



Washington Township Hospital Development Corporation

2000 Mowry Avenue, Fremont, CA 94538-1716

December 17, 2021

MEETING NOTICE

Welcome to the December 21, 2021 special meeting of the Washington Township Hospital Development Corporation Board of Directors. The meeting will commence at 7:30 a.m.

Join Zoom Meeting

<https://zoom.us/j/95532240029?pwd=NXNWUy9sdnRGVTZoRHlRNmJtWVljZz09>

Passcode: 902723

Dial by your location + 1 669 219 2599

Meeting ID: 955 3224 0029

Passcode: 902723

Portions of this meeting may be held in closed session in accordance with Sections of the California Health & Safety Code and Sections of the California Government Code.

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the Recording Secretary at (510) 818-7839. Notification two working days prior to the meeting will enable the Recording Secretary to make reasonable arrangements to ensure accessibility to this meeting.

This notice is posted pursuant to Section 54954 of the Government Code.

Diana Venegas

Diana Venegas

Recording Secretary

Kimberly Hartz, President and Chief Executive Officer

Ohlone College Student Health Center • Washington Medical Billing • Washington on Wheels • Washington Outpatient Rehabilitation Center
Washington Outpatient Surgery Center • Washington Radiation Oncology Center • Washington Sports Medicine
Washington Township Medical Foundation • Washington Urgent Care



Washington Township Hospital Development Corporation

2000 Mowry Avenue, Fremont, CA 94538-1716

Certificate of Posting

I certify that on December 17, 2021, I posted a copy of the foregoing Meeting Notice near the regular meeting place of the Board of Directors of the Washington Township Hospital Development Corporation Board, said time being at least 72 hours in advance of the meeting of the Board of Directors (Government Code Section 54954.2)

Executed at Fremont, California, on December 17, 2021.

Diana Venegas

Diana Venegas, Recording Secretary

Kimberly Hartz, President and Chief Executive Officer

Ohlone College Student Health Center • Washington Medical Billing • Washington on Wheels • Washington Outpatient Rehabilitation Center
Washington Outpatient Surgery Center • Washington Radiation Oncology Center • Washington Sports Medicine
Washington Township Medical Foundation • Washington Urgent Care



Washington Township Hospital Development Corporation

2000 Mowry Avenue, Fremont, CA 94538-1716

SPECIAL MEETING OF THE BOARD OF DIRECTORS' MEETING WASHINGTON TOWNSHIP HOSPITAL DEVELOPMENT CORPORATION

Tuesday, December 21, 2021 – 7:30 A.M.

2000 Mowry Avenue, Fremont, CA 94538

Meeting Conducted via Zoom

<https://zoom.us/j/95532240029?pwd=NXNWUy9sdnRGVTZoRHlRNmJtWVljZz09>

Dial by your location + 1 669 219 2599 (San Jose, CA)

Passcode: 902723

Meeting ID: 955 3224 0029

AGENDA

- | | PRESENTED BY: |
|--|--------------------------------------|
| I. CALL TO ORDER | Benn Sah, M.D.
Board President |
| II. ROLL CALL | Diana Venegas
Recording Secretary |
| III. BROWN ACT FINDING
GOVERNMENT Code § 54953(e)(3)(B)(ii) | <i>Motion Required</i> |
| IV. CONSIDERATION OF MINUTES OF
November 15, 2021 | <i>Motion Required</i> |
| V. COMMUNICATIONS
A. Oral
B. Written | |
| VI. ACTION ITEM
Approval of Resolution to Increase the Amount of the
Credit Line between DEVCO and Peninsula Surgery
Center, LLC | <i>Motion Required</i> |

- | | | |
|--------------|---|-----------------------------------|
| VII. | CLOSED SESSION | Benn Sah, M.D.
Board President |
| | Conference with Legal Counsel – Anticipated Litigation
Pursuant to Government Code Section 54956.9(d)(2) | |
| VIII. | OPEN SESSION | Benn Sah, M.D.
Board President |
| | Report on Permissible Actions Taken During Closed
Session | |
| IX. | ADJOURNMENT | Benn Sah, M.D.
Board President |

NEXT MEETING: MONDAY, JANUARY 17, 2022 - 7:30AM - 9:00AM

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the Recording Secretary at (510) 818-7839. Notification two working days prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting.

