



Washington Township Health Care District

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

Nancy Farber, Chief Executive Officer

Board of Directors

Patricia Danielson, RMT

Jacob Egan, M.D.

William R. Nicholson, M.D.

Bernard Stewart, D.D.S.

Michael J. Wallace

BOARD OF DIRECTORS' MEETING

Wednesday, May 22, 2019– 6:00 P.M.
Board Room, 2000 Mowry Avenue

AGENDA

PRESENTED BY:

- | | |
|---|---|
| <p>I. CALL TO ORDER & PLEDGE OF ALLEGIANCE</p> <p>II. ROLL CALL</p> <p>III. COMMUNICATIONS</p> <p> A. Oral</p> <p> B. Written</p> <p>IV. CLOSED SESSION</p> <p> A. Conference with Legal Counsel-Existing Litigation pursuant to Government Code section 54956.9(d)(2)</p> <p> B. Conference involving a trade secret pursuant to Health & Safety Code section 32106</p> <p> C. Report on personnel matters, Cal Gov. Code Section 54957</p> <p>V. OPEN SESSION</p> <p> Report on Closed Session</p> <p>VI. ACTION</p> <p> A. Resolution # 1196 –Refunding and Revenue Bonds Series 2019</p> <p> B. Resolution # 1197 – General Obligation Refunding Bonds</p> <p>VII. ADJOURNMENT</p> | <p>Bernard Stewart
Board Member</p> <p>Dee Antonio
District Clerk</p> <p>Nancy Farber
Chief Executive Officer</p> <p>Bernard Stewart
Board Member</p> <p><i>Motion Required</i></p> <p>Bernard Stewart
Board Member</p> |
|---|---|

Washington Township Health Care District Agenda Item – Refunding and Revenue Bonds, 2019 Series A

___ ACTION:

___ Adoption of Resolution No. 1196, Resolution Approving the Issuance and Sale of and Determining to Proceed with Negotiated Sale of Certain Refunding and Revenue Bonds of the District in an Aggregate Principal Amount Not to Exceed \$58,000,000, Approving the Execution and Delivery of a Supplemental Indenture, a Bond Purchase Contract, an Escrow Agreement, a Continuing Disclosure Agreement, a Preliminary Official Statement and Certain Other Actions Related Thereto.

Consider approving Resolution No. 1196: A resolution of the Washington Township Health Care District approving the issuance and sale of the District’s Refunding and Revenue Bonds, 2019 Series A, in an aggregate principal amount not to exceed \$58,000,000 and approving certain documents and other matters relating to the Bonds. Approximately \$46,000,000 of the proceeds of the Bonds are expected to be used to refund in full the District’s currently outstanding Revenue Bonds, 2009 Series A, and pay the fees and expenses incurred in connection therewith; and approximately \$12,000,000 of the proceeds of the Bonds are expected to be used to finance the acquisition, expansion, renovation and equipping of certain of the District’s facilities, and pay the fees and expenses incurred in connection therewith.

The Resolution is accompanied by drafts of five additional documents which would be approved at this time: an Ninth Supplemental Indenture, between the District and the Trustee, which provides for the issuance, authentication and delivery of this series of Bonds to the Trustee; a Preliminary Official Statement, which would be the disclosure document under which the Underwriter would market the Bonds to potential investors, a Continuing Disclosure Agreement, under which the District agrees to provide certain information to bondholders on an annual basis, along with notices of certain listed events, a Bond Purchase Agreement, pursuant to which the Bonds will be sold to the Underwriter, and an Escrow Deposit and Trust Agreement, providing for the deposit of Bond proceeds and certain other amounts in an Escrow Fund until the date of redemption of the 2009 Bonds.

Pursuant to Senate Bill 450 (Chapter 625, Statutes of 2017) (“SB 450”), effective January 1, 2018, the District is required to disclose 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 4.0%, (b) the finance charge, or amount paid to third parties (which includes Underwriter’s discount) in connection with the sale, of the Bonds is estimated to be \$730,000, (c) the amount of proceeds received by the District from the sale of the Bonds is expected to be \$53,725,000, and (d) the sum total of all payments the District will make to the final maturity of the Bonds is expected to be \$80,000,000.

