrow Agreement, 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 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 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 June 30, 2015 and 2014 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 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, 2015, 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 or 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 information contained in 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 such information therein, in the light of the circumstances under which it was presented, 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 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, within the geographic boundaries of the Issuer, as a California local healthcare district, 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 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 the Closing, 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 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) The Issuer confirms that the information contained in the Preliminary Official Statement was deemed final for purposes of Rule 15c2-12, except for information permitted to be omitted therefrom by Rule 15c2-12; and

(x) Except as described in 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 under Rule 15c2-12.

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 9:00 a.m., Pacific Time, on June __, 2016, 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, the Escrow Agreement 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, the Escrow Agreement and the Official Statement to be performed at or prior to the Closing.

(iv) The Issuer shall have delivered to the Underwriter final Official Statements 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, the Escrow 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 Escrow Agreement, 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 Sidley Austin 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 Official Statement, no facts came to such counsel's attention that caused them to believe that 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 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 Escrow 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 Issuer, except as described in 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, the Escrow Agreement and the Continuing Disclosure Agreement;

(7) A Tax Certificate 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 “___” assigned to the Bonds by Moody’s Investors Service;

(10) The letters of PriceWaterhouseCoopers LLP addressed to the Issuer, agreeing to the use of its report dated October 15, 2015 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 Preliminary Blue Sky Survey with respect to the Bonds;

(15) The verification report of [Verification Agent];

(16) A defeasance opinion of Bond Counsel, in form and substance acceptable to counsel to the Issuer and the Underwriter;

(17) A copy of the Issuer’s executed Blanket Letter of Representation to The Depository Trust Company; and

(18) 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. 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 cancelled by the Underwriter at, or at any time before, the time of the Closing. Notice of such cancellation shall be given by the Underwriter to the Issuer in writing, or by telephone confirmed in writing. The performance by the Issuer of any and 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 obligations 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 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) An order, ruling, regulation (final, temporary or proposed) or official statement issued or made by or on behalf of the Securities and Exchange Commission, 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 Escrow Agreement, 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 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 Securities and Exchange Commission 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 Escrow Agreement, the Continuing Disclosure Agreement or the existence or powers of the Issuer with respect to its obligations under the Bonds, this Bond Purchase Contract, the Escrow Agreement 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 the following rating agency to assign the following rating, to the Bonds: the rating of “___” assigned by Moody’s Investors Service.

9. Amendments to Official Statement. During the period commencing on the Closing Date and ending twenty-five (25) days from 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.

10. 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. All out-of-pocket expenses and costs of the Underwriter incurred under or pursuant to this Bond Purchase Contract, including, without limitation, travel expenses, shall be paid by the Underwriter (which may be included as an expense component of the Underwriter's discount).

11. 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, the Escrow Agreement and the Continuing Disclosure Agreement, and the information contained herein and therein.

12. 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.

13. 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 Merrill Lynch, Pierce, Fenner & Smith Incorporated, 555 California Street, Suite 1160, CA5-705-11-00, San Francisco, California 94104, Attention: Ed Wohlleb.

14. 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 8.

15. 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.

16. 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.

17. Counterparts. This Bond Purchase Contract may be executed in several counterparts, each of which shall be deemed an original hereof.

DRAFT

Very truly yours,

By: MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED, as Underwriter

By: _____
Authorized Representative

Approved and Agreed to: June __, 2016

WASHINGTON TOWNSHIP HEALTH CARE DISTRICT

By: _____
Authorized Officer

DRAFT

SCHEDULE I

Principal Amounts, Interest Rates and Prices
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 prices specified in the following table:

<u>Maturity Date</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
---	-----------------------------------	----------------------	--------------

^(c) Priced to optional redemption date of August 1, 20__.
[†] Term Bond.

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 Sinking Fund Redemption. The Bonds maturing on August 1, 20__ are subject to mandatory redemption prior to their stated maturity, in part by lot, from mandatory sinking payments made by the Issuer, at a redemption price equal to the principal amount thereof to be redeemed, without premium, plus accrued interest thereon to the date of redemption, according to the following schedule:

Redemption Date
(August 1)

Principal Amount
Redeemed

†† Maturity

DRAFT

EXHIBIT A
TO BOND PURCHASE CONTRACT

ISSUE PRICE CERTIFICATE OF THE UNDERWRITER

This Certificate is furnished by Merrill Lynch, Pierce, Fenner & Smith Incorporated as the underwriter (the "Underwriter") in connection with the sale and issuance by Washington Township Health Care District (the "Issuer") of its \$ _____ aggregate principal amount of 2016 General Obligation Refunding Bonds (Alameda County, California) (the "Bonds") issued June __, 2016, and the Underwriter hereby certifies and represents the following, based upon information available to us:

1. Based on our assessment of the then prevailing market conditions, the Underwriter reasonably expected when it agreed to purchase the Bonds (the "Sale Date") that the first prices at which each maturity of the Bonds would be sold by the Underwriter to the general public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) (the "Public") would be prices not higher than, or, in the case of obligations sold on a yield basis, at yields not lower than, those listed for each maturity on the inside cover of the Official Statement dated June __, 2016 relating to the Bonds (the "Initial Offering Prices"); and the initial offering amount for each maturity of the Bonds determined by multiplying the Initial Offering Price by the par amount is referred to as an "Initial Offering Amount."

2. All of the Bonds have actually been offered to the Public in a bona fide public offering at prices not higher than, or, in the case of obligations sold on a yield basis, at yields not lower than, the Initial Offering Prices.

3. The first price, or yield in the case of obligations sold on a yield basis, at which ten percent (10%) of each maturity of the Bonds has been sold to the Public was at a price not higher than, or, in the case of obligations sold on a yield basis, at a yield not lower than, the Initial Offering Prices [except for the Bonds maturing August 1, 20__ and August 1, 20__ (collectively, the "Identified Bonds"). As of the Sale Date, the Underwriter had no reason to believe that the Identified Bonds would be sold to the Public at an initial offering price greater than (or, if sold on a yield basis, at an initial yield lower than) the respective Initial Offering Prices].

4. The Underwriter had no reason to believe that any of the Initial Offering Prices of the Bonds exceeded the expected fair market value of the Bonds as of the Sale Date.

5. The sum of the Initial Offering Amounts of the Bonds, based on the prices at which the first 10% of each maturity was sold or was reasonably expected to be sold, is \$ _____.

We understand that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and by Nixon Peabody LLP, in connection with rendering its opinion to the Issuer that the interest on the Bonds is not includable in gross income of the owners thereof for federal income tax purposes.

The undersigned is certifying only as to facts in existence on the date hereof. Nothing herein represents the undersigned's interpretation of any laws; in particular the regulations under the Internal Revenue Code of 1986, as amended, or the application of any laws to these facts. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein. Although certain information furnished in this Certificate has been derived from other purchasers, bond houses and brokers and cannot be independently verified by us, we have no reason to believe it to be untrue in any material respect.

By: MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED, as Underwriter

By: _____
Authorized Representative

Dated: June __, 2016

DRAFT

EXHIBIT B
BOND PURCHASE CONTRACT

Proposed Form of Supplemental Opinion of Bond Counsel

June __, 2016

Merrill Lynch, Pierce, Fenner & Smith Incorporated
555 California Street, Suite 1160
CA5-705-11-00
San Francisco, California 94104

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

\$ _____
WASHINGTON TOWNSHIP HEALTH CARE DISTRICT
(Alameda County, California)
2016 General Obligation Refunding Bonds

Ladies and Gentlemen:

This letter is addressed to you pursuant to Section 7(a)(vii)(2) of the Bond Purchase Contract, dated June __, 2016 (the "Purchase Contract"), between Merrill Lynch, Pierce, Fenner & Smith Incorporated, 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 Issuer on May 11, 2016 (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 Official Statement under the captions "THE BONDS," "SECURITY FOR THE BONDS," "TAX MATTERS," and APPENDIX D – "PROPOSED FORM OF OPINION OF BOND COUNSEL," 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 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 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 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 the Official Statement, 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.

