CALL TO ORDER

A regular meeting of the Board of Directors of the Washington Township Health Care District was held on Monday, March 21, 2022 via Teleconference. Director Yee called the meeting to order at 6:01 p.m. and led those present in the Pledge of Allegiance.

ROLL CALL

Roll call was taken. Directors present: Jeannie Yee; Bernard Stewart, DDS; Michael Wallace; Jacob Eapen, MD; William Nicholson, MD
Absent:

Also present: Kimberly Hartz, Chief Executive Officer; Ed Fayen, Chief Operating Officer; Tina Nunez, Vice President; Larry LaBossiere, Vice President; Paul Kozachenko, Legal Counsel; Dee Antonio, District Clerk

Guests: Graham Beck, Erica Luna, Donald Pipkin, Ed Wohlleb, Lisel Wells

OPENING REMARKS

Director Yee welcomed any members of the general public to the meeting. She noted that in order to continue to protect the health and safety of the members of the Board, District staff, and members of the public from the dangers posed by the SARS-CoV-2 virus, the Brown Act allows a local agency to continue to hold its meetings remotely as opposed to being required to meet in-person. Section 54953(e)(3) of the Government Code requires that the Board make certain findings every 30 days to continue meeting remotely. One such finding is that "state or local officials continue to impose or recommend measures to promote social distancing." The Alameda County Health Officer continues to recommend social distancing and the wearing of masks indoors, as referenced by the Alameda County Health Care Services Public Health Department COVID-19 website at www.covid-19.acgov.org. The Board made such a finding at its meeting earlier in the month.

COMMUNICATIONS

There were no oral or written communications.

CONSIDERATION OF RESOLUTION NO. 1238: AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO ENTER INTO AN OPERATING AGREEMENT RELATED TO A PROPOSED JOINT VENTURE WITH UCSF FOR A JOINT CANCER CENTER

Director Yee presented the following Resolution No. 1238 for consideration:

Director Eapen moved that the Board of Directors approve Resolution No. 1238 which authorizes the Chief Executive Officer to enter into an Operating Agreement related to a proposed Joint Venture with UCSF for a Joint Cancer Center. Director Stewart seconded the motion.

Roll call was taken:

Jeannie Yee – aye
Bernard Stewart, DDS – aye
Michael Wallace – aye
Jacob Eapen, MD – aye
William Nicholson, MD – aye

The motion unanimously carried.

CONSIDERATION OF RESOLUTION NO.1239: AUTHORIZE THE ISSUANCE AND SALE, DETERMINING TO PROCEED WITH

Director Yee presented the following Resolution No. 1239 for consideration:

Director Eapen moved that the Board of Directors approve Resolution No. 1238 which authorizes the issuance and sale, determining to proceed with negotiated sale

NEGOTIATED SALE OF CERTAIN GENERAL OBLIGATION BONDS OF THE DISTRICT IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $20,000,000, AND APPROVING CERTAIN OTHER MATTERS RELATING TO THE BONDS

of certain General Obligation Bonds of the District in an aggregate principal amount not to exceed $20,000,000 and approving certain other matters relating to the Bonds. Director Stewart seconded the motion.

Roll call was taken:

Jeannie Yee – aye
Bernard Stewart, DDS – aye
Michael Wallace – aye
Jacob Eapen, MD – aye
William Nicholson, MD – aye

The motion unanimously carried.

ADJOURN TO CLOSED SESSION

In accordance with Health & Safety Code Sections 32106, 32155 and California Government Code 54956.9(d)(2), Director Yee adjourned the meeting to closed session at 6:11 p.m., as the discussion pertained to a Report of Medical Staff and Quality Assurance Committee, Health & Safety Code section 32155, Conference involving Trade Secrets pursuant to Health & Safety Code 32106, Conference involving Public Security, Facilities pursuant to California Government Code section 54957, and consideration of closed session Minutes: February 9, and 23, 2022. Director Yee stated that the public has a right to know what, if any, reportable action takes place during closed session. Since this meeting is being conducted via Zoom and we have no way of knowing when the closed session will end, the public was informed they could contact the District Clerk for the Board's report beginning March 22, 2022. She indicated that the minutes of this meeting will reflect any reportable actions.