RESOLUTION NO. 1196

RESOLUTION OF THE BOARD OF DIRECTORS OF WASHINGTON TOWNSHIP HEALTH CARE DISTRICT APPROVING THE ISSUANCE AND SALE OF AND DETERMINING TO PROCEED WITH THE NEGOTIATED SALE OF CERTAIN REFUNDING AND REVENUE BONDS OF THE DISTRICT IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$58,000,000, APPROVING THE EXECUTION AND DELIVERY OF A SUPPLEMENTAL INDENTURE, A BOND PURCHASE CONTRACT, AN ESCROW AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT, A PRELIMINARY OFFICIAL STATEMENT AND CERTAIN OTHER ACTIONS RELATED THERETO.

WHEREAS, the Washington Township Health Care District (the "District"), County of Alameda, State of California (the "State") a local healthcare district, is duly organized and existing under the laws of the State, particularly the Local Health Care District Law, constituting Division 23 of the Health and Safety Code of the State (the "Law"); and

WHEREAS, the District has previously issued and sold certain of its revenue bonds, including, *inter alia*, its Revenue Bonds, 2009 Series A (the "2009 Prior Bonds"), the proceeds of which were applied to (i) finance the acquisition, expansion, renovation and equipping of certain of the District's facilities; (ii) fund a reserve fund for the 2009 Prior Bonds; and (iii) finance the costs of issuing the 2009 Prior Bonds; and

WHEREAS, the 2009 Prior Bonds were issued as Additional Bonds pursuant to that certain Indenture, dated as of July 1, 1993 (the "Original Indenture"), by and between the District and Union Bank, N.A., as the initial trustee (the "Initial Trustee"), as subsequently supplemented and amended (as so amended, the "Indenture"); and

WHEREAS, pursuant to the provisions of the Law, the District may determine to refund any of its outstanding revenue bond obligations upon favorable terms, subject to certain requirements; and

WHEREAS, this Board of Directors of the District (the "Board") has determined that conditions in the municipal markets are favorable for the refunding of all or a portion of the remaining outstanding 2009 Prior Bonds (such 2009 Prior Bonds to be refunded, hereafter, the "Refunded Bonds") on a current basis; and

WHEREAS, in order to effect the refunding of the Refunded Bonds, and to finance additions, improvements and betterments to the District's facilities, the equipping of the same and the payment of fees and expenses incurred in connection therewith (collectively, the "Project"), this Board, acting under and pursuant to the Law, has determined that the public interest and necessity require the authorization, sale and issuance of hospital revenue bonds designated as the District's Refunding and Revenue Bonds, 2019 Series A (the "Bonds"), to be issued, all estimated to comprise an amount not to exceed \$58,000,000 in aggregate principal

amount (of which (i) an aggregate principal amount of not to exceed \$55,000,000 may be issued to refund the Refunded Bonds and to finance the payment of fees and expenses incurred in connection therewith, and (ii) an aggregate principal amount of not to exceed \$25,000,000 may be issued to finance additions, improvements and betterments to the District's healthcare facilities, the equipping of the same and the payment of fees and expenses incurred in connection therewith (the "New Money Project")); and

WHEREAS, prior to the issuance of the Bonds, the District may incur certain expenditures with respect to the New Money Project from general revenues of the District, which expenditures are desired to be reimbursed from proceeds of the sale of the Bonds; and

WHEREAS, the Bonds shall be issued as Additional Bonds pursuant to the Indenture; 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 Merrill Lynch, Pierce, Fenner & Smith Incorporated or BofA Securities, Inc., as successor in interest thereto, as underwriter (the "Underwriter"); and

WHEREAS, the Board has adopted Ordinance 19-01 (the "Ordinance") on March 27, 2019, which authorized the sale of the Bonds on a negotiated basis to the Underwriter, and which such Ordinance was published after such adoption in a newspaper of general circulation published in the District pursuant to the Law; and

WHEREAS, in connection therewith, there have been presented to this meeting of the Board forms of the following documents for consideration in connection with the proposed issuance of the Bonds:

