



Washington Township Health Care District

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

Kimberly Hartz, Chief Executive Officer

Board of Directors

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

BOARD OF DIRECTORS' MEETING

Monday, March 16, 2020– 6:00 P.M.
Board Room, 2000 Mowry Avenue, Fremont, CA

AGENDA

PRESENTED BY:

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| <p>I. CALL TO ORDER & PLEDGE OF ALLEGIANCE</p> <p>II. ROLL CALL</p> <p>III. COMMUNICATIONS</p> <p>A. Oral
<i>This opportunity is provided for persons in the audience to make a brief statement, not to exceed three (3) minutes on issues or concerns not covered by the agenda. "Request to Speak" cards should be filled out in advance and presented to the District Clerk. For the record, please state your name.</i></p> <p>B. Written</p> <p>IV. CLOSED SESSION
<i>In accordance with Section 1461, 1462, 32106 and 32155 of the California health & Safety Code and Sections 54962 and 54954.5 of the California Government Code, portions of this meeting may be held in closed session.</i></p> <p>A. Conference involving trade secrets pursuant to Health & Safety Code section 32106
Continuing Program discussion – to be disclosed no later than November 2020</p> <p>B. Conference with Legal Counsel-Anticipated Litigation pursuant to Government Code section 54956.9(d)(2)</p> <p>C. Report of Medical Staff and Quality Assurance Committee, Health & Safety Code section 32155</p> <p>V. OPEN SESSION</p> <p>Report on Closed Session</p> | <p>Michael J. Wallace
Board President</p> <p>Dee Antonio
District Clerk</p> <p>Kimberly Hartz
Chief Executive Officer</p> <p>Michael J. Wallace
Board President</p> |
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VI. ACTION

Motions Required

- A. Consideration of Resolution No. 1208 of the Board of Directors of Washington Township Health Care District to Approve Tenancy-In-Common Agreement, Escrow Contribution and Assignment Agreement, and Budget Amendment for Acquisition of 45388 Warm Springs Boulevard
- B. Consideration of Claim: Qing Jiang
- C. Consideration of Capital Request: GenMark Diagnostics ePLEX rT-PCR Analyzer and/or Biomerieux Biofire

VII. ANNOUNCEMENTS

- A. Review of Mission & Vision Statements

VIII. ADJOURNMENT

Michael J. Wallace
Board President

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

March 16, 2020

To: Board of Directors
From: Paul Kozachenko, Legal Counsel

RE: Purchase of 45388 Warm Springs Boulevard
Tenancy-in-Common Agreement
Escrow Contribution and Assignment Agreement
Budget Amendment

In 2013, the District and UCSF entered into a Collaboration Agreement to improve the availability of health care services to District residents. Through this partnership, the District would bring new physicians into the District and open specialty clinics that offered services in the District that previously required District residents to travel to other parts of the Bay Area.

Since beginning their partnership, the District and UCSF have collaborated on several initiatives. This started with the opening of the special care nursery at Washington Hospital staffed with UCSF physicians. The UCSF-Washington Cancer Center has just entered its fourth year. Working with UCSF, the District also opened a prenatal diagnostic clinic on the property where mothers with high-risk pregnancies can receive services, leading to better outcomes for mothers and their babies.

In 2018, the District and UCSF identified the Warm Springs area of Fremont as a possible location for a jointly owned and operated outpatient facility. In 2019, the District and UCSF agreed to proceed with the purchase of the real property located at 45388 Warm Springs Boulevard (the "Property").

The District and UCSF need additional time to work out the details of the ultimate legal structure for the ownership, development, and operation of the future facilities. In the meantime, the District and UCSF must complete the purchase of the Property, which is scheduled to close on March 19, 2020. Pending the completion of ultimate legal structure, the District and UCSF have agreed to hold title to the Property as Tenants in Common pursuant to a written Tenancy in Common Agreement ("TICA"). The District would own a 51% interest in the Property, and UCSF would own the remaining 49% interest.

The TICA describes the rights and responsibilities of the parties concerning the Property. For example, it describes how the parties will jointly make decisions regarding the Property, including decisions that would require both parties to approve as well as those that the District, as the majority owner, would be allowed to make on its own. The draft TICA also includes a budget of \$1.5 million that would fund the operation of the Property through the end of 2020 and allocate funds to securing a conditional use permit. The District would be responsible for funding 51% of this budget, and UCSF would be responsible for the remaining 49%.

To complete the transaction as described above, the District will need to assign to UCSF the right to acquire a 49% interest in the Property (which it has the right to do under the purchase agreement). The assignment and related details are described in the proposed draft Escrow Contribution and Assignment Agreement.

The Chief Executive Officer is requesting that the Board approve the proposed Tenancy-in-Common Agreement, Escrow Contribution and Assignment Agreement, and a budget amendment to fund the operation of the Property pending approval of the JV LLC.

RESOLUTION NO. 1208

RESOLUTION OF THE BOARD OF DIRECTORS OF WASHINGTON TOWNSHIP HEALTH CARE DISTRICT TO APPROVE TENANCY-IN-COMMON AGREEMENT, ESCROW CONTRIBUTION AND ASSIGNMENT AGREEMENT, AND BUDGET AMENDMENT FOR ACQUISITION OF 45388 WARM SPRINGS BOULEVARD

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 Board previously approved the purchase of 45388 Warm Springs Boulevard in Fremont, California (the “Property”);

WHEREAS, the District previously 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 the creation of a joint venture to offer health care services in the Warm Springs area of Fremont, California that would operate out of the Property;

WHEREAS, the District and UCSF have agreed to jointly acquire and own the Property as tenants-in-common, with the District acquiring a 51% interest and UCSF acquiring a 49% interest, pending completion of negotiations and approval of their respective governing bodies of a formal joint venture entity;

WHEREAS, the Board finds that it is in the best interests of the District to enter into the Tenants-in-Common Agreement in the form attached as Exhibit A (Exhibit A is attached hereto and incorporated herein by this reference) and the Escrow Contribution and Assignment Agreement in the form attached hereto as Exhibit B (Exhibit B is attached hereto and incorporated herein by this reference);

WHEREAS, the Board previously passed Resolution No. 1189, which approved a budget for the Fiscal Year 2019-2020;

WHEREAS, the approved budget did not include the funds that the District is required to contribute to pay for its share of the operating expenses for the Property as a part of the Tenants-

in-Common Agreement, such amount being Seven Hundred Sixty-Five Thousand Dollars (\$765,000.00).

NOW, THEREFORE, be it resolved that:

1. The Chief Executive Officer is authorized to execute the Tenants-in-Common Agreement and Escrow Contribution and Assignment Agreement, which are attached hereto as Exhibits A and B, respectively.

2. The Board approves an increase to the budget for the Fiscal Year 2019-2020 budget in an amount not to exceed Seven Hundred Sixty-Five Thousand Dollars (\$765,000.00).

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 purchase of the Property.

Passed and adopted by the Board of Directors of the Washington Township Health Care District this 16th day of March, 2020 by the following vote:

AYES: Michael Wallace, Bernard Stewart, Jeannie Yee

NOES:

ABSENT: William Nicholson MD, Jacob Eapen MD

Michael J. Wallace
President, Board of Directors
Washington Township Health Care District

Bernard Stewart, DDS
Secretary, Board of Directors
Washington Township Health Care District