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 the District

June __, 2016

Merrill Lynch, Pierce, Fenner & Smith, Incorporated
555 California Street
CA5-705-11-00
San Francisco, CA 94104

Nixon Peabody LLP
555 West Fifth Street, 46th Floor
Los Angeles, CA 90013

Re: \$ _____ Washington Township Health Care District (Alameda County,
California) 2016 General Obligation Refunding Bonds

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) 2016 General Obligation Refunding Bonds (the "Bonds").

My opinion is delivered pursuant to Section 7(a)(vii)(4) of the Bond Purchase Contract for the Bonds, dated June __, 2016 (the "Bond Purchase Contract"), between Merrill Lynch, Pierce, Fenner & Smith, Incorporated, 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 May 11, 2016 (the "District Resolution"), or in the Bond Purchase Contract.

The Bonds are authorized pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code 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 June __, 2016, between the District and FSC Continuing Disclosure Services, 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 June __, 2016 (the "Official Statement"), has been prepared to furnish information concerning the offering of the Bonds.

The District will enter into an Escrow Agreement, dated as of June 1, 2016 (the "Escrow Agreement"), with U.S. Bank National Association, as escrow agent, directing the establishment of an escrow fund for the deposit of certain proceeds of the sale of the Bonds for the purpose of paying and redeeming the District's General Obligation Bonds, Election of 2004, 2006 Series A, of which \$36,180,000 currently is outstanding .

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 April 25, 2016 (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 filed on _____, 2016, certified by the Secretary of State on _____, 2016, (C) the current bylaws of the District, and (D) 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, the Escrow Agreement 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 April 25, 2016, and (iii) information and certifications contained in a certificate of the Chief Executive Officer of the District dated _____, 2016 (the "Officer's Certificate"), all without further investigation; provided that for purposes of the opinions expressed in (A) subparagraphs (a) through (d) of paragraph 4, "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 CL@S Worldwide Information Services as of _____, 2016 (the "Litigation Search"), and (B) subparagraph (b) of paragraph 7, "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.

In rendering this opinion, we 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, 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. (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 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 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.

5. The District Documents have each been duly authorized, executed and delivered by the District.
6. 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.
7. 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.
8. Based upon the information made available to me in the course of my review of 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 Official Statement, nothing has come to my attention that would lead me to believe that the Official Statement, as of the date hereof and thereof (except 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 7 and (ii) paragraph 8. 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 10.

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

DRAFT

CERTIFICATE OF PAYING AGENT AND ESCROW AGENT

The undersigned hereby states and certifies as follows:

(a) the undersigned is an authorized officer of U.S. Bank 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 (i) paying agent in connection with the \$ _____ aggregate principal amount of Washington Township Health Care District (Alameda County, California), 2016 General Obligation Refunding Bonds (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 May 11, 2016, and (ii) escrow agent in connection with the escrow agreement, dated as of June 1, 2016 (the "Escrow Agreement"), between the District and the Bank;

(b) to the knowledge of the undersigned officer, the compliance with the provisions on the Bank's part contained in the District Resolution, the Escrow Agreement and the Paying Agent Agreement, dated as of June 1, 2016 (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, the Escrow Agreement and the Agreement under the terms of any such law, administrative regulation, judgment, or decree, except as provided in the District Resolution, the Escrow Agreement 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 Escrow Agreement or 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 Escrow Agreement or 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 Escrow Agreement or the Agreement;

(d) within the scope of its obligations imposed by the District Resolution, the Escrow Agreement 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: June __, 2016

U.S. Bank National Association,
as Paying Agent and Escrow Agent

By: _____
Authorized Representative

DRAFT

ESCROW DEPOSIT AGREEMENT

This Escrow Deposit Agreement, dated as of June 1, 2016 (the "Agreement") by and between U.S. BANK NATIONAL ASSOCIATION, as escrow agent hereunder (in such capacity, the "Escrow Agent"), and WASHINGTON TOWNSHIP HEALTH CARE DISTRICT, Alameda County, California (the "District"),

WITNESSETH:

WHEREAS, a duly called election was held in the District on November 2, 2004 (the "Election"), and thereafter canvassed pursuant to law; 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 one hundred ninety million dollars (\$190,000,000), payable from the levy of an *ad valorem* tax against the taxable property in the District; and

WHEREAS, as authorized by the Election, the Board of Directors of the District (the "Governing Board") has previously caused to be issued, among other series, the District's General Obligation Bonds, Election of 2004, 2006 Series A (the "Prior Bonds"), of which \$36,180,000 aggregate principal amount is presently outstanding and subject to redemption; and

WHEREAS, the Prior Bonds were issued pursuant to the terms of that certain Resolution of the Governing Board adopted on November 8, 2006 (the "Resolution"); and

WHEREAS, the District has determined that circumstances in the financial markets are favorable for the refunding and defeasance of the Refunded Bonds; and

WHEREAS, in order to provide funds for the refunding of the Refunded Bonds, the District has now issued \$_____ aggregate principal amount of its 2016 General Obligation Refunding Bonds (the "2016 Bonds"); and

WHEREAS, in connection with such refunding, the District requires that U.S. Bank National Association undertake the services of Escrow Agent for the refunding and defeasance of the Refunded Bonds in accordance with the terms of the Resolution, the Refunded Bonds and this Agreement; and

WHEREAS, the District wishes to provide for the application of the net proceeds of the 2016 Bonds, together with any interest earned from the investment thereof, to effect the current refunding of the Refunded Bonds;

NOW, THEREFORE, the District and the Escrow Agent agree as follows:

ARTICLE I

REPRESENTATIONS, WARRANTIES AND AGREEMENTS

Each party hereto, as to itself and not as to the other party, hereby represents, warrants and agrees that:

Section 1.1 Authorization. The execution, delivery and performance of this Agreement by such party are within such party's respective powers and have been duly authorized by all necessary action of such party.

Section 1.2 No Conflict. (a) The District represents, warrants and agrees to its current actual knowledge that the execution, delivery and performance of this Agreement will not violate or conflict with (i) the Resolution or any related resolution of the District, (ii) the Constitution or laws of the State of California or (iii) any decisions, statutes, ordinances, rulings, directions, rules, regulations, orders, writs, decrees, injunctions, permits, certificates or other requirements of any court or other governmental or public entity with jurisdiction over the District or its operations.

(b) The Escrow Agent represents and warrants that the execution, delivery and performance of this Agreement will not violate or conflict with (i) the articles of association or bylaws of the Escrow Agent or (ii) any decisions, statutes, ordinances, rulings, directions, rules, regulations, orders, writs, decrees, injunctions, permits, certificates or other requirements of any court or other governmental or public entity with jurisdiction over the trust powers and operation of the Escrow Agent.

Section 1.3 Binding Obligation. This Agreement has been duly executed by, and is a legally valid and binding obligation of, each party, enforceable against such party in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights, and by general principles of equity.

Section 1.4 Title to Moneys Deposited in Escrow Fund. The District represents that the District has good, sufficient and legal title to the moneys deposited in the Escrow Fund established hereunder free and clear of all liens other than those created hereby.

Section 1.5 Duties of Parties. The District hereby directs the Escrow Agent to perform, and the Escrow Agent accepts, the duties set forth herein, in order that the Refunded Bonds shall be effectively and legally defeased in accordance with their terms, the terms of their respective Resolutions and applicable provisions of law. For this purpose, the District will deposit, and the Escrow Agent shall apply, the net proceeds of the sale of the 2016 Bonds as specified herein, and for no other purpose. The Escrow Agent hereby covenants and agrees to perform its duties set forth herein in accordance with the terms hereof.