- (a) A form of Ninth Supplemental Indenture (the "Ninth Supplemental Indenture"), by and between the District and U.S. Bank National Association, as successor to the Initial Trustee (the "Trustee");
- (b) A form of Escrow Deposit and Trust Agreement (the "Escrow Agreement"), by and between the District and the Trustee, in its capacity as escrow agent for the Refunded Bonds;
- (c) A form of Bond Purchase Contract (the "Purchase Contract"), by and between the District and the Underwriter, pursuant to which the Bonds will be purchased;
- (d) A form of Preliminary Official Statement (the "Preliminary Official Statement"), pursuant to which the Bonds will be marketed by the Underwriter; and
- (e) A form of Continuing Disclosure Agreement (the "Continuing Disclosure Agreement"), to be entered into by the District with FSC Continuing Disclosure Services for the purposes of compliance with Rule 15c2-12 of the Securities Exchange Commission promulgated under the Securities Exchange Act of 1934, as amended (the "Rule"); and

WHEREAS, pursuant to Senate Bill 450 (Chapter 625, Statutes of 2017) (“**SB 450**”), effective January 1, 2018, 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 4.0%, (b) the finance charge, or amount paid to third parties (which includes Underwriter’s discount) in connection with the sale, of the Bonds is estimated to be \$730,000, (c) the amount of proceeds received by the District from the sale of the Bonds is expected to be \$53,725,000, and (d) the sum total of all payments the District will make to the final maturity of the Bonds is expected to be \$80,000,000; 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 the Bonds, and the indebtedness of the District, including the proposed issue of the Bonds, is within all limits proscribed by law;

NOW, THEREFORE, BE IT RESOLVED 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 capitalized terms as used herein shall, for all purposes of this Resolution, have the meanings set forth in the Recitals hereof, in the Indenture or as ascribed to them below, unless the context clearly requires some other meaning.
 - (a) “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.
 - (b) “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.
 - (c) “Code” means the Internal Revenue Code of 1986, as amended and as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be 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.
 - (d) “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 and refunding of the Refunded 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 Trustee, financial and other professional consultant fees, Bond Counsel Fees, costs of obtaining credit ratings, municipal bond insurance premiums, if such insurance is determined to be advisable, and all charges and expenses in connection with the foregoing.

- (e) "Owner" shall mean the registered owner, as indicated in the registration books of the Trustee, of any Bond.
- (f) "Resolution" means this Resolution.
- (g) "Special Counsel" means Mary K. Norvell, Attorney at Law.
- (h) "Tax and Nonarbitrage Certificate" means the certificate of the District to be delivered on the Closing Date, setting forth the requirements of the Code applicable to the Bonds.

3. Purpose of Bonds. That for the purpose of providing funds to (i) finance the acquisition, expansion, renovation and equipping of certain of the District's facilities; (ii) refund the Refunded Bonds, and (iii) pay the cost of issuance of the Bonds, the Board hereby authorizes the issuance of the Bonds in accordance with the requirements of the Law and the Indenture, in an aggregate principal amount not to exceed \$58,000,000 (of which (i) an aggregate principal amount of approximately \$46,000,000 is expected to be issued to refund the Refunded Bonds and to finance the payment of fees and expenses incurred in connection therewith, and (ii) an aggregate principal amount of approximately \$12,000,000 is expected to be issued to finance additions, improvements and betterments to the District's facilities, the equipping of the same and the payment of fees and expenses incurred in connection therewith). The true interest cost of the Bonds shall not exceed 6.0% per annum, payable semiannually. The Bonds shall be designated the "Washington Township Health Care District Refunding and Revenue Bonds, 2019 Series A" with such insertions as shall be appropriate to describe the authorizations for said Bonds, or any other changes as are agreed to by an Authorized Officer, as evidenced by his or her execution thereof, and shall be revenue obligations of the District, secured by the pledge of Revenues.

4. Reimbursement. The District hereby states its intention and reasonably expects to reimburse, with proceeds of the Bonds, New Money Project costs incurred by the District prior to the issuance of the Bonds.

- (A) The reasonably expected maximum principal amount of the Bonds allocable to the New Money Project is \$12,000,000. This Resolution is being adopted on or prior to the date that is not later than sixty (60) days after the date or dates that the District will expend monies for costs of the New Money Project to be reimbursed from proceeds of the Bonds (such date or dates, the "Expenditure Date or Dates").
- (B) Except as described below, the expected date of issue of the Bonds will be within eighteen (18) months of the later of the Expenditure Date or Dates and the date the applicable portion of the New Money Project is placed in service; provided, the reimbursement may not be made more than three (3) years after an Expenditure Date.
- (C) Proceeds of the Bonds to be used to reimburse for New Money Project costs are not expected to be used, within one (1) year of reimbursement, directly or indirectly to pay debt service with respect to any obligation

(other than to pay current debt service coming due within the next succeeding one (1) year period on any tax-exempt obligation of the District (other than the Bonds)) or to be held as a reasonably required reserve or replacement fund with respect to an obligation of the District or any entity related in any manner to the District, or to reimburse any expenditure that was originally paid with the proceeds of any obligation, or to replace funds that are or will be used in such manner.