A meeting of the Board of Directors of the Washington Township Hospital Development Corporation was held on November 15, 2021, via Zoom. Chairman Sah called the meeting to order at 7:34 a.m.

CALL TO ORDER

Roll Call was taken. Directors Present: Directors Russ Blowers, Steven Chan, D.D.S., Miro Garcia, Sue Querner, Benn Sah, M.D.

ROLL CALL

Absent: None

Also present: Kimberly Hartz, President & Chief Executive Officer; Tina Nunez, Vice President of Ambulatory Care and Administrative Services; Chris Henry, Vice President and Chief Financial Officer; Walter Choto, Chief of Ambulatory Care Services; Paul Kozachenko, Attorney; Sri Boddu, AVS; Diana Venegas, Recording Secretary; and Dee Antonio, District Clerk.

Director Sah welcomed any members of the general public to the meeting. He 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.

In accordance with District law, policies, and procedures, Director Blowers moved that the Board of Directors make the finding required by Section 54953(e)(3)(B)(ii) of the Government Code that “state or local officials continue to impose or recommend measures to promote social distancing.” Director Chan seconded the motion.

Roll call was taken:

Benn Sah, MD – aye
Steven Chan, DDS – aye
Russ Blowers – aye
Miro Garcia – aye
Sue Querner – aye

The motion unanimously carried and the finding is affirmed.

A motion was made by Director Blowers, seconded by Director Chan to approve the minutes of the meeting of September 22, 2021.

*APPROVAL OF MINUTES
September 22, 2021*

Roll call was taken:

Benn Sah, MD – aye
Steven Chan, DDS – aye
Russ Blowers – aye
Miro Garcia – aye
Sue Querner – aye

The motion unanimously carried.

There were no written or oral communication.

COMMUNICATIONS

Ms. Hartz provided a COVID-19 update, commenting on the number of vaccinated employees. She also provided an update on the vaccination booster clinic that has been provided to the community.

*PRESIDENT & CHIEF
EXECUTIVE OFFICER
REPORT*

Ms. Hartz stated we are awaiting The Joint Commission survey teams for our Laboratory Accreditation Survey and our Stroke Survey. The Laboratory survey will be in-person and the Stroke survey will be virtual.

Ms. Hartz let the Board know that there is a potential upcoming strike at Kaiser. This is centered around the pharmacists. They settled in Southern California however they have not yet come to an agreement in Northern California. This could have a large impact to our emergency department.

Ms. Hartz provided an update on the trauma discussions with the County. The County contracted with a consultant, Bishop and Associates, to determine the need for another trauma center in Alameda County. Both Washington Hospital and Stanford/ValleyCare have indicated an interest in having trauma services. With the unexpected passing of Supervisor Wilma Chan, this could have an impact on this project.

Mr. Hartz spoke briefly on the Facility Master Plan, Infill Projects for the Morris Hyman Critical Care Pavilion and the Pedestrian Bridge. She let the Board know that Ed Fayen, Senior Vice President and Chief of Operations, will be providing a more detailed presentation at the next meeting in January.

Mr. Henry reported that the Peninsula Surgery Center (PSC) had their Medicare/AAAHC survey last week. The clinical side of the survey went well. There were some findings on the facility side. AAAHC has ten days to issue the report to PSC. We will have to submit a plan of correction once the formal findings are issued. The PSC is anticipated to start operations after the first of the year.

Ms. Hartz reported that the Top Hat fundraising event was very successful and raised \$470,000 for equipment for the new service, the Inpatient Acute Rehabilitation Unit opening in 2023.

Ms. Nunez gave an update on Washington Township Medical Foundation (WTMF) physician recruitment and marketing efforts. She announced that Dr. Rajvir Shahi, an internal medicine physician, started at the Nakamura Clinic in October. She also reported that there are interviews happening for the recruitment of an interventional cardiologist to support the growing cardiology product line. In addition, recruitment efforts are underway for a Vascular Surgeon. She also reviewed the latest marketing campaign for WTMF.