ARTICLE II

ESTABLISHMENT OF ESCROW FUND

Section 2.1 Creation of Escrow Fund. The District hereby directs the Escrow Agent to establish a special escrow fund to be designated as the “Washington Township Health Care District 2016 Escrow Fund” (the “Escrow Fund”), into which the Escrow Agent shall deposit proceeds of the 2016 Bonds in the amount of \$ _____ (the “Bond Proceeds”), \$ _____ of which (apart from the sum of \$ _____ that shall be held uninvested as cash) shall be invested in certain Defeasance Obligations (as defined below) further detailed in Schedule A hereto, which is incorporated herein by this reference. The District hereby irrevocably directs the Escrow Agent to make the deposits and investments as set forth hereinabove.

Section 2.2 Terms of Resolution and Refunded Bonds. Receipt is hereby acknowledged by the Escrow Agent of a copy of Resolution. Reference herein to, or citation herein of, any provision of the Resolution or the terms of the Refunded Bonds shall be deemed to be incorporated as a part hereof in the same manner and with the same effect as if it or they were fully set forth herein.

Section 2.3 Defeasance Obligations. The District hereby irrevocably directs the Escrow Agent to invest the funds in the Escrow Fund in non-callable direct obligations of the United States of America or other non-callable obligations, the payment of the principal of and interest on which is unconditionally guaranteed by a pledge of the full faith and credit of the United States of America as described in Section 16 of the Resolution, which are permitted under Section 149(b) of the Internal Revenue Code and Regulations (collectively, “Defeasance Obligations”) which, in the opinion of nationally recognized bond counsel, will not impair the exclusion from gross income for federal income tax purposes of interest on the Refunded Bonds, as particularly set forth on Schedule A attached hereto and made a part hereof (the “Escrowed Securities”), so as to be available to the Refunded Bonds on the dates established therein, it being the intention of the District that the principal of and interest paid on such Escrowed Securities on deposit in the Escrow Fund, together with any uninvested cash on deposit therein, will be sufficient for such purposes, as of the date of calculation, and that such Escrowed Securities will mature, bear interest and be available (i) to pay in a timely manner the principal of and interest on the Refunded Bonds (all as more particularly set forth in Schedule B attached hereto and made a part hereof) and (ii) to pay the redemption price of the Refunded Bonds on the first redemption date therefor (all as more particularly set forth in Schedule B attached hereto and made a part hereof). The District hereby represents that such Escrowed Securities are comprised of Defeasance Obligations. Any conflict in provisions respecting the defeasance of either series of Refunded Bonds between the foregoing and the Resolution shall be governed by the terms of the Resolution.

The Escrow Agent shall follow such instructions and, upon the maturity of any investment, the Escrow Agent shall hold such funds uninvested and without liability for interest until receipt of further written instructions from the District.

Section 2.4 Deposit of Moneys. The Escrow Agent hereby acknowledges receipt of the deposit of the moneys into the Escrow Fund as described in Section 2.1 hereof.

Section 2.5 Purpose of Deposit. The deposit by the District of the Bond Proceeds into the Escrow Fund shall constitute an irrevocable deposit thereof for the uses and purposes specified in this Agreement and in the provisions of the respective Resolution and the Refunded Bonds expressly referred to herein, and such moneys and Escrowed Securities, together with all interest thereon, shall be held in escrow and applied solely for such uses and purposes. Such moneys and Escrowed Securities, along with the proceeds of investment thereof, shall be held by the Escrow Agent separate and apart from all other funds and shall not be commingled with other moneys for any purpose.

Section 2.6 Investments; District Covenants. (a) Except as otherwise expressly provided in Sections 2.1 and 2.3, the Escrow Agent shall have no power or duty to invest any moneys held hereunder or to make substitutions of the Escrowed Securities held hereunder or to sell, transfer or otherwise dispose of the Escrowed Securities acquired hereunder, or to pay interest on any such moneys not required to be invested hereunder.

(b) The District hereby agrees that it will not take action or fail to take action which would (i) adversely affect the exclusion from gross income for federal income tax purposes of interest on the Refunded Bonds, or (ii) adversely affect the status of the Refunded Bonds as being deemed no longer Outstanding under the Resolution.

Section 2.7 Handling of Investment Proceeds. The District hereby directs the Escrow Agent to collect the matured principal of and payments of interest on the Escrowed Securities as the same become due and payable and deposit the same in the Escrow Fund. Not later than the date on which any payment on any of the Refunded Bonds is required to be made, as set forth in Schedule B, or if such date is not a Business Day (being any day other than a Saturday or Sunday or a day on which the Escrow Agent and banks and trust companies located in New York, New York, or Los Angeles, California, are not authorized or required to remain closed and on which the New York Stock Exchange is open) then not later than the Business Day next succeeding such date, the Escrow Agent shall transmit to the registered owners thereof, from the funds in the Escrow Fund, the applicable amounts set forth in Schedule B attached hereto. The Escrow Agent may conclusively rely upon Schedule B with respect to all information set forth therein and may conclusively rely upon any written directions of the District with respect to any of the matters described in this Section.

If at any time it shall appear to the Escrow Agent that the moneys in the Escrow Fund, including the investment earnings on and proceeds of the Escrowed Securities, will not be sufficient to make all payments required hereunder and under the terms of the Refunded Bonds, the Escrow Agent shall give immediate notice thereof to the District in accordance with Section 5.4 hereof of the amount of such deficiency and the District agrees to pay the amount of such deficiency into the Escrow Fund from any source of lawfully available moneys. The Escrow Agent shall not be liable or responsible for any such deficiency of moneys in the Escrow Fund.

Any moneys held by the Escrow Agent for the payment and discharge of the principal or redemption price of or interest on any of the Refunded Bonds which remain

unclaimed for 18 months after the date when such payments have become due and payable, shall be paid (without liability for interest) to the District to be used for any of its lawful purposes and the Escrow Agent shall thereupon be released and discharged with respect thereto, and the Owners of Refunded Bonds shall look only to the District for the payment of the principal of or interest on such Refunded Bonds.

Section 2.8 Notices to Owners of Refunded Bonds. The District has previously directed the paying agent for the Refunded Bonds (the "2006 Paying Agent") to provide conditional notice of redemption to the registered owners of the Refunded Bonds, a copy of the form of which is appended hereto as Schedule D (the "2006 Redemption Notice") and hereby directs the Escrow Agent to provide notice to the Owners of Refunded Bonds as to their defeasance, substantially in the form of such notices appended to this Agreement as Schedule E, subject to the requirements of the Resolution.

Section 2.9 Compensation; Indemnification. The District agrees to pay and shall pay to the Escrow Agent as compensation in full for all services to be rendered by the Escrow Agent under this Agreement the amounts set forth in a separate schedule of fees and expenses, as modified from time to time in a writing between the District and the Escrow Agent, and shall reimburse the Escrow Agent for its out-of-pocket expenses (including legal fees and expenses) incurred hereunder. Any payment to the Escrow Agent pursuant to this Section shall be made from any moneys of the District lawfully available therefor, but the Escrow Agent shall have no lien whatsoever upon any of the moneys or Escrowed Securities in the Escrow Fund for any such payment.

The District shall indemnify, defend and hold harmless the Escrow Agent and its officers, directors, employees and agents, from and against and reimburse the Escrow Agent for any and all claims, obligations, liabilities, losses, damages, actions, suits, judgments, reasonable costs and expenses (including reasonable attorneys' and agents' fees and expenses) of whatever kind or nature regardless of their merit, demanded, asserted or claimed against the Escrow Agent directly or indirectly relating to, or arising from, claims against the Escrow Agent by reason of its participation in the transactions contemplated hereby, except to the extent caused by the Escrow Agent's negligence or willful misconduct. The provisions of the foregoing sentence shall survive the termination of this Agreement or the earlier resignation or removal of the Escrow Agent.

Section 2.10 Books and Records; Limited Liability. The Escrow Agent agrees to maintain books and records for the Escrow Fund and to account separately for deposits therein, investments thereof, earnings thereon and losses (if any) with respect thereto. The Escrow Agent shall only act in accordance with the specific provisions set forth herein and shall not assume any implied duties or obligations hereunder. None of the provisions of this Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder.