- (D) This Resolution is consistent with the budgetary and financial circumstances of the District. No monies from sources other than the Bonds are, or are reasonably expected to be, allocated on a long-term basis, or otherwise set aside by the District pursuant to its budget or financial policies with respect to the New Money Project costs. To the best of our knowledge, this Board is not aware of the previous adoption of official intents by the District that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt Bonds have not been issued.
- (E) The limitations described in Section 4(b) and Section 4(c) do not apply to (a) costs of issuance of the Bonds, (b) an amount not in excess of the lesser of \$100,000 or five percent (5%) of the proceeds of the Bonds, (c) any preliminary expenditures, such as architectural, engineering, surveying, soil testing, and similar costs other than land acquisition, site preparation, and similar costs incident to commencement of construction, not in excess of twenty percent (20%) of the aggregate issue price of the Bonds that finances the New Money Project for which the preliminary expenditures were incurred, or (d) expenditures for which the District does not intend to reimburse itself from Proceeds of the Bonds.
- (F) This Resolution is adopted as official action of the District in order to comply with Treasury Regulation § 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of District expenditures incurred prior to the date of issue of the Bonds, is part of the District's official proceedings, and will be available for inspection by the general public upon written request to the District.
- (G) This declaration of intent does not bind the District to make any expenditure, incur any indebtedness, or proceed with the New Money Project.

5. Appointment of Consultants; Terms and Conditions of Sale; Approval of Legal Documents.

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

District, Merrill Lynch, Pierce, Fenner & Smith, Incorporated, or BofA Securities, Inc., as successor in interest thereto, as Underwriter and Wells Consultancy LLC, as special legal consultant to the District in connection with the sale and issuance of the Bonds.

- (b) The Bonds shall be issued upon the terms and conditions established in the Ninth Supplemental Indenture, and shall be issued in fully registered form, in the authorized denominations of \$5,000 or any integral multiple thereof, substantially in the form appended to the Ninth Supplemental Indenture.
- (c) The Chief Executive Officer of the District, the Senior Associate Administrator and the Chief Financial Officer of the District or any designee of any of the foregoing (each, an "Authorized Officer") and each of them acting alone is hereby authorized, in the name and on behalf of the District, to execute the 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 Authorized 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 to be conclusively evidenced by such Authorized Officer's execution thereof, so long as the aggregate principal amount of the Bonds shall not exceed Fifty-Eight Million Dollars (\$58,000,000), so long as the Underwriter's discount with respect to the Bonds shall not exceed 1.0% of the principal amount of the Bonds and so long as the true interest cost of the Bonds shall not exceed 6.0% per annum. The final maturity of the Bonds shall not be later than July 1, 2048, *provided* that the final maturity of any Bonds whose proceeds are used to refund the Refunded Bonds shall be not later than July 1, 2039, the final maturity date of the Refunded Bonds. The Bonds may be sold at par, at a discount or with an original issue premium.
- (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").

6. Supplemental Indenture. The proposed form of the Ninth Supplemental Indenture presented to and considered by the Board at this meeting is hereby approved. The Authorized Officers are, and each of them acting alone is, hereby authorized and directed, for and in the name of the District, to execute and deliver to the Trustee the Ninth Supplemental Indenture in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Ninth Supplemental Indenture by said Authorized Officer. The Bonds may be issued as serial Bonds or term Bonds and shall be subject to optional redemption prior to their respective maturity dates, or mandatory sinking fund redemption, on the dates and at the prices as set forth in the Ninth Supplemental Indenture.

7. Escrow Agreement. The proposed form of the Escrow Agreement presented to and considered by the Board at this meeting is hereby approved. The Authorized Officers are, and each of them acting alone is, hereby authorized and directed, for and in the name of the District, to execute and deliver to the Escrow Agreement in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Escrow Agreement by said Authorized Officer.