Mr. Henry reviewed the DEVCO Financial Report for September 2021.

FINANCIAL REPORT

Mr. Kozachenko reviewed Article 4 of the Amended and Restated Bylaws as it pertains to the election of officers for the DEVCO Board of Directors. Director Chan moved for the following slate of Board officer for the remainder of the calendar year 2021:

*ACTION ITEM:
Election of Officers pursuant
to Amended and Restated
Bylaws, Article 4.*

President: Benn Sah, MD
First Vice President: Russell Blowers
Second Vice President: Miro Garcia
Treasurer: Sue Querner
Secretary: Steven Chan, DDS

Director Blowers seconded the motion.

Roll call was taken:

Benn Sah, MD – aye
Steven Chan, DDS – aye
Russ Blowers – aye
Miro Garcia – aye
Sue Querner – aye

The motion unanimously carried. Director Sah assumed the position as President of the Board for the remainder of 2021.

Director Sah adjourned the meeting to closed session at 8:08 am. Director Sah stated that the public has a right to know what, if any, reportable action takes place during closed session. Since this is a Zoom session and we have no way of knowing when the closed session will end, the public was informed they could contact the Recording Secretary for the Board's report beginning November 16, 2021. He indicated that the minutes of this meeting will reflect any reportable actions.

*ADJOURN TO CLOSED
SESSION*

Director Sah reconvened the meeting to open session at 9:33 am and reported that there was no reportable action taken in closed session.

*RECONVENE TO OPEN
SESSION & REPORT ON
CLOSED SESSION*

There being no further business, Director Sah adjourned the meeting at 9:33 a.m.

ADJOURNMENT

The next meeting is currently scheduled for January 17, 2022 at 7:30 a.m.

Benn Sah, M.D.
President

Steven Chan, D.D.S.
Secretary



Memorandum

DATE: December 15, 2021

TO: DEVCO Board of Directors

FROM: Kimberly Hartz, Chief Executive Officer

SUBJECT: DEVCO Board Action Requested – Amendment to Peninsula Surgery Center (PSC) Working Capital Line of Credit

On July 12, 2021, the DEVCO Board approved a \$4.0 million Line of Credit between DEVCO and Peninsula Surgery Center (PSC) to provide working capital as PSC obtained certification and began operations.

Medicare certification was planned to occur in November and cases were expected to start in January 2022. However, due to delays with the accreditation and the unplanned HVAC upgrades required, operations are not expected to begin until April 2022. Therefore, additional funding is required for the interim period until PSC is operational.

As a result, we are proposing that DEVCO provide access to an additional \$3.0 million of working capital, bringing the maximum line of credit up to \$7.0 million.

The proposed resolution authorizes the CEO to execute the Amended Unsecured Revolving Line of Credit Agreement, with the following changes:

- Increase maximum line of credit from \$4.0 million to \$7.0 million.
- Repayment of the loan and accrued interest changed from January 1, 2021 to July 1, 2022.
- Other terms, including interest rates and term, remain unchanged.

To date, DEVCO has provided approximately \$3.5 million in funding of the current \$4.0 million line of credit.

The resolution and agreement will be presented for consideration by the DEVCO Board of Directors at the special meeting on December 21, 2021.

Thank you.

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF WASHINGTON TOWNSHIP HOSPITAL DEVELOPMENT CORPORATION (“DEVCO”) TO INCREASE PREVIOUSLY APPROVED FINANCING TO PENINSULA SURGERY CENTER, LLC BY APPROVING AN INCREASE IN THE UNSECURED REVOLVING CREDIT LINE AGREEMENT FROM THE PRINCIPAL AMOUNT OF \$4,000,000 TO \$7,000,000 AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO EXECUTE THE AMENDED UNSECURED REVOLVING CREDIT LINE AGREEMENT

WHEREAS, DEVCO previously approved participation in the ownership and operation of an ambulatory surgery center located at 350 Marine Parkway, Redwood City, California, referred to as the Peninsula Surgery Center (the “Surgery Center”) and operated by Peninsula Surgery Center, LLC;