RECONVENE TO OPEN SESSION & REPORT ON CLOSED SESSION

Director Yee reconvened the meeting to open session at 9:30 pm. The District Clerk reported that the Board approved the Closed Session Minutes of February 9, and 23, 2022 and the Medical Staff Credentials Report in closed session by unanimous vote of all Directors present:

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

ADJOURNMENT

There being no further business, Director Yee adjourned the meeting at 9:30 pm.

DocuSigned by:
Jeannie Yee
02007A853B4B4BA...
Jeannie Yee
President

DocuSigned by:
William Nicholson
98231C70CEF24F3...
William Nicholson, M.D.
Secretary

RESOLUTION NO. 1238

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

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

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

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

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

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

NOW, THEREFORE, be it resolved that:

1. The Chief Executive Officer is authorized to execute the Operating Agreement, a copy of which is attached hereto as Exhibit A.

2. The Board further authorizes the Chief Executive Officer to agree to additional modifications to the Operating Agreement prior to execution, provided that the Chief Executive Officer determines that the modifications are in the best interest of the District and consistent with the spirit of this Resolution.

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

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

AYES: Directors Yee, Stewart, Wallace, Eapen, Nicholson

NOES:

ABSENT:

DocuSigned by:
Jeannie Yee
02007A853B4B4BA...

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

DocuSigned by:
William Nicholson
98231C70CEF24F3...

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

EXHIBIT A
OPERATING AGREEMENT

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

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

Section 1. Organization.

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

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

Section 2. Principal Corporate Business Office.

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

Section 3. Business; Purposes.

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

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

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

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

3.2. Operation in Manner Consistent with Exempt Purposes.

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

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

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

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

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

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

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

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

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

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

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

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

Section 4. Definitions.

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

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

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

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

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

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

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

4.7. "*Assignee*" has the meaning given to the term in Section 11.2.

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

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

4.10. "*Business*" has the meaning set forth in Section 3.1.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4.37. "*Irreconcilable Deadlock*" has the meaning set forth in Section 9.3(b).

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

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

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

4.41. "*Member*" has the meaning set forth in the first paragraph of this Agreement.

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

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

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

4.45. "*Member Representative*" has the meaning set forth in Section 9.2(a).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4.53. "*The Regents*" means The Regents of the University of California, a California constitutional corporation.

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

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

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

4.57. "*Securities Act*" means the Securities Act of 1933, as amended.

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

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

4.60. "*Triggering Event*" has the meaning set forth in Section 11.6.

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

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

4.63. "*WHHS Designee*" has the meaning set forth in Section 9.1(b).

Section 5. Term.

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

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

6.1. Fractional Interests; Initial Capital Contributions.

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

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

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

6.2. Additional Capital Contributions; Loans.

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 7. Title to Company Property; No Partition.

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

Section 8. [Reserved].

Section 9. Management of the Company.

9.1. Management by Members.

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

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

9.2. Member Representatives.

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

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

(c) Governance.

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

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

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

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

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

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

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

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

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

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

9.4. Actions Requiring Separate Member Written Consent.

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

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

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

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

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

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

9.6. Use of Agents; Officers.

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

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

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

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

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

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

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

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

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

9.8. Liability and Indemnification; Member Insurance.

(a) Exculpation of Covered Persons.

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

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

(b) Indemnification.

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

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

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

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

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

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

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

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

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

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

Section 10. Distributions; Allocations.

10.1. Distributions.

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

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

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

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

10.3. Allocations of Profits and Losses.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

10.6. Other Allocation Rules.

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

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

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

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

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

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

Section 11. Transfer of Company Interests.

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

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

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

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

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

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

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

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

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

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

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

11.6. Reserved.

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

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

Section 12. Member Purchase and Sale Rights

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

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

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

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

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

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

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

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

12.2. Tax Impediment Purchase and Sale Rights.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 13. Dissolution; Liquidation

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

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

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

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

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

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

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

13.2. Liquidation.

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

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

13.3. Proceeds of Liquidation.

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

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

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

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

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

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

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

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

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

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

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

Section 14. Amendments.

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

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

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

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

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

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

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

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

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

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

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

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

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

15.5. Income Tax Matters.

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

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

15.6. Financial Statements; Audit and Inspection Rights.

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

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

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

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

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

SECTION 16. Notices.