8. Preliminary Official Statement and Official Statement. The Preliminary Official Statement relating to the Bonds presented to and considered by the Board at this meeting is hereby approved. This Board also hereby authorizes the use and distribution of: (a) a Preliminary Official Statement in substantially the form presented to this Board with such changes as the Authorized Officer executing the certificate described below may approve, such approval to be conclusively evidenced by the execution of such certificate by such Authorized Officer; (b) an official statement in substantially the form of the Preliminary Official Statement with such changes as may be necessary or desirable in connection with the sale of the Bonds as determined by the Authorized Officer executing the same (the "Official Statement"), such determination to be conclusively evidenced by the execution and delivery of the Official Statement by such Authorized Officer and (c) any amendments or supplements to the Preliminary Official Statement or the Official Statement which an Authorized Officer may deem necessary or desirable, such determination to be conclusively evidenced by the execution of such amendment or supplement or of a certificate as described below by such Authorized Officer. The Authorized Officers are, and each of them acting alone is, hereby authorized to approve such additions, deletions or changes to the Preliminary Official Statement and Official Statement, as are necessary or desirable to effect the purposes of this Resolution and to comply with applicable laws and to deliver copies of the Preliminary Official Statement and the Official Statement to the Underwriter and prospective purchasers of the Bonds, and to execute the Official Statement. Upon approval of the Preliminary Official Statement by an Authorized Officer (such approval to be evidenced by execution of a certificate substantially in the form of Exhibit A attached hereto and by this reference incorporated herein, with such changes as may be necessary or advisable), such Preliminary Official Statement shall be deemed final as of its date except for the omission of certain information as provided in and pursuant to the Rule.

9. Continuing Disclosure Agreement. The form of Continuing Disclosure Agreement, substantially in the form appended to the Preliminary Official Statement and presented to and considered by the Board at this meeting, is hereby approved and the Board hereby authorizes any Authorized Officer to execute the Continuing Disclosure Agreement with such changes therein as may be approved by the Authorized Officer executing the same. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of such Continuing Disclosure Agreement in order to assist the Underwriter in complying with the requirements of the Rule. Any Owner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations under this Section; however, noncompliance with this Section shall not constitute a default under or cause the acceleration of the Bonds.

10. Purchase Contract. The form of the Purchase Contract is approved. The Authorized Officers are, and each of them acting alone is, authorized and directed to execute and

deliver the Purchase Contract for and in the name and on behalf of the District, with such additions, changes or corrections therein as the Authorized 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 including, without limitation (i) such changes as are necessary to reflect the final terms of the Bonds to the extent such terms differ from those set forth in this Resolution, such approval to be conclusively evidenced by such Authorized Officer's execution thereof and (ii) any other documents required to be executed thereunder. The Authorized Officers are, and each of them acting alone is, hereby authorized and directed to determine the specific maturities and amounts of the 2009 Prior Bonds or portions thereof to be refunded, based upon market conditions existing at the time of the pricing of the Bonds.

11. Payment of the Bonds. The Bonds shall be payable solely from the Revenues to be received by the District from the operation of its health care facilities and shall not be deemed to constitute a debt or liability of the District under any constitutional charter or statutory debt limitation. Neither the faith and credit nor the taxing power of the District shall be pledged to the payment of the principal of or interest on the Bonds.

12. 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.

13. Notice of Redemption. In connection with the current refunding of the Refunded Bonds, the Authorized Officers are hereby authorized to order the Trustee, in its capacity as trustee for the 2009 Prior Bonds, to send out a notice of redemption on the day next occurring after the sale of the Bonds, conditioned upon the issuance of the Bonds and the receipt by the Trustee of sufficient moneys to pay the redemption price of the Refunded Bonds on the redemption date, to the owners of the Refunded Bonds in accordance with Section 4.03 of the Indenture in order to effect redemption of the Refunded Bonds at the earliest possible date.

14. Necessary Acts and Conditions. This Board determines that all acts and conditions necessary to be performed by the Board or which have been precedent to in the issuing of the Bonds in order to make them legal, valid and binding revenue bonds 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 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 Revenues in an amount sufficient to pay principal and interest on the Bonds when due.