WHEREAS, DEVCO previously approved providing financing to Peninsula Surgery Center, LLC in the form of an Unsecured Revolving Credit Line in the amount of \$4,000,000;

WHEREAS, due to the delay in the accreditation of the Surgery Center and the start of operations, Peninsula Surgery Center, LLC may need access to additional financing to cover completion of construction, including additional work necessary to meet accreditation requirements and working capital. Operations are now projected to start in April 2022;

WHEREAS, DEVCO believes that providing additional financing for Peninsula Surgery Center, LLC by increasing the Unsecured Revolving Credit Line Amount from \$4,000,000 to \$7,000,000 (“Line of Credit”) is prudent given DEVCO’s prior investment and the expected success of the Surgery Center; and

WHEREAS, attached to this Resolution are the forms of the Amended Unsecured Revolving Credit Line Agreement and Amended Promissory note, which are required in order to provide the increase in the Line of Credit to Peninsula Surgery Center, LLC.

NOW THEREFORE, be it resolved that:

1. The Chief Executive Officer is hereby authorized to enter into the Amended Unsecured Revolving Credit Line Agreement.

2. The Chief Executive Officer is hereby authorized to take any and all actions necessary to execute any and all instruments and do any and all things deemed by her to be necessary or desirable to carry out the intent and purposes of the foregoing resolution.

Passed and adopted by the Board of Directors of the Washington Township Hospital Development Corporation this 21st day of December 2021 by the following vote:

AYES:

NOES:

RECUSAL:

Benn Sah, MD
President, Board of Directors
Washington Township Hospital Development
Corporation

Steven Chan, DDS
Secretary, Board of Directors
Washington Township Hospital Development
Corporation

AMENDED UNSECURED REVOLVING CREDIT LINE AGREEMENT

THIS AMENDED UNSECURED REVOLVING CREDIT LINE AGREEMENT (“Agreement”) is entered into as of December __, 2021 by and between Washington Township Hospital Development Corporation (“Lender”), a California nonprofit public benefit corporation, and Peninsula Surgery Center, LLC (“Borrower”), a California limited liability company.

RECITALS

- A. Borrower operates a new ambulatory surgery center (“ASC”) in Redwood City, California.
- B. On August 1, 2021 Lender and Borrower entered into an Unsecured Revolving Credit Line Agreement and Unsecured Revolving Promissory Note which provided Borrower with access of up to \$4,000,000 in financing for completion of construction and working capital pending full operation (“Prior Agreement”).
- C. Due to a delay in the accreditation of the ASC and the need for additional financing to cover the cost of work necessary to meet accreditation requirements, the amount of the credit line will need to be increased from \$4,000,000 to \$7,000,000.
- D. Lender is an owner of Borrower and is able to provide the funds required by PSC for the following purposes (“Loan Purpose”): (i) completion of construction of the ASC, including additional work necessary to meet accreditation requirements, and (ii) working capital for the ASC.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises of each made unto the other, and for further valuable consideration as hereinafter set forth, it is hereby agreed by and between the parties as follows:

ARTICLE 1

AMOUNTS AND TERMS OF THE ADVANCES

1.01 Current Balance. Borrower confirms that Borrower has previously requested and received Advances such that Borrower currently owes Lender \$3,487,100.38, plus interest.

1.02 The Advance. During the period August 1, 2021 to July 31, 2026 (the “Advance Period”), Lender shall, upon the terms and conditions hereinafter set forth, make certain advances (the “Advances”) to Borrower upon the request of Borrower, subject to the limitations set forth in Section 1.03 below, for the sole purpose of assisting Borrower in connection with the Loan Purpose.

1.03 Aggregate Limitation on Advances. Lender shall not be obligated to make any Advance under this Agreement if such Advance would cause the aggregate outstanding Advances extended to Borrower during the Advance Period to exceed Seven Million Dollars (\$7,000,000).