The District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive brokerage confirmations of security transactions as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The Escrow Agent will furnish the District

periodic cash transaction statements and a final cash transaction statement which shall include detail for all investment transactions made by the Escrow Agent hereunder.

The Escrow Agent shall have no obligation to make any payment or disbursement of any type or incur any financial liability in the performance of its duties under this Agreement unless the District shall have deposited sufficient funds therefor with the Escrow Agent. The Escrow Agent may rely and shall be protected in acting upon the written or oral instructions of authorized representatives of the District or of their respective agents relating to any matter or action undertaken as Escrow Agent under this Agreement.

The liability of the Escrow Agent for the payment of moneys as hereinabove set forth respecting the payment of the Refunded Bonds shall be limited to the principal of and interest on the Escrowed Securities and other securities purchased hereunder. The Escrow Agent shall not be liable for any loss resulting from any investment, sale, transfer, prepayment, substitution or other disposition made pursuant to this Agreement in compliance with the provisions hereof or the sufficiency of the Escrowed Securities or any uninvested moneys held hereunder to accomplish the discharge of the Refunded Bonds. The Escrow Agent shall not have any lien whatsoever upon any of the moneys deposited in accordance with Section 2.1 hereof for the payments of fees and expenses for services by it under this Agreement until after all payments required pursuant hereto in accordance herewith. The recitals of fact contained in the "whereas" clauses herein shall be taken as the statements of the District, and the Escrow Agent assumes no responsibility for the correctness thereof. The Escrow Agent makes no representations as to the sufficiency of the Escrowed Securities to be purchased pursuant hereto and any uninvested moneys to accomplish the refunding of the Refunded Bonds or to the validity of this Agreement as to the District and, except as otherwise provided herein, the Escrow Agent shall incur no liability in respect thereof. The Escrow Agent shall not be liable in connection with the performance of its duties under this Agreement except for its own negligence, willful misconduct or willful default, and the duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement. The Escrow Agent may consult with counsel, who may or may not be bond counsel to the District, and in reliance upon the written opinion of such counsel, shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be provided or established prior to taking, suffering, or omitting any action under this Agreement, such matter (except the matters set forth herein as specifically requiring a certificate of a nationally recognized firm of independent certified public accountants or an opinion of counsel) may be deemed to be conclusively established by a written certification of the District. The Escrow Agent undertakes such duties as are expressly set forth herein, and no implied duties or obligations of the Escrow Agent shall be read into this Agreement. The Escrow Agent may resign at any time upon 30 days' written notice to the District.

The Escrow Agent may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Escrow Agent may execute any of the duties or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be

responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed. Anything in this Agreement to the contrary notwithstanding, in no event shall the Escrow Agent be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

Any bank, corporation or association into which the Escrow Agent may be merged or converted or with which it may be consolidated, or any bank, corporation or association resulting from any merger, conversion or consolidation to which the Escrow Agent shall be a party, or any bank, corporation or association succeeding to all or substantially all of the corporate trust business of the Escrow Agent shall be the successor of the Escrow Agent hereunder without the execution or filing of any paper with any party hereto or any further act on the part of any of the parties hereto except on the part of any of the parties hereto where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

The Escrow Agent shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Agreement and delivered using Electronic Means ("Electronic Means" means mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Escrow Agent, or another method or system specified by the Escrow Agent as available for use in connection with its services hereunder); provided, however, that the District shall provide to the Escrow Agent an incumbency certificate (the "Incumbency Certificate"), substantially in the form of Schedule F hereto, listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which Incumbency Certificate shall be amended by the District whenever a person is to be added to or deleted from the listing. If the District elects to give the Escrow Agent Instructions using Electronic Means and the Escrow Agent in its discretion elects to act upon such Instructions, the Escrow Agent's understanding of such Instructions shall be deemed controlling. The District understands and agrees that the Escrow Agent cannot determine the identity of the actual sender of such Instructions and that the Escrow Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Agent have been sent by such Authorized Officer. The District shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Agent and that the District and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the District. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The District agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Escrow Agent and that there may be more secure methods of transmitting Instructions than the method(s) selected by the District; (iii) that

the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Escrow Agent immediately upon learning of any compromise or unauthorized use of the foregoing security procedures.

The Escrow Agent may at any time resign by giving 30 days' written notice of resignation to the District. Upon receiving such notice of resignation, the District shall promptly appoint a successor and, upon the acceptance by the successor of such appointment, release the resigning Escrow Agent from its obligations hereunder by written instrument, a copy of which instrument shall be delivered to each of the District, the resigning Escrow Agent and the successor. If no successor shall have been so appointed and have accepted appointment within 30 days after the giving of such notice of resignation, the resigning Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor.

ARTICLE III

TERMINATION OF AGREEMENT

Section 3.1 Termination of Agreement. It is the intention of the District that the proceeds of the Escrowed Securities shall be applied on the dates and at the prices shown on Schedule B, to the payment of the Refunded Bonds in accordance with their terms until the respective redemption dates for the Refunded Bonds. The Escrow Agent agrees to liquidate or collect the proceeds of the Escrowed Securities in accordance with their terms and to apply the proceeds thereof to the payment of principal of and premium, if any, and interest on the Refunded Bonds as aforesaid; any moneys in the Escrow Fund that remain unclaimed for 18 months following payment of the Refunded Bonds in whole on the respective redemption or maturity dates shown on Schedule B shall, after payment of any amounts due the Escrow Agent, be transferred to the District in accordance with Section 2.7 hereof. Upon the completion of such transfer, if any, this Agreement shall be terminated and of no further force or effect.

ARTICLE IV

FEES OF ESCROW AGENT

Section 4.1 Fees of Escrow Agent. The District shall pay to the Escrow Agent fees and expenses as are mutually agreed upon by the District and the Escrow Agent as and for payment in full for the services of the Escrow Agent as escrow agent hereunder, through and including the final redemption or maturity dates of the Refunded Bonds as set forth herein.

It is also understood that the fees agreed upon for the services of the Escrow Agent hereunder shall be considered compensation for its ordinary services as contemplated by these instructions, but in the event that the conditions of this escrow are not promptly fulfilled or that the Escrow Agent renders any service hereunder not provided for in the foregoing instructions or that there is an assignment of any interest in the subject matter of this escrow, or modification hereof, or that any controversy arises hereunder or that the Escrow Agent is made a party to, or intervenes in, or, in good faith, interpleads in, any litigation pertaining to this escrow or the subject matter thereof, the Escrow Agent shall be reasonably compensated by the District

for such extraordinary services and reimbursed for all costs, expenses, claims and liability, plus interest charged at the maximum rate permitted by law occasioned by such default, delay, controversy or litigation, including, without limitation, the fees and disbursements of legal counsel to the Escrow Agent.

Under no circumstances shall the Escrow Agent be entitled to assert a lien against the cash or Escrowed Securities held in the Escrow Fund to provide security for the payment of the fees described in this Section.

ARTICLE V

MISCELLANEOUS

Section 5.1 Severability of Provisions. If any one or more of the covenants or agreements provided in this Agreement on the part of the parties hereto to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

Section 5.2 Execution in Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as an original and shall constitute and be but one and the same instrument.

Section 5.3 Applicable Law. This Agreement shall be governed by the laws of the State of California applicable to contracts made and performed in said State.