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 18. Additional Covenants of the Members

18.1. Company ROFO Transactions.

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

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

(b) Procedure For Addressing Company ROFO Transaction.

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

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

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

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

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

18.2. Exclusive Region.

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

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

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

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

18.4. Related Party Transactions.

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

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

18.5. Enforcement of Related Party Transactions.

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

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

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

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

Section 19. Miscellaneous.

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

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

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

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

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

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

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

19.8. Mediation; Arbitration.

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

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

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

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

[*Remainder of page is blank*]

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

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

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

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

By: _____
Name: _____
Title: _____

EXHIBIT A

MEMBERS AND FRACTIONAL INTERESTS

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

EXHIBIT A-1
INITIAL CAPITAL CONTRIBUTION – UCSF HEALTH

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

EXHIBIT A-2
INITIAL CAPITAL CONTRIBUTION – WHHS

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

EXHIBIT B

INITIAL MEMBER REPRESENTATIVES AND INITIAL OFFICERS

UCSF HEALTH DESIGNEES:

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

WHHS DESIGNEES:

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

INITIAL OFFICERS:

President: Tina Nunez
Secretary: None
Treasurer: None

EXHIBIT C

REGION

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

EXHIBIT D

INDEPENDENT ACTIVITIES

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

EXHIBIT E
EXCLUSIVE REGION

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

SCHEDULE 1
ACTIONS REQUIRING APPROVAL OF ALL MEMBER REPRESENTATIVES

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

1. Determining, establishing and maintaining reasonable cash reserves for such purposes and in such amounts as the Member Representatives in good faith deem appropriate, including but not limited to cash reserves for projected working capital needs and capital expenditures;

2. Selling, transferring, assigning, conveying, leasing, subletting or otherwise disposing of Company Property except (A) in accordance with any approved budget, or (B) otherwise with a value of more than Fifty Thousand Dollars ($50,000) in the aggregate in any Fiscal Year;

3. Authorizing unbudgeted expenditures included in any approved annual budget where such unbudgeted expenditures exceed Fifty Thousand Dollars ($50,000) in the aggregate in any Fiscal Year;

4. Approving the material terms and conditions of all debt obligations included in any approved annual budget, and, subject to Sections 6.2(d) and (e), any additional debt obligations in excess of Fifty Thousand Dollars ($50,000) in the aggregate in any Fiscal Year);

5. Making or refraining from making any elections pursuant to the Code;

6. Approving any new contract or transaction of the Company for which the aggregate amount of compensation payable under such contract or transaction exceeds Fifty Thousand Dollars ($50,000.00) per Fiscal Year or any material modification or amendment thereto, unless such contract, transaction, or material modification is approved as part of the Company's annual operating or capital budgets;

7. Approving Company's annual operating and capital budgets; provided, however, that in the event UCSF Health and WHHS are unable to approve any annual operating or capital budget, Company shall, as the case may be, (A) operate using the prior year's capital budget to the extent unspent, and (B) operate using the prior year's operating budget increased by the greater of ten percent (10%) or the increase during the prior year in the Consumer Price Index- U.S. City Averages for All Urban Consumer – All Items, on all expenditures set forth in such prior year's budget;

8. Approving any strategic business plans for Company or the Centers;

9. Approval of the Company's branding plan;

10. Paying any distribution or return of capital from the Company to the Members of the Company;

11. Changes to the scope of specialist staffing provided by UCSF Health;

12. Selection or appointment of President of the Company; or

13. Appointment of any medical director for any Center.

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

SCHEDULE 2
ACTIONS REQUIRING WRITTEN CONSENT OF ALL MEMBERS

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

1. Approving the dissolution of the Company, the filing of a petition with respect to the Company requesting or consenting to an order for relief under the federal bankruptcy laws, or other actions with respect to the Company as a result of insolvency or the inability to pay debts generally as such debts become due;

2. Selecting or changing the purposes, mission or the name of the Company;

3. Approving the pursuit of a Company ROFO Transaction;

4. Approving any Related Party Transaction;

5. Causing Company to issue additional equity interests, admit any new Members, or approve any Transfer, except as expressly authorized in this Agreement;

6. Approving any voluntary termination, dissolution or liquidation of Company;

7. Merging, consolidating or reorganizing, or selling, pledging, or otherwise transferring all or substantially all of the assets of Company or any subsidiary of Company;