1.04 Making the Advances.

(a) Each Advance shall be made upon at least three (3) business days prior written notice from Borrower to Lender, specifying the date on which such Advance is requested to be made and the amount of such Advance. Within three (3) business days following the written notice, or on the date when the Advance is to be made, and upon fulfillment and the continued satisfaction of the applicable conditions set forth in Article 2 below, Lender shall tender the Advance to Borrower, in same day funds, at the address for Borrower below. Each Advance made by Lender shall serve to reduce the total amount which Lender is obligated to Advance under Section 1.03 above.

(b) Prior to making a request for Advance, Borrower will provide each Manager of Borrow in person or written notice by email, fax or other electronic means of the amount of the Advance to be requested and the reason for the requested Advance. Such notice shall be provided at least two (2) calendar days before the requested Advance is communicated to Lender.

1.05 Interest. Interest shall accrue on a daily basis on each Advance made by Lender at a rate equal to the "Prime Rate" as published by the Wall Street Journal, plus one percent (1%) per annum, but in any event no less than four and a quarter percent (4.25%), with interest calculated as of the date on which each Advance is made to Borrower.

1.06 Payments of Principal and Interest. Subject to the provisions set forth in Section 1.07 below, any Advances made to Borrower by Lender shall be repaid as follows: Borrower shall commence repayment of accrued interest and the principal balance for each Advance commencing the month following the date the Advance was made, except that for any Advance made on or before June 30, 2022 repayment shall commence on July 1, 2022. Payment amounts on any Advance will be calculated on the basis of a 60-month amortization. Payments shall be applied first to the accrued interest and then to principal. The entire amount of accrued interest and principal for each Advance shall be due on the date that is sixty (60) months from the date of the Advance or by July 31, 2026, whichever is earlier.

1.07 Prepayments. Any voluntary prepayments shall be treated as first reducing the amount of any accrued but unpaid interest on previously extended Advances and, thereafter, as a prepayment with respect to the then outstanding principal balance of such Advances. All such voluntary prepayments may be made in whole or in part without premium or penalty of any kind.

1.08 Promissory Note. Payment of principal and interest shall be in accordance with the terms and conditions of the Amended Unsecured Revolving Promissory Note (the "Note"), a copy of which is attached hereto as Exhibit A and incorporated herein by this reference. The Note shall be executed by Borrower, shall evidence the indebtedness resulting from the Advanced made by

Lender to Borrower, and shall be delivered to Lender pursuant to Article 2 below. The last installment of principal and interest to be paid by Borrower hereunder shall be in an amount necessary to repay in full all Advances, accrued interest during the Advance Period, and additional accrued interest during the repayment period that remain unpaid under the Note.

ARTICLE 2
CONDITIONS PRECEDENT TO MAKING THE ADVANCES

2.01 The obligation of Lender to make the Advances pursuant to Article 1 above shall be subject to the following conditions precedent:

(a) Lender shall have received this Agreement and the Note, each duly executed by Borrower, as appropriate, as of the Effective Date.

(b) The representations, warranties and covenants contained in Article 3 below are true and correct.

(c) No event has occurred and is continuing which would constitute an event of default (as defined in Section 4.01 below) or would constitute an event of default but for the requirement that notice be given or time elapse or both.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES OF BORROWER

3.01 Borrower hereby represents and warrants as of the Effective Date, which representations and warranties shall be correct at all times during the term of this Agreement, as follows:

(a) Borrower is duly licensed and/or authorized to practice medicine in the State of California.

(b) The execution, delivery and performance by Borrower of this Agreement and the Note do not contravene any law or any contractual restrictions binding on or affecting Borrower.

(c) This Agreement is, and the Note when delivered hereunder shall be, a legal, valid and binding obligation of Borrower enforceable against Borrower in accordance with their respective terms.

(d) Borrower has full right and power to grant the Security Interest contemplated hereunder, there are no presently existing security interests in the Collateral or any part thereof, and hereafter Borrower shall not grant additional security interests in the Collateral during the term of this Agreement without Lender's prior written consent.