Section 5.4 Notices. All notices, demands and formal actions under this Agreement shall be in writing and mailed, telegraphed or delivered to:

The District: Washington Township Health Care District
2000 Mowry Avenue
Fremont, CA 94538-1716
Attention: Associate Administrator and Chief Financial Officer

The Escrow Agent: U.S. Bank National Association
One California Street, Suite 1000
San Francisco, CA 94111
Attention: Global Corporate Trust Services

Section 5.5 Amendments. This Agreement may be modified or amended at any time by a supplemental agreement which shall become effective when the written consent of the Owners of one hundred percent (100%) in aggregate principal amount of the Refunded Bonds then unpaid as to principal shall have been filed with the Escrow Agent. This Agreement may be modified or amended at any time by a supplemental agreement, without the consent of any such Owners, but only: (i) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein or therein reserved to the District; (ii) to cure, correct or supplement any ambiguous or defective provision contained

herein; or (iii) in regard to questions arising hereunder as the parties hereto or thereto may deem necessary or desirable and which, in the opinion of counsel provided to the Escrow Agent, shall not materially adversely affect the interests of the Owners of the Refunded Bonds, and will not cause interest on the Refunded Bonds to become subject to inclusion in gross income for purposes of federal income taxation.

DRAFT

IN WITNESS WHEREOF, the District has entered into this Escrow Deposit Agreement with the Escrow Agent as of the date first above written.

WASHINGTON TOWNSHIP HEALTH CARE DISTRICT

By: _____
Title:

U.S. BANK NATIONAL ASSOCIATION,
as Escrow Agent

By: _____
Authorized Officer

DRAFT

SCHEDULE A

DESCRIPTION OF THE ESCROWED SECURITIES

(Exhibit __ from the Verification Report)

DRAFT

SCHEDULE B

DEBT SERVICE REQUIREMENTS

(Exhibits ___ and ___ from the Verification Report)

DRAFT

SCHEDULE C

The Depository Trust Company
55 Water Street
New York, New York 10041
Telecopy: (212) 855-7320

Mergent, Inc.
585 Kingsley Park Drive
Fort Mill, South Carolina 29715
Attention: Called Bond Department

Municipal Securities Rulemaking Board
EMMA – Electronic Municipal Market Access
<http://emma.msrb.org>

DRAFT

SCHEDULE E
FORM OF
NOTICE OF DEFEASANCE

WASHINGTON TOWNSHIP HEALTH CARE DISTRICT
(Alameda County, California)
General Obligation Bonds, 2004 Election, 2006 Series A

Notice is hereby given to the owners of certain of the above-captioned general obligation bonds of the Washington Township Health Care District (the "Bonds") at moneys, together with investment earnings thereon, sufficient to provide for the payment of the principal of and interest on the designated portion of the Bonds listed below have been set aside in an Escrow Fund established under that certain Escrow Deposit Agreement, dated as of June 1, 2016 (the "Escrow Deposit Agreement"), by and between Washington Township Health Care District and U.S. Bank National Association, as Escrow Agent (the "Escrow Agent"), and verified for such purpose by Causey Demgen & Moore P.C., as Verification Agent.

<u>Maturity Date</u> <u>(August 1)</u>	<u>Principal Amount</u>	<u>Interest</u> <u>Rate</u>	<u>CUSIP Number^(*)</u>
2016	\$ 1,110,000	4.25%	940642AK7
2017	1,160,000	5.00	940642AL5
2018	1,205,000	5.00	940642AM3
2019	1,250,000	5.00	940642AN1
2020	1,300,000	5.00	940642AP6
2021	1,360,000	4.50	940642AQ4
2022	1,415,000	4.50	940642AR2
2028	9,810,000	4.50	940642AS0
2036	17,570,000	4.45	940642AT8

^(*) The Escrow Agent shall not be held responsible for the selection or use of CUSIP numbers, nor is any representation made as to their correctness. They are included solely for the convenience of the Owners of the Bonds.

WASHINGTON TOWNSHIP HEALTH CARE DISTRICT

By: U.S. BANK NATIONAL ASSOCIATION, as Escrow
Agent

⁽¹⁾ The Bonds maturing on August 1, 2017, and thereafter will be redeemed at par on August 1, 2016.

^(*) The Escrow Agent shall not be held responsible for the selection or use of the CUSIP numbers, nor is any representation made as to their correctness. It is included solely for the convenience of the Owners of the Bonds; Bonds shall be redeemed by lot within each maturity.

SCHEDULE D

CONDITIONAL

NOTICE OF REDEMPTION TO THE OWNERS OF

WASHINGTON TOWNSHIP HEALTH CARE DISTRICT
(Alameda County, California)
General Obligation Bonds, 2004 Election, 2006 Series A

Notice is hereby given to the owners of certain Washington Township Health Care District General Obligation Bonds, 2004 Election, 2006 Series A (the "Bonds") that the Bonds, originally issued on December 14, 2006, maturing as identified below, are subject to optional redemption in accordance with that certain Resolution adopted by the Board of Trustees of the District on November 8, 2006 (the "Resolution"), at a redemption price of par, plus accrued interest thereon, on August 1, 2016.

<u>Maturity Date</u> <u>(August 1)</u>	<u>Principal Amount</u>	<u>Interest</u> <u>Rate</u>	<u>CUSIP Number^(*)</u>
2017	\$ 1,160,000	5.00%	940642AL5
2018	1,205,000	5.00	94062AM3
2019	1,250,000	5.00	94062AN1
2020	1,300,000	5.00	94062AP6
2021	1,360,000	4.50	94062AQ4
2022	1,415,000	4.50	94062AR2
2028	9,810,000	4.50	94062AS0
2036	17,570,000	4.45	94062AT8

^(*) The Paying Agent shall not be held responsible for the selection or use of CUSIP numbers, nor is any representation made as to their correctness. They are included solely for the convenience of the Owners of the Bonds.

The Owners of the Bonds are advised that the redemption of the above-listed Bonds is made conditional upon the receipt of proceeds of sale of certain general obligation refunding bonds of the District on or before August 1, 2016; in the event that such proceeds are not in fact delivered and made available to the Escrow Agent for the described refunding, this notice shall be rescinded by the Paying Agent.

On August 1, 2016, all of the Bonds to be redeemed will become due and payable at the redemption price aforesaid, and payment will be made upon presentation and surrender to the Escrow Agent for the Bonds at:

U.S. Bank National Association
Global Corporate Trust Services
111 Fillmore Avenue E
St. Paul, MN 55107
Tel. 1-800-934-6802

From and after August 1, 2016, the principal of and interest on the Bonds called for redemption shall cease to accrue and be payable.

All Owners submitting their Bonds for redemption must also submit a form W-9. Failure to provide a completed form W-9 will result in a 28% backup withholding to the owners of the Bonds pursuant to the Interest and Dividend Tax Compliance Act of 1993.

Dated: _____, 2016*

WASHINGTON TOWNSHIP HEALTH CARE
DISTRICT

By: U.S. BANK NATIONAL ASSOCIATION, as
Paying Agent

DRAFT

* Notice must be given at least 30 but no more than 60 days prior to the redemption date.

SCHEDULE F

FORM OF INCUMBENCY CERTIFICATE OF THE DISTRICT

To: U.S. Bank National Association, as Escrow Agent with respect to that certain Escrow Agreement, by and between the Escrow Agent and Washington Township Health Care District, dated as of June 1, 2006 (the "Escrow Agreement")

WASHINGTON TOWNSHIP HEALTH CARE DISTRICT, a health care district duly organized and existing under the laws of the State of California (the "District") and located in the County Alameda, California, does hereby direct U.S. BANK NATIONAL ASSOCIATION, as Escrow Agent (the "Escrow Agent") under the Escrow Agreement as follows:

1. Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Escrow Agreement;
2. For all purposes of the Escrow Agreement, including, without limitation, the giving of notices and directions to the Escrow Agent under Section 2.10 of the Escrow Agreement, the following individuals are, until the Escrow Agent is advised in writing to the contrary, constitute Authorized Officers, and the signatures shown next to their names are their true and correct signatures.

Name

Signature

Given this ___ day of 2016.