8. Converting Company from a limited liability company to another form of business entity;

9. Approving any amendment, addition, deletion, repeal or restatement, in whole or in part, of the Articles of Organization, this Operating Agreement, or other organizational or governance documents of the Company; or

10. Any entry into a material joint venture or partnership, or any sale, exchange or other transfer of all or substantially all of the assets of the Company or any subsidiary of the Company;

11. Investments in, loans or guaranties of third parties;

12. Engaging in any Lobbying Activities; or

13. Any matter that affects the tax status of the Company or its Members.

SCHEDULE 3
AUTHORITY OF WHHS UNDER MANAGEMENT SERVICES AGREEMENT

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

1. Carrying out all duties and obligations imposed on Company by the Management Services Agreement and implementing all decisions of the Members;

2. In accordance with any approved budget or decision of the Members, selling, transferring, assigning, conveying, leasing, subletting or otherwise disposing of or dealing with any part of Company's business or interest in any Property;

3. Negotiating, executing, acknowledging and delivering such agreements, contracts, documents, certificates, bills of sale and other instruments, as necessary or appropriate in connection with ordinary course of business of Company and to exercise any rights with respect thereto;

4. Protecting and preserving the title and interest of Company, with respect to the Property of Company, to (i) collect all amounts due to Company; (ii) enforce all rights of Company; and (iii) retain counsel and institute such suits or proceedings, in the name and on behalf of Company, as the Members may deem to be reasonably necessary or appropriate;

5. To the extent that funds of Company are available, pay all debts, liabilities and obligations of Company, including those owed to Affiliates of WHHS, in such order and manner as the Members may determine in their discretion, except that third parties shall be paid amounts due and owing to them before any Affiliates of WHHS are paid amounts due and owing to them;

6. Borrowing funds on behalf of Company from any Person, (i) for Company's working capital needs in accordance with any approved budget or (ii) as otherwise approved by the in accordance with the provisions of Section 9.2(c) or Section 9.3(a), as applicable; negotiating the terms and conditions of such borrowings; preparing, executing and delivering promissory notes, loan agreements, security agreements, Uniform Commercial Code financing statements, continuation statements and other security instruments and any other certificates, documents or instruments that the Members deem to be necessary or appropriate in connection therewith;

7. Preparing annual operating and capital budgets for approval by the Members;

8. Purchasing such contracts of liability, casualty, errors and omissions, workers' compensation, directors' and officers' and other insurance or otherwise obtain indemnity coverage as WHHS may deem necessary or appropriate in connection with the business of Company, in such amounts and on such terms as WHHS may determine in its reasonable discretion, consistent with the annual operating budget;

9. Employing such agents, employees, managers, accountants, attorneys, consultants and other Persons as WHHS may deem necessary or appropriate to carry out the business and affairs of Company and to pay such fees, expenses, salaries, wages and other compensation to such Persons as WHHS may determine in its discretion, consistent with the annual operating budget;

10. Paying, extending, renewing, modifying, adjusting, submitting to arbitration, prosecuting, defending or compromising, upon such material terms as the Members may determine and upon such evidence as they may deem sufficient, any obligation, suit, liability, cause of action or claim, including a claim for taxes, either in favor of or against Company (provided that WHHS, in the context of any such actions, shall not have the authority to bind or obligate any of the Members in their individual capacity, other than WHHS);

11. Paying any and all fees and make any and all expenditures that WHHS deems necessary or appropriate in connection ordinary course of business with respect to the furniture, fixtures and equipment of any Center of Company and the carrying out of Company's obligations and responsibilities related thereto, consistent with the annual operating budget;

12. Establishing and maintaining one or more accounts for Company in one or more financial institutions insured by the Federal Deposit Insurance Corporation;

13. Making distributions of cash or Property to the Members in accordance with the provisions of this Agreement;

14. Delegating all or any of its duties hereunder, and in furtherance of any such delegation appoint, employ or contract with any Person who WHHS deems necessary or appropriate for the transaction of the business of Company, including Affiliates of WHHS, consistent with the annual operating budget; and

15. Preparing any strategic business plans for Company or the Centers.

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

RESOLUTION NO. 1239

TABLE OF CONTENTS

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

RESOLUTION NO. 1239

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

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

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

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

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

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

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

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

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

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

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

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

1. Recitals. The Board determines that the foregoing recitals are true and correct.

2. Definitions. The terms defined in this Section, as used and capitalized herein, shall, for all purposes of this Resolution, have the meanings set forth in the Recitals hereof or as ascribed to them below, unless the context clearly requires some other meaning.