ARTICLE 4
EVENTS OF DEFAULT

4.01 Events of Default. As used in this Agreement, the term “Event of Default” shall be any or all of the following:

(a) The failure of Borrower to pay any principal or accrued interest then due and payable under the Note and any such failure remaining unremedied for ten (10) days after written notice thereof shall have been given to Borrower by Lender;

(b) The failure of Borrower to perform or discharge any other obligation, covenant or condition contained in this Agreement or in the Note on its part to be performed or discharged, and any such failure remaining unremedied for ten (10) days after written notice thereof shall have been given to Borrower, as appropriate, by Lender; or

(c) The representations and warranties of Borrower contained in Article 3 above fail to be correct at any time during the term of this Agreement.

4.02 Effect of Default. Upon the occurrence of any Event of Default, Lender may exercise any or all of its rights and remedies provided by the California Commercial Code or by this Section 4.02, or otherwise available to Lender at law or in equity. All rights and remedies of Lender shall be cumulative and may be exercised successively or concurrently. Upon the occurrence and during the continuance of an Event of Default, Lender may also, upon written notice to Borrower, declare its obligations hereunder to make Advances to be terminated, whereupon the same shall forthwith terminate, and declare all principal and accrued interest remaining unpaid under the Note and all other amounts payable under this Agreement to be due and payable, without demand, protest, presentment or further notice of any kind, all of which are hereby expressly waived by Borrower.

ARTICLE 5
MISCELLANEOUS

5.01 Cancellation of Prior Agreement. Upon execution of this Agreement and Note by the parties, the Prior Agreement is canceled and shall be of no further force or effect.

5.02 Entire Agreement. This Agreement constitutes the entire agreement between the parties relating to the subject matter and supersedes any previous agreement. Each party acknowledges that no representation, inducement, promise or agreement has been made, orally or otherwise, by a party or anyone acting on behalf of any party unless such representation, inducement, or promise of agreement is contained in this Agreement.

5.03 Amendments. This Agreement may not be amended or modified except by a further written agreement signed by the parties to this Agreement specifically referencing this Agreement.

5.04 Assignments. Borrower may not assign this Agreement. Lender may assign this Agreement to an affiliate of Lender.

5.05 Choice of Law; Jurisdiction; Venue; Attorney Fees. This Agreement shall be governed by and construed in accordance with the laws of the State of California without reference to conflict of law principles. Each of the parties irrevocably agrees that any legal action or proceeding arising out of or relating to this Agreement or for the recognition and enforcement of any judgment in respect hereof brought by the other party or its successors or assigns may be brought in the courts of the State of California, County of Alameda, or, if it has or can acquire jurisdiction, in the United States District Court for the Northern District of California, and each of the parties hereby irrevocably submits to the exclusive jurisdiction of the aforesaid courts for itself and with respect to its property, generally and unconditionally, with regard to any such action or proceeding arising out of or relating to this Agreement and the transactions contemplated by this Agreement. The parties agree any of them may file a copy of this paragraph with any court as written evidence of the knowing, voluntary and bargained agreement among the parties irrevocably to waive any objections to venue or to the convenience of forum. Each of the parties further agrees that notice, as provided in this Agreement, shall constitute sufficient service of process and the parties further waive any argument that such service is insufficient. The prevailing party shall be entitled to recover all costs and expenses, including reasonable attorneys' fees and costs incurred because of any legal action arising in relation to this Agreement. The phrase "prevailing party" shall mean the party who is determined in the proceeding to have prevailed or who prevails by dismissal, default or otherwise.

5.06 Notices. All notices and other communications required or permitted under this Agreement shall be deemed given on the date received if delivered in person or by overnight delivery service, or three (3) days after mailing if sent by first-class United States mail, postage prepaid and certified to the address appearing below the party's signature. Either party shall have the right to change its address to which notice shall be given by notices similarly sent.

5.07 Headings. Headings used in this Agreement are provided for convenience only and shall not be used to construe meaning or intent.

5.08 Counterparts. This Agreement may be signed in counterparts, with the same effect as if the signature on each counterpart were upon the same instrument. Delivery of an executed counterpart of a signature page by email or facsimile transmission shall be effective as delivery of a manually executed originally signed counterpart.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK, SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO UNSECURED REVOLVING CREDIT LINE AGREEMENT]

IN WITNESS WHEREOF, the parties hereby execute this Agreement as of the date first appearing above.