Memorandum

DATE: May 6, 2016

TO: Nancy Farber, Chief Executive Officer

FROM: Stephanie Williams, Chief Nursing Officer/Associate Administrator

SUBJECT: SPECIAL CARE NURSERY (SCN) GIRAFFE WARMERS AND INCUBATORS

The Special Care Nursery Leadership team has deliberated about the best use of the generous monies raised by the Foundation at the Top Hat event of 2014, wanting to use the monies to improve the care of the sick babies at Washington Hospital. It was decided that buying two additional Giraffe warmers and two additional incubators for use in the SCN meets that goal well. Some of the current warmers and incubators need to be replaced, and functional warmers and incubators enable the babies to grow well while they are premature in the Special Care Nursery.

The Foundation is donating funds raised in the 2014 Top Hat event to cover this purchase. The total cost to purchase and install the warmers/incubators for the Special Care Nursery is \$98,192.40.

In accordance with District Law, Policies and Procedures, I request that the Board of Directors authorize the Chief Executive Officer to proceed with the purchase of two new Giraffe warmers and two new incubators in an amount not to exceed \$98,192.40.



Memorandum

DATE: May 5, 2016

TO: Nancy Farber, Chief Executive Officer

FROM: Kimberly Hartz, Sr. Associate Administrator, Ambulatory Care Services

SUBJECT: Prenatal Diagnostic Clinic Tenant Improvements and FF&E

Washington Hospital Healthcare System will be opening a Prenatal Diagnostic Clinic in the District for high-risk mothers. The clinic will be owned and operated by Washington Hospital Healthcare System and will be staffed with UCSF perinatology physicians. This clinic will provide vital prenatal screening and care to District residents and allow many residents to receive care locally rather than having to leave.

In order to equip the clinic, \$844,000 was included in this Fiscal Year's budget. During the March 9, 2016 Board of Directors' meeting, the Board approved \$149,460.00 for the Epic build related to this clinic.

It is requested that the remaining \$694,540 of the original budget of \$844,000 be approved for expenditure in order to begin equipping the clinic. This includes:

- | | |
|--|-----------|
| • 3 Ultrasounds (Capital Lease, 5-Year Term) | \$550,005 |
| • IT Equipment & PACS | \$118,843 |
| • Procedure Tables, Major Equipment | \$52,722 |
| • Misc. Furniture and Equipment | \$17,895 |

Since the original estimates were made, the cost of the capital leases for the three ultrasound machines has increased by \$44,925. The new cost of \$550,005 is reflected in the bulleted items above. Therefore, an additional, unbudgeted capital amount of \$44,925 is requested, bringing the total for the items listed above to \$739,465.

When the Prenatal Diagnostic Clinic was originally budgeted, the physical location of the clinic was planned for a different location. Since then, that space has been leased. Therefore, it is requested that an additional, unbudgeted capital expenditure be approved for the architectural design and tenant improvements for the clinic space in 1900 Mowry Avenue in the amount of \$253,812.

In accordance with District Law, Policies and Procedures, it is requested that the Board of Directors authorize the Chief Executive Officer to proceed with the architectural fees, tenant improvements and furniture, fixtures and equipment needed for the implementation of the prenatal diagnostic clinic for a total amount not to exceed **\$993,277**. A portion of this project is included in the FY2015-16 capital budget.



Memorandum

DATE: April 18, 2016
TO: Nancy Farber, Chief Executive Officer
FROM: Ed Faye, Senior Associate Administrator
SUBJECT: Cardiac Rehab Telemetry Monitoring System

The Cardiac Rehab Telemetry System is necessary to provide the highest level of patient safety as it monitors a patient's heart rhythm and helps us to determine a patient's status during exercise. A Telemetry System is also a requirement for Medicare reimbursement and certification. The current system is seventeen years old and frequently breaks down risking patient safety and quality of care. The software is outdated and does not interface with Epic. We are at risk of losing reimbursement and accreditation of our Cardiac Rehabilitation program.

We would like to purchase an upgraded Telemetry System to replace our outdated and problematic system. The new system will interface directly with Epic eliminating the need to print and scan reports into Epic.

In accordance with District Law, Policies and Procedures, it is requested that the Board of Directors authorize the Chief Executive Officer to proceed with the purchase of a TeleRehab Telemetry Monitoring System for a total amount not to exceed \$111,887.72. This line item was not approved on the FY 2016 Capital Asset Budget.



Memorandum

DATE: April 15, 2016
TO: Nancy Farber, Chief Executive Officer
FROM: Edward Fayen, Senior Associate Administrator
SUBJECT: **MetRx II Neurosurgery Instruments**

The MetRx II Instrument System is a complete set of instruments that we utilize for spine procedures. The set is comprised of a series of muscle dilators, tubes, and specialty instruments that are used in minimally invasive spine surgery. The dilators are used to gently, gradually separate and push muscle aside so that neurosurgeons and orthopedists can insert tubes, scopes, and instruments into a small area in the spine and perform minimally invasive discectomies, laminectomies, and lumbar fusions.

We have one set of MetRx Neurosurgery instruments that was purchased in 2008. Purchasing a second set of instruments will allow greater flexibility for the neurosurgeons when they want to schedule spine cases back-to-back. It is also safer and more efficient for the patients to be able to get their surgeries started in a timely manner without delays for sterilizing instruments between cases.

These instruments will be used by Drs. Erasmus, Eichbaum, Henstorf, and Kunwar.

In accordance with District Law, Policies and Procedures, it is requested that the Board of Directors authorize the Chief Executive Officer to enter into the necessary contracts and proceed with the purchase of the MetRx II Instrument Set for an amount not to exceed \$89,229.33. This item was not included in the Fiscal Year 2016 Fixed Asset Capital Budget.



Memorandum

DATE: April 18, 2016
TO: Nancy Farber, Chief Executive Officer
FROM: Ed Faye, Senior Associate Administrator
SUBJECT: Pulse Oximeter / Respiratory Monitors

Pulse Oximeters are non-invasive devices used throughout the hospital that measure the level of oxygen saturation in the patient's blood. Capnometry is utilized in critical care and procedure areas and measures carbon dioxide levels in the patient's breath. Both are critical in detecting declining levels of a patient's blood gases, helping to avoid unsafe, dangerous levels.

The age of our current equipment is greater than fourteen years. Many of our older devices have been out of support for several years and when they fail, we retire them. Some other pulse oximeter devices are the wrong option for our patients and are not compatible with the probes used in the rest of the hospital. The purchase of new equipment will improve patient safety.

We are requesting purchase of the following devices:

From Covidian Nellcor (Medtronic)

- 24 Philips SP O2 Modules
- 22 Nellresp Pulse Oximeters
- 4 Capnostream 20P Capnographs
- 3 Nellcor N85 Handheld Capnographs

From CareFusion Alaris (Becton Dickinson):

- 5 Model 8300 ET CO2 Modules - Capnometry
- From Philips:
- 5 Microstream CO2 Extension Modules

In accordance with District Law, Policies and Procedures, it is requested that the Board of Directors authorize the Chief Executive Officer to proceed with the purchase of the various pulse oximeters and capnometry devices as listed above for a total amount not to exceed \$135,690.00. This line item was approved on the FY 2016 Capital Asset Budget.



Memorandum

DATE: April 21, 2016
TO: Nancy Farber, Chief Executive Officer
FROM: Edward Fayen, Senior Associate Administrator
SUBJECT: **Purchase of Blanket Warmers**

The warming cabinets on the west wing of the Hospital are over 20 years old and do not meet the Joint Commission requirement of digital displays. We would like to replace four warming cabinets with the Steris Amsco Warming Cabinet in order to continue the standardization of cabinets throughout the Hospital as well as meet the Joint Commission regulation, The Steris Amsco Warming Cabinet efficiently and accurately raises and maintains the temperature of surgical IV, irrigation solutions, and blankets to adjustable and acceptable levels and promotes safety, security, and compliance in healthcare settings.

The total cost to purchase and install four warming cabinets for 2 West, 3 West, 4 West, and 5 West is \$45,483.08. This upgrade was included in the Fiscal Year 2016 Fixed Asset Capital Budget.