15. Approval of Actions. Members of the Board and Authorized Officers of the District are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, certificates, instruments, and agreements supplemental to the foregoing, 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, and to take all additional actions as may do the same in order to permit the issuance of the Bonds in the manner and on the terms set forth in this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

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

PASSED AND ADOPTED at a regular meeting of the Board of Directors of Washington Township Health Care District, duly called and at which a quorum was present and acting throughout, conducted at a location freely accessible to the public this 22nd day of May, 2019, in Fremont, California, by the following vote:

AYES: Members:

NOES: Members: _____

ABSENT: Members: _____

ABSTENTIONS: Members: _____

Bernard Stewart, President, Board of Directors

Attest:

Michael Wallace, Secretary, Board of Directors

EXHIBIT A

FORM OF 15C2-12 CERTIFICATE

With respect to the proposed sale of its Refunding and Revenue Bonds, 2019 Series A, in the maximum aggregate amount of not to exceed \$58,000,000, the Washington Township Health Care District (the “**District**”) has delivered to you a Preliminary Official Statement, dated as of the date hereof (the “**Preliminary Official Statement**”). The District, for purposes of compliance with Rule 15c2-12 of the Securities Exchange Act of 1934, as amended (“**Rule 15c2-12**”), deems the Preliminary Official Statement to be final as of its date, except for the omission of no more than the information permitted under Rule 15c2-12.

WASHINGTON TOWNSHIP HEALTH
CARE DISTRICT

Dated: _____, 2019

By: _____ [form only]
Authorized Officer

Washington Township Health Care District Agenda Item – 2019 General Obligation Refunding Bonds

___ ACTION:

___ Adoption of Resolution No. 1197, Resolution Authorizing the Issuance and Sale of the Washington Township Health Care District 2019 General Obligation Refunding Bonds in an Aggregate Principal Amount Not to Exceed \$12,675,000, and Approving Certain Other Actions Related to the Bonds.

Consider approving Resolution No. 1197: A resolution of the Washington Township Health Care District approving the issuance and sale of the District's 2019 General Obligation Bonds, in an aggregate principal amount not to exceed \$12,675,000 and approving certain documents and other matters relating to the Bonds. The proceeds of the Bonds will be used to refund in full the District's currently outstanding General Obligation Bonds, Election of 2004, 2009 Series A, and pay the fees and expenses incurred in connection therewith.

The Resolution is accompanied by drafts of four additional documents which would be approved at this time: a Preliminary Official Statement, which would be the disclosure document under which the Underwriter would market the Bonds to potential investors, a Continuing Disclosure Agreement, under which the District agrees to provide certain information to bondholders on an annual basis, along with notices of certain listed events, a Bond Purchase Agreement, pursuant to which the Bonds will be sold to the Underwriter, and an Escrow Deposit and Trust Agreement, providing for the deposit of Bond proceeds and certain other amounts in an Escrow Fund until the date of redemption of the 2009 Bonds.

Pursuant to Senate Bill 450 (Chapter 625, Statutes of 2017) ("SB 450"), effective January 1, 2018, the District is required to disclose 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 4.3%, (b) the finance charge, or amount paid to third parties (which includes Underwriter's discount) in connection with the sale, of the Bonds is estimated to be \$350,000, (c) the amount of proceeds received by the District from the sale of the Bonds is expected to be \$11,700,000, and (d) the sum total of all payments the District will make to the final maturity of the Bonds is expected to be \$20,000,000.

STAFF RECOMMENDATION: Approval

RESOLUTION No. 1197

**RESOLUTION OF THE BOARD OF DIRECTORS
OF WASHINGTON TOWNSHIP HEALTH CARE DISTRICT
AUTHORIZING THE ISSUANCE AND SALE OF
ITS 2019 GENERAL OBLIGATION REFUNDING BONDS
IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$12,675,000 AND
APPROVING CERTAIN OTHER MATTERS RELATING TO THE BONDS**

TABLE OF CONTENTS

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

SECTION 43.	<u>Conflicts</u>	21
SECTION 44.	<u>Effective Date</u>	22
EXHIBIT A	FORM OF BONDS	A-1
EXHIBIT B	FORM OF 15c2-12 CERTIFICATE	B-1

RESOLUTION NO. 1197

**RESOLUTION OF THE BOARD OF DIRECTORS
OF WASHINGTON TOWNSHIP HEALTH CARE DISTRICT
AUTHORIZING THE ISSUANCE AND SALE OF
ITS 2019 GENERAL OBLIGATION REFUNDING BONDS
IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$12,675,000 AND
APPROVING CERTAIN OTHER MATTERS RELATING TO THE BONDS**