(a) "Auditor-Controller" means the Auditor-Controller of the County.

(b) "Authorized Officer" means the Chief Executive Officer of the District, the Senior Associate Administrator, and the Vice President and Chief Financial Officer of the District or a designee of any thereof.

(c) "Authorizing Law" means Section 53506 *et seq.* of the Government Code of the State of California.

(d) "Bond Counsel" means Nixon Peabody LLP, or any other attorney or firm of attorneys nationally recognized for expertise in rendering opinions as to the legality and tax status of securities issued by public entities.

(e) "Bond Payment Date" means (unless otherwise provided in the Bond Purchase Contract), February 1 and August 1 of each year, commencing February 1, 2023, with respect to interest payments on the Bonds and August 1 of each year commencing August 1, 2023, with respect to principal payments on the Bonds, as further set forth in the Bond Purchase Contract.

(f) "Bond Purchase Contract" means that certain Bond Purchase Contract, by and between the District and the Underwriter, presented to and considered at this meeting of the Board.

(g) "Bond Register" means all books and records necessary for the registration, exchange and transfer of the Bonds, to be maintained, if necessary, by the Paying Agent.

(h) "Bonds" means those general obligation bonds to be issued by the District under this Resolution, designated "Washington Township Health Care District (Alameda County, California) 2020 Election General Obligation Bonds, 2022 Series A."

(i) "Business Day" means a day other than a Saturday, a Sunday or a day on which the New York Stock Exchange is closed or banks in San Francisco, California, or New York, New York, are authorized or obligated by law or executive order to close.

(j) "Closing Date" means the date upon which there is an exchange of Bonds for the proceeds representing the purchase price of the Bonds by the Underwriter.

(k) "Code" means the Internal Revenue Code of 1986, as amended and as in effect on the Closing Date or as it is amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

(l) "Continuing Disclosure Agreement" means that certain Continuing Disclosure Agreement, substantially in the form appended to the Preliminary Official Statement as Appendix C, to be executed as of the Closing Date by the District and a designated dissemination agent.

(m) "Cost of Issuance" means all items of expense directly or indirectly reimbursable to the District relating to the issuance, execution and delivery of the Bonds including, but not limited to, filing and recording costs, settlement costs, printing costs, reproduction and binding costs, legal fees and charges, fees and expenses of the Paying Agent, financial and other professional consultant fees, CUSIP service bureau charges; costs of obtaining credit ratings, municipal bond insurance premiums, if such insurance is determined to be advisable, and charges and fees in connection with the foregoing to the extent such fees and expenses are approved by the District.

(n) "Depository" means DTC and its successors and assigns or if (a) the then-acting Depository resigns from its functions as securities depository of the Bonds, or (b) the District discontinues use of the Depository pursuant to this Resolution, any other securities depository which agrees to follow

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

(o) "DTC" means The Depository Trust Company, New York, New York.

(p) "Interest and Sinking Fund" means the "Washington Township Health Care District General Obligation Bonds Series 2022 Interest and Sinking Fund" established and maintained by the Paying Agent in connection with the Bonds in accordance with Section 11 of this Resolution.

(q) "MSRB" means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive the reports described in the Continuing Disclosure Agreement. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at http://emma.msrb.org.

(r) "Nominee" means the nominee of DTC, in which whose name the Bonds will be registered. The initial Nominee shall be Cede & Co.

(s) "Official Statement" means the final official statement of the District describing the Bonds.

(t) "Outstanding," when used as of any particular time with reference to Bonds, means all Bonds except:

(i) Bonds theretofore canceled by the Paying Agent or surrendered to the Paying Agent for cancellation;

(ii) Bonds for the payment or redemption of which funds or eligible securities in the necessary amount shall have been set aside (whether on or prior to the maturity or redemption date of such Bonds), in accordance with Section 21 of this Resolution; and

(iii) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered pursuant to this Resolution.