In accordance with District Law, Policies and Procedures, it is requested that the Board of Directors authorize the Chief Executive Officer to proceed with the purchase of four Steris Amsco Warming Cabinets for 2 West, 3 West, 4 West, and 5 West for a total amount not to exceed \$45,780.



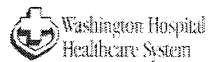
Memorandum

DATE: April 21, 2016
TO: Nancy Farber, Chief Executive Officer
FROM: Edward Fayen, Senior Associate Administrator
SUBJECT: **Purchase of LED Televisions for Patient Rooms**

The Hospital has been in the process of a house-wide upgrade of all patient room televisions. The third phase will take place in the hospital tower with the replacement of current televisions models. The replacement LED flat screen televisions will be energy efficient and require less space. They will also be compatible with future I.T. technology and applications.

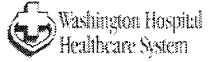
The total cost to purchase one hundred thirty (130) flat screen digital televisions for the hospital tower is \$76,300. This replacement was included in the Fiscal Year 2016 Fixed Asset Capital Budget.

In accordance with District Law, Policies and Procedures, it is requested that the Board of Directors authorize the Chief Executive Officer to proceed with the purchase of one hundred thirty (130) flat screen LED digital televisions for a total amount not to exceed \$76,300.



WASHINGTON HOSPITAL
MONTHLY OPERATING REPORT

March 2016



**WASHINGTON HOSPITAL
INDEX TO BOARD FINANCIAL STATEMENTS
March 2016**

<u>Schedule Reference</u>	<u>Schedule Name</u>
Board - 1	Statement of Revenues and Expenses
Board - 2	Balance Sheet
Board - 3	Operating Indicators



Memorandum

DATE: May 6, 2016
TO: Board of Directors
FROM: Nancy Farber
SUBJECT: Washington Hospital – March 2016
Operating & Financial Activity

SUMMARY OF OPERATIONS – (Blue Schedules)

1. Utilization – Schedule Board 3

<u>ACUTE INPATIENT:</u>	<u>March Actual</u>	<u>Budget</u>	<u>Current 12 Month Avg.</u>
Average Daily Census	158.4	172.9	157.2
# of Admissions	1,125	1,090	1,007
Patient Days	4,909	5,361	4,795
Discharge ALOS	4.32	4.92	4.71

<u>OUTPATIENT:</u>	<u>March Actual</u>	<u>Budget</u>	<u>Current 12 Month Avg.</u>
OP Visits	7,496	7,886	7,229
ER Visits	4,836	4,738	4,423
Observation Equivalent Days – OP	279	279	252

Comparison of March acute inpatient statistics to those of the budget showed a higher level of admissions and a lower level of patient days. The average length of stay (ALOS) based on discharged days was below budget. Outpatient visits were lower than budget. Emergency Room visits were above budget for the month.

2. Staffing – Schedule Board 3

Total paid FTEs were 75.1 below budget. Total productive FTEs for March were 1,245.5, 43.8 below the budgeted level of 1,289.3. Nonproductive FTEs were 31.3 below budget. Productive FTEs per adjusted occupied bed were 5.76, 0.23 above the budgeted level of 5.53. Total FTEs per adjusted occupied bed were 6.48, 0.15 above the budgeted level of 6.33.

3. Income - Schedule Board 1

For the month of March the Hospital realized a gain of \$3,462,000 from operations.

Total Gross Patient Service Revenue of \$178,715,000 for March was 3.4% below budget.

Deductions from Revenue of \$136,475,000 represented 76.36% of Total Gross Patient Service Revenue. This percentage is below the budgeted amount of 77.04%.

Total Operating Revenue of \$42,522,000 was \$135,000 (0.3%) below the budget.

Total Operating Expense of \$39,060,000 was \$449,000 (1.1%) below the budgeted amount.

The Total Non-Operating Gain of \$2,093,000 for the month of March includes an unrealized gain on investments of \$328,000 and property tax revenue of \$1,364,000. This property tax revenue will be used to pay the debt service for the general obligation bonds.

The Total Net Gain for March was \$5,555,000, which was \$690,000 more than the budgeted gain of \$4,865,000.

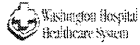
The Total Net Gain for March using FASB accounting principles, in which the unrealized gain on investments and property tax revenues are removed from the non-operating income and expense, was \$3,863,000 compared to a budgeted gain of \$3,501,000.

4. Balance Sheet – Schedule Board 2

There were no noteworthy changes in assets and liabilities when compared to February 2016.

NANCY FARBER
Chief Executive Officer

NF/CH:cd



WASHINGTON HOSPITAL
STATEMENT OF REVENUES AND EXPENSES
March 2016
GASB FORMAT
(In thousands)

<u>MARCH</u>					<u>YEAR TO DATE</u>				
<u>ACTUAL</u>	<u>BUDGET</u>	<u>FAV (UNFAV) VAR</u>	<u>% VAR.</u>		<u>ACTUAL</u>	<u>BUDGET</u>	<u>FAV (UNFAV) VAR</u>	<u>% VAR.</u>	
\$ 130,900	\$ 137,121	\$ (6,221)	-4.5%	1	OPERATING REVENUE				
47,815	47,873	(58)	-0.1%	2	INPATIENT REVENUE	\$ 1,122,823	\$ 1,122,264	\$ 559	0.0%
				3	OUTPATIENT REVENUE	400,564	411,916	(11,352)	-2.8%
178,715	184,994	(6,279)	-3.4%	4	TOTAL PATIENT REVENUE	1,523,387	1,534,180	(10,793)	-0.7%
(136,475)	(142,522)	6,047	4.2%	5	CONTRACTUAL ALLOWANCES	(1,169,529)	(1,180,787)	11,258	1.0%
76.36%	77.04%			6	CONTRACTUAL AS % OF REVENUE	76.77%	76.97%		
<u>42,240</u>	<u>42,472</u>	<u>(232)</u>	<u>-0.5%</u>	7	NET PATIENT REVENUE	353,858	353,393	465	0.1%
282	185	97	52.4%	8	OTHER OPERATING INCOME	3,636	3,216	420	13.1%
<u>42,522</u>	<u>42,657</u>	<u>(135)</u>	<u>-0.3%</u>	9	TOTAL OPERATING REVENUE	357,494	356,609	885	0.2%
				10	OPERATING EXPENSES				
15,084	15,692	608	3.9%	11	SALARIES & WAGES	131,453	132,026	573	0.4%
7,327	5,677	(1,650)	-29.1%	12	EMPLOYEE BENEFITS	52,154	50,839	(1,315)	-2.6%
4,549	4,522	(27)	-0.6%	13	SUPPLIES	38,647	37,980	(667)	-1.8%
4,293	4,853	560	11.5%	14	PURCHASED SERVICES & PROF FEES	43,035	44,614	1,579	3.5%
1,151	1,414	263	18.6%	15	INSURANCE, UTILITIES & OTHER	11,733	12,861	1,128	8.8%
3,009	3,741	732	19.6%	16	PROVISION FOR DOUBTFUL ACCOUNTS	31,915	31,438	(477)	-1.5%
2,848	2,818	(30)	-1.1%	17	DEPRECIATION	24,650	24,503	(147)	-0.6%
799	792	(7)	-0.9%	18	INTEREST EXPENSE	7,384	7,392	8	0.1%
<u>39,060</u>	<u>39,509</u>	<u>449</u>	<u>1.1%</u>	19	TOTAL OPERATING EXPENSE	340,971	341,653	682	0.2%
<u>3,462</u>	<u>3,148</u>	<u>314</u>	<u>10.0%</u>	20	OPERATING INCOME (LOSS)	16,523	14,956	1,567	10.5%
8.14%	7.38%			21	OPERATING INCOME MARGIN %	4.62%	4.19%		
262	275	(13)	-4.7%	22	NON-OPERATING INCOME & (EXPENSE)				
3	0	3	0.0%	23	INVESTMENT INCOME	2,164	2,105	59	2.8%
80	78	2	2.6%	24	REALIZED GAIN/(LOSS) ON INVESTMENTS	(80)	0	(80)	0.0%
56	0	56	0.0%	25	RENTAL INCOME, NET	656	699	(43)	-6.2%
1,364	1,364	0	0.0%	26	OTHER NON-OPERATING, NET	(1,177)	(966)	(211)	-21.8%
328	0	328	0.0%	27	PROPERTY TAX REVENUE	11,697	11,696	1	0.0%
<u>2,093</u>	<u>1,717</u>	<u>376</u>	<u>21.9%</u>	28	UNREALIZED GAIN/(LOSS) ON INVESTMENTS	429	0	429	0.0%
				29	TOTAL NON-OPERATING INCOME & EXPENSE	13,689	13,534	155	1.1%
<u>\$ 5,555</u>	<u>\$ 4,865</u>	<u>\$ 690</u>	<u>14.2%</u>	30	NET INCOME (LOSS)	\$ 30,212	\$ 28,490	\$ 1,722	6.0%
13.06%	11.40%			31	NET INCOME MARGIN %	8.45%	7.99%		
<u>\$ 3,863</u>	<u>\$ 3,501</u>	<u>\$ 362</u>	<u>10.3%</u>	32	NET INCOME (LOSS) USING FASB PRINCIPLES**	\$ 18,086	\$ 16,794	\$ 1,292	7.7%
9.08%	8.21%				NET INCOME MARGIN %	5.06%	4.71%		