**Washington Township Hospital
Development Corporation**

Peninsula Surgery Center, LLC

By: _____

By: _____

Name: Kimberly Hartz

Name: Christopher N. Henry

Its: CEO

Its: Manager/CFO

Date: _____

Date: _____

Address:

Address:

Washington Township Hospital Development
Corporation
2000 Mowry Avenue
Fremont, CA 94538
Attention: CEO

Peninsula Surgery Center, LLC
c/o Washington Outpatient Surgery Center
2299 Mowry Avenue
Fremont, CA 94538
Attention: _____

EXHIBIT A
AMENDED UNSECURED REVOLVING PROMISSORY NOTE

\$7,000,000 Maximum
Principal Amount

Fremont, California
_____, 2021

FOR VALUE RECEIVED, the undersigned Peninsula Surgery Center, LLC (“Borrower”), a California limited liability company, hereby promises to pay to Washington Township Hospital Development Corporation (“Lender”), a California nonprofit public benefit corporation, the maximum principal amount of Seven Million Dollars (\$7,000,000.00) in accordance with this Amended Unsecured Revolving Promissory Note (the “Note”) and that certain Amended Unsecured Revolving Credit Line Agreement, dated as of _____ 2021, by and between Borrower and Lender (the “Agreement”), together with accrued interest on the unpaid balance of such amount.

1. Payment Terms.

(a) The maximum principal amount of Seven Million Dollars (\$7,000,000.00) by Lender to Borrower, together with unpaid interest on such outstanding principal amount, shall be due and payable as follows: Borrower shall commence repayment of accrued interest and the principal balance for each Advance (as that term is defined in the Agreement) commencing the month following the date the Advance was made, except that for any Advance made on or before June 30, 2022, repayment shall commence on July 1, 2022. Payment amounts on any Advance will be calculated on the basis of a 60-month amortization. Payments shall be applied first to the accrued interest and then to principal. The entire amount of accrued interest and principal for each Advance shall be due on the date that is sixty (60) months from the date of the Advance or by July 31, 2026, whichever is earlier.

(b) Interest shall accrue on a daily basis on each Advance made by Lender at a rate equal to the “Prime Rate” as published by the Wall Street Journal, plus one percent (1%) per annum, but in any event no less than four and a quarter percent (4.25%), with interest calculated as of the date on which each Advance is made to Borrower.

(c) Both principal and interest shall be payable in lawful money of the United States of America in same-day funds.

2. Advances and Payments.

(a) Each Advance made by Lender to Borrower pursuant to the Agreement and all payments made on account of principal and interest hereof shall be recorded and endorsed by Lender on the “Schedule of Advances and Payments” attached hereto as part of this Note. The failure by Lender to make any such record or endorsement shall in no way detract from or add to Borrower’s obligations hereunder.

(b) Any voluntary prepayments made by Borrower shall be credited first on any accrued but unpaid interest then due, and the remainder, if any, shall be credited on principal.

(c) This Note shall be a revolving line of credit during the Advance Period, and Borrower shall be entitled to reborrow any voluntary prepayments of principal made to Lender during the Advance Period.

3. Other Terms and Conditions.

(a) Upon any default under the Agreement, the entire principal amount outstanding on this Note and accrued interest thereon shall at once become due and payable at the option of Lender. Lender may exercise this option to accelerate at any time that Borrower is in default hereunder or thereunder, regardless of any prior forbearance.

(b) This Note incorporates herein by this reference all of the terms and conditions of the Agreement described above. The Agreement, among other things, contains provisions for acceleration of the maturity of this Note upon the happening of certain stated events.

(c) Any default under this Note shall constitute a default under the Agreement, and any default under the Agreement shall constitute a default under this Note.

(d) This Note may not be assigned by Borrower without the prior written consent of Lender. Lender may assign this Note and the Agreement to any affiliate of Lender.

(e) This Note is governed by, and construed in accordance with, State of California.

IN WITNESS WHEREOF, the Borrower hereby execute this Unsecured Revolving Promissory Note as of the date first appearing above.

Peninsula Surgery Center, LLC

By: _____

Name: Christopher N. Henry

Its: Manager CFO

Date: _____