(u) "Owner" means any person who shall be the registered owner of any Outstanding Bond.

(v) "Participant" means a participant within DTC.

(w) "Paying Agent" means U.S. Bank Trust Company, National Association, in its capacity as Paying Agent for the Bonds.

(x) "Paying Agent Agreement" means that certain paying agent agreement entered into by the District and the Paying Agent pursuant to the issuance of the Bonds.

(y) "Pledged Moneys" shall have the meaning given to that term in Section 11 of this Resolution.

(z) "Preliminary Official Statement" means the preliminary official statement respecting the Bonds, in the form presented to and considered at this meeting of the Board.

(aa) "Projects" means any of the acquisitions and improvements to real property authorized at the Election, generally described in the Measure which is set forth on Exhibit B to this Resolution, which is incorporated herein by this reference, as further discussed in Section 18 below.

(bb) "Record Date" means the day concluding at the close of business on the 15th calendar day of the calendar month next preceding each Bond Payment Date.

(cc) "Resolution" means this Resolution.

(dd) "Special Counsel" means Mary K. Norvell, Attorney at Law.

(ee) "State" means the State of California.

(ff) "Supplemental Resolution" means any resolution supplemental to or amendatory of this Resolution, adopted by the Board in accordance with Section 20 hereof.

(gg) "Tax and Nonarbitrage Certificate" means the certificate of the District delivered in connection with the issuance of the Bonds.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) At least 20 but not more than 60 days prior to the redemption date, such Redemption Notice shall be given to the respective Owners of Bonds designated for redemption by first class mail, postage prepaid, at their addresses appearing on the Bond Register.

(b) In the event that the Bonds shall no longer be held in book-entry only form, at least two days before the date of the notice required by clause (a)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12. Payment of Principal and Interest.

(a) Debt service on the Bonds shall be paid by the Paying Agent in the manner provided by law for the payment of principal of and interest on general obligation bonds. The Paying Agent shall provide to the Treasurer appropriate wire transfer instructions and other information as may be necessary in order to effectuate the timely deposit of moneys into the Interest and Sinking Fund held by the Paying Agent in an amount sufficient to pay debt service on the Bonds. On each Bond Payment Date or redemption date established hereunder for the Bonds, the Paying Agent shall pay to the Owners the principal amount or redemption price of and interest on the Bonds then coming due from amounts on deposit in the Interest and Sinking Fund.

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

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

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

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

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

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

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

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

16. Book-Entry System.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) Supplemental Resolutions with Consent of Owners. This Resolution, and the rights and obligations of the District and the Owners of the Bonds, may be modified or amended at any time by a Supplemental Resolution adopted by the Board with the written consent of the Insurer and of the Owners of at least sixty percent (60%) in aggregate principal amount of the Outstanding Bonds, exclusive of Bonds, if any, owned by the District; provided, however, that no such modification or amendment shall, without the express consent of the Owner of each Bond affected, reduce the principal amount of any Bond, reduce the interest rate payable thereon, advance the earliest redemption date thereof, extend its maturity or the times for paying interest thereon or change the monetary medium in which principal and interest is payable, nor shall any modification or amendment reduce the percentage of consents required for amendment or modification. Notwithstanding anything to the contrary, no such consent shall be required if the Owners are not directly or adversely affected by such modification or amendment.

(b) Supplemental Resolutions Effective without Consent of Owners. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution of the Board may be adopted, which, without the requirement of consent of the Owners, shall be fully effective in accordance with its terms;

(i) To add to the covenants and agreements of the District in this Resolution, other covenants and agreements to be observed by the District which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(ii) To add to the limitations and restrictions in this Resolution, other limitations and restrictions to be observed by the District which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(iii) To confirm, as further assurance, any pledge under and the subjection to any lien or pledge created or to be created by this Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under this Resolution;

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

(v) To make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Bonds; and

(vi) To amend or supplement this Resolution in any other respect, including in order to meet the requirements of the Insurer, if any,

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

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

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

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

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

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

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

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

22. Tax Covenants of the District.

(a) The District covenants that it will take any and all actions necessary to assure compliance with Section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such Section is applicable to the Bonds.

(b) The District covenants that it shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Bonds under Section 103 of the Code.

(c) The District covenants that it shall comply with the provisions of the Tax and Nonarbitrage Certificate.