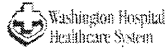
**NET INCOME (FASB FORMAT) EXCLUDES PROPERTY TAX INCOME AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS



**WASHINGTON HOSPITAL
BALANCE SHEET
March 2016
(In thousands)**

SCHEDULE BOARD 2

ASSETS AND DEFERRED OUTFLOWS			MARCH 2016	AUDITED JUNE 2015	LIABILITIES, NET POSITION AND DEFERRED INFLOWS			MARCH 2016	AUDITED JUNE 2015
CURRENT ASSETS					CURRENT LIABILITIES				
1	CASH & CASH EQUIVALENTS	\$ 33,998	\$ 19,275	1	CURRENT MATURITIES OF LT OBLIG	\$ 6,165	\$ 5,995		
2	ACCOUNTS REC NET OF ALLOWANCES	66,919	61,503	2	ACCOUNTS PAYABLE	19,150	28,024		
3	OTHER CURRENT ASSETS	7,759	6,713	3	OTHER ACCRUED LIABILITIES	49,767	49,107		
4	TOTAL CURRENT ASSETS	108,676	87,491	4	INTEREST	5,352	9,872		
				5	TOTAL CURRENT LIABILITIES	80,434	92,998		
ASSETS LIMITED AS TO USE					LONG-TERM DEBT OBLIGATIONS				
6	BOARD DESIGNATED FOR CAPITAL AND OTHER	186,265	184,164	6	REVENUE BONDS AND OTHER	204,108	208,626		
7	GENERAL OBLIGATION BOND FUNDS	212,377	121,657	7	GENERAL OBLIGATION BONDS	343,140	197,346		
8	REVENUE BOND FUNDS	10,441	10,390						
9	BOND DEBT SERVICE FUNDS	8,466	21,349	OTHER LIABILITIES					
10	OTHER ASSETS LIMITED AS TO USE	15,438	15,112	10	NET PENSION LIABILITY	49,456	66,440		
11	TOTAL ASSETS LIMITED AS TO USE	432,987	352,672	11	WORKERS' COMP	9,121	8,609		
13	OTHER ASSETS	136,793	122,848	12	SUPPLEMENTAL MEDICAL RETIREMENT	38,850	36,523		
14	NET PROPERTY, PLANT & EQUIPMENT	451,463	416,245	14	NET POSITION	412,199	381,987		
15	TOTAL ASSETS	\$ 1,129,919	\$ 979,256	15	TOTAL LIABILITIES AND NET POSITION	\$ 1,137,308	\$ 992,529		
16	DEFERRED OUTFLOWS	15,003	24,472	16	DEFERRED INFLOWS	7,614	11,199		
17	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 1,144,922	\$ 1,003,728	17	TOTAL LIABILITIES, NET POSITION AND DEFERRED INFLOWS	\$ 1,144,922	\$ 1,003,728		



**WASHINGTON HOSPITAL
OPERATING INDICATORS
March 2016**

12 MONTH AVERAGE	MARCH						YEAR TO DATE			
	ACTUAL	BUDGET	FAV (UNFAV) VAR	% VAR.			ACTUAL	BUDGET	FAV (UNFAV) VAR	% VAR.
	<u>PATIENTS IN HOSPITAL</u>									
157.2	158.4	172.9	(14.5)	-8%	1	ADULT & PEDS AVERAGE DAILY CENSUS	157.2	160.0	(2.8)	-2%
8.3	9.0	9.0	-	0%	2	OUTPT OBSERVATION AVERAGE DAILY CENSUS	8.0	8.7	(0.7)	-8%
10.6	11.0	12.2	(1.2)	-10%	3	WELLBORN NURSERY AVERAGE DAILY CENSUS	10.7	11.0	(0.3)	-3%
176.1	178.4	194.1	(15.7)	-8%	4	TOTAL	175.9	179.7	(3.8)	-2%
3.9	3.6	3.8	(0.2)	-5%	5	SPECIAL CARE NURSERY AVERAGE DAILY CENSUS *	3.7	3.4	0.3	9%
4,795	4,909	5,361	(452)	-8%	6	ADULT & PEDS PATIENT DAYS	43,235	43,993	(758)	-2%
1,007	1,125	1,090	35	3%	7	ADMISSIONS-ADULTS & PEDS	9,146	9,419	(273)	-3%
4.71	4.32	4.92	(0.60)	-12%	8	AVERAGE LENGTH OF STAY-ADULTS & PEDS	4.66	4.66	0.00	0%
	<u>OTHER KEY UTILIZATION STATISTICS</u>									
1.525	1.493	1.503	(0.010)	-1%	9	OVERALL CASE MIX INDEX (CMI)	1.521	1.503	0.018	1%
	<u>SURGICAL CASES</u>									
133	146	141	5	4%	10	JOINT REPLACEMENT CASES	1,206	1,041	165	16%
25	25	26	(1)	-4%	11	NEURO SURGICAL CASES	219	238	(19)	-8%
8	5	12	(7)	-58%	12	CARDIAC SURGICAL CASES	67	101	(34)	-34%
229	226	205	21	10%	13	GENERAL SURGICAL CASES	2,086	1,824	262	14%
395	402	384	18	5%	14	TOTAL SURGICAL CASES	3,578	3,204	374	12%
428	441	432	9	2%	15	TOTAL CATH LAB PROCEDURES	3,401	3,817	(416)	-11%
150	155	181	(26)	-14%	16	DELIVERIES	1,369	1,421	(52)	-4%
7,229	7,496	7,886	(390)	-5%	17	OUTPATIENT VISITS	64,099	66,099	(2,000)	-3%
4,423	4,836	4,738	98	2%	18	EMERGENCY VISITS	39,724	40,908	(1,184)	-3%
	<u>LABOR INDICATORS</u>									
1,200.1	1,245.5	1,289.3	43.8	3%	19	PRODUCTIVE FTE'S	1,206.9	1,228.8	21.9	2%
176.2	156.5	187.8	31.3	17%	20	NON PRODUCTIVE FTE'S	179.2	184.8	5.6	3%
1,376.3	1,402.0	1,477.1	75.1	5%	21	TOTAL FTE'S	1,386.1	1,413.6	27.5	2%
5.63	5.76	5.53	(0.23)	-4%	22	PRODUCTIVE FTE/ADJ. OCCUPIED BED	5.66	5.62	(0.04)	-1%
6.46	6.48	6.33	(0.15)	-2%	23	TOTAL FTE/ADJ. OCCUPIED BED	6.50	6.46	(0.04)	-1%

* included in Adult and Peds Average Daily Census