WHEREAS, a duly called election was held in the Washington Township Health Care District, a health care district duly organized and existing under the laws of the State of California (the “**District**”), County of Alameda (the “**County**”), State of California (the “**State**”), on November 2, 2004 (the “**Election**”), and thereafter canvassed pursuant to law; and

WHEREAS, at the Election, there was submitted to and approved by the requisite two-thirds (2/3) vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for the purpose of acquiring, maintaining, constructing, or improving real property of the District, all as authorized under Section 32300 *et seq.* of the Health and Safety Code of the State of California, in the maximum amount of one hundred ninety million dollars (\$190,000,000), payable from the levy of an *ad valorem* tax against the taxable property in the District (the “**Authorization**”); and

WHEREAS, as authorized by the Election, the Board of Directors of the District (the “**Governing Board**”) has previously caused to be issued, among other series, the District’s General Obligation Bonds, Election of 2004, 2009 Series A (the “**Prior Bonds**”), of which \$11,755,000 aggregate principal amount is presently outstanding and subject to redemption; and

WHEREAS, the Prior Bonds were issued pursuant to the terms of that certain Resolution of the Governing Board adopted on October 14, 2009; and

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

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

WHEREAS, the Governing Board has now determined to refund the Refunded Bonds by issuing its 2019 General Obligation Refunding Bonds (the “**Bonds**”); and

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

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

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

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

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

WHEREAS, pursuant to Senate Bill 450 (Chapter 625, Statutes of 2017) (“**SB 450**”), effective January 1, 2018, 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 4.30%, (b) the finance charge, or amount paid to third parties (which includes Underwriter’s discount) in connection with the sale, of the Bonds is estimated to be \$350,000, (c) the amount of proceeds received by the District from the sale of the Bonds is expected to be \$11,700,000, and (d) the sum total of all payments the District will make to the final maturity of the Bonds is expected to be \$20,000,000; and

WHEREAS, this Governing 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 payment of the Bonds; and

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

WHEREAS, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of

general obligation bonds of the District, and the indebtedness of the District, including this proposed issue of Bonds (as hereinafter defined), is within all limits prescribed by law;

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

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

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

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

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

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

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

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

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

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

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

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

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

“Defeasance Securities” means lawful money or noncallable direct obligations issued by the United States Treasury or obligations which are unconditionally guaranteed by the United States of America and permitted under Section 149(b) of the Code and Regulations which, in the opinion of Bond Counsel, will not impair the exclusion from gross income for federal income tax purposes of interest on the Refunded Bonds.

“Depository” shall mean DTC and its successors and assigns or if (a) the then-acting Depository resigns from its functions as securities depository of the Bonds, or (b) the District discontinues use of the Depository pursuant to this Resolution, any other securities depository which agrees to follow procedures required to be followed by a securities depository in connection with the Bonds.

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

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

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive the reports described in the Continuing Disclosure 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>.

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

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

“Official Statement” shall mean the final official statement of the District describing the Bonds.

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

- (i) Bonds canceled at or prior to such date;
- (ii) Bonds in lieu of or in substitution for which other Bonds shall have been delivered pursuant to Section 14 hereof;
- (iii) Bonds for the payment or redemption of which funds or eligible securities in the necessary amount shall have been set aside

(whether on or prior to the maturity or redemption date of such Bonds), in accordance with Section 40 of this Resolution.

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

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

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

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

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

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

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

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

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

“State” shall mean the State of California.

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

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

SECTION 2. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders, and vice versa. Except where the context otherwise requires, words importing the singular shall include the

plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

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

SECTION 4. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued hereunder by those who shall own the same from time to time, this Resolution shall be deemed to be and shall constitute a contract among the District and the Owners from time to time of the Bonds; and the pledge made in this Resolution shall be for the equal benefit, protection and security of the Owners of any and all of the Bonds, all of which, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof.

SECTION 5. Approval of Documents; Determination of Method of Sale and Terms of Bonds. Any Authorized Representative, in consultation with Bond Counsel and the other officers of the District are, and each of them acting alone is, hereby authorized and directed to issue and deliver the Bonds and to establish the initial aggregate Principal Amount thereof; provided, however, that such initial aggregate Principal Amount shall not exceed the maximum aggregate principal amount of \$12,675,000.