(d) The District covenants that it will deliver instructions to the Paying Agent as may be necessary in order to comply with the Tax and Nonarbitrage Certificate. The District further covenants that it will abide by the provisions of its existing Post-Issuance Tax Compliance Procedures, previously approved by this Board and attached as Exhibit D.

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

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

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

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

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

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

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

[Remainder of Page Intentionally Left Blank]

SECRETARY'S CERTIFICATE

I, William Nicholson, M.D., Secretary of the Board of Directors of Washington Township Health Care District, County of Alameda, California, hereby certify as follows:

The attached is a full, true and correct copy of a resolution adopted at a regular meeting of the Board of Directors of the District at which a quorum of its members participated and were acting throughout, conducted at 2000 Mowry Ave, Fremont, California, on March 21, 2022, at a location freely accessible to the public, by the following roll-call vote:

AYES: Directors Yee, Stewart, Wallace, Eapen, Nicholson

NOES: _____

ABSTAIN: _____

ABSENT: _____

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

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

Dated: March 21, 2022

DocuSigned by:
William Nicholson
98231C70CEF24F3...

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

EXHIBIT A

FORM OF BOND

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

REGISTERED NO. ____ $_____

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

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

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

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

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

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

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

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

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

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

Sinking Fund Payment Date (August 1)	Principal Amount

*Final Maturity.

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

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

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

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

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

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

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

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

WASHINGTON TOWNSHIP HEALTH CARE DISTRICT

By: _____
Jeannie Yee
President, Board of Directors

COUNTERSIGNED:

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

CERTIFICATE OF AUTHENTICATION

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

Authenticated on: _____, 2022

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

By: _____
Authorized Officer

FORM OF ASSIGNMENT

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

_____

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

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

Dated: _____

Signature Guaranteed:

_____

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

_____

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

EXHIBIT B

BOND MEASURE FROM 2020 ELECTION

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

"MEASURE XX

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

EXHIBIT C

FORM OF 15c2-12 CERTIFICATE

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

WASHINGTON TOWNSHIP HEALTH CARE DISTRICT

By: _____
Authorized Officer

Dated: _____, 2022

EXHIBIT D

POST-ISSUANCE TAX COMPLIANCE PROCEDURES

Post-Issuance Tax Compliance Procedures of

Washington Township Health Care District

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

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

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

I. Issuer's Obligations

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

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

II. Policy

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

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

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

III. Use of Bond Proceeds (arbitrage and rebate)

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

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

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

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

IV. Recordkeeping Requirements

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

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

a. Basic records and documents relating to each Issue of Bonds;

b. Documentation evidencing the expenditure of Bond proceeds (this may take the form of the District's annual performance audit and financial audits (collectively, the "Bond Audits")) to the extent the Bond Audits separately identify the expenditures for an Issue of Bonds;

c. Documentation evidencing any use of a Project by public and private parties other than the District and the general public (*i.e.,* copies of management contracts, research agreements, leases, etc.);

d. Documentation evidencing compliance with the timing and allocation of expenditures of Bond proceeds;

e. Documentation pertaining to any directed investment of proceeds of an Issue of Bonds (including the purchase and sale of securities, SLGs subscriptions, yield calculations for each class of investments, actual investment income received from the investment of proceeds, guaranteed investment contracts, and rebate calculations); and

f. Records of all amounts paid to the United States under the arbitrage rules.

V. Use of Bond-Financed Facilities

a. <u>Bond-Financed Facilities</u>

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

b. What is "use"?

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

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

i. A management or service contract not meeting the guidelines set forth in Rev. Proc. 97-13 (*i.e.*, coffee shop, dining facility, etc.);

ii. A lease;

iii. An installment sale or other form of transfer of ownership;

iv. Research agreements not meeting the guidelines set forth in Rev. Proc. 2007-47; and

v. Any other arrangements conveying special legal entitlements with regard to the Project;

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

c. What is **not** "use"?

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

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

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

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

d. Annual Monitoring

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

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

VI. Procedures for Correcting Non-Compliance

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

List of Exhibits and Appendices

Exhibit A

Annual Certification

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

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

_____

Name
Date

Exhibit B

Bond Issues

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Exhibit C

Projects Financed with each Issue of Bonds

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

Exhibit D

Private Business Use