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

(b) The form of the Preliminary Official Statement is hereby approved. This Governing Board also hereby authorizes the use and distribution of (i) the Preliminary Official Statement, with such changes as the Authorized Representative executing the certificate described below may approve, such approval to be conclusively evidenced by such Authorized Representative's execution of such certificate; and (ii) an Official Statement in substantially the form of the Preliminary Official Statement, with such changes as may be necessary or advisable

in connection with the sale of the Bonds, as determined by the Authorized Representative executing the Official Statement, such determination to be conclusively evidenced by the execution and delivery of the Official Statement; and (iii) any amendments or supplements to the Preliminary Official Statement or the Official Statement which an Authorized Representative may deem necessary or desirable. Upon approval of the Preliminary Official Statement by such Authorized Representative, said Authorized Representative shall execute a certificate substantially in the form of Exhibit B appended to this Resolution and by this reference made a part hereof, and upon such execution, the Preliminary Official Statement shall be deemed final as of its date, except for the omission of certain information as provided in and pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act, as amended.

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

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

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

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

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

SECTION 8. Designation and Form; Payment. A series of Bonds entitled to the benefit, protection and security of this Resolution is hereby authorized to be issued and sold in an aggregate Principal Amount not to exceed \$12,675,000. 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 2019 General Obligation Refunding Bonds” with such insertions as shall be appropriate to describe the authorizations for said Bonds, or any other changes as are agreed to by an Authorized Representative, 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 Contract of Purchase, subject to the provisions of this Resolution.

(a) The form of the Bonds shall be substantially in conformity with the standard form of registered public agency bonds, a form of which is attached hereto as Exhibit A and incorporated herein by this reference, with such changes as are necessary to reflect the final terms of the Bonds.

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

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

Interest on each Bond shall accrue from its dated date as set forth in the Contract of Purchase. Interest on the Bonds shall be computed using a year of 360 days comprised of twelve 30-day months and shall be payable on each Interest Payment Date to the Owner thereof as of the close of business on the Record Date. Interest with respect to each Bond will be payable from the Interest Payment Date next preceding the date of registration thereof, unless (i) it is registered after the close of business on any Record Date and before the close of business on the immediately following Interest Payment Date, in which event interest with respect thereto shall be payable from such following Interest Payment Date; or (ii) it is registered prior to the close of business on the first Record Date, in which event interest shall be payable from its dated date; provided, however, that if at the time of registration of any Bond interest with respect thereto is in default, interest with respect thereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment. Payments of interest on the Bonds will be made on each Interest Payment Date by check or draft of the Paying Agent sent by first-class mail, postage prepaid, to the Owner thereof on the Record Date, or by wire transfer to any Owner of \$1,000,000 aggregate principal amount or more of such Bonds, to the account specified by such Owner in a written request delivered to the Paying Agent on or prior to the Record Date for such Interest Payment Date; provided, however, that payments of defaulted interest shall be payable to the person in whose name such Bond is registered at the close of business on a special record date fixed therefor by the Paying Agent which shall not be more

than fifteen days and not less than ten days prior to the date of the proposed payment of defaulted interest.

SECTION 10. Tax Covenant.

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

SECTION 11. Book-Entry System.

(a) The Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities of the Bonds. Upon initial issuance, the ownership of each such global Bond shall be registered in the Bond Register in the name of the Nominee, as nominee of the Depository. Except as provided in subsection (c) hereof, all of the Outstanding Bonds shall be registered in the Bond Register in the name of the Nominee, and the Bonds may be transferred, in whole but not in part, only to the Depository, to a successor Depository or to another nominee of the Depository or of a successor Depository.

With respect to Bonds registered in the Bond Register in the name of the Nominee, the District shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds a beneficial interest in the Bonds. Without limiting the immediately preceding sentence, the District shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any beneficial ownership interest in the Bonds, (ii) the delivery to any Participant, beneficial owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any Redemption Notice (as defined in Section 27 below), (iii) the selection by the Depository and the Participants of the beneficial interests in the Bonds to be redeemed in part, or (iv) the payment to any Participant, beneficial owner or any other person, other than the Depository, of any amount with respect to Principal of, premium, if any, and interest on the Bonds. The District and the Paying Agent may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute Owner of such Bond for the purpose of payment of Principal of, premium, if any, and interest on such Bond, for the purpose of giving Redemption Notices and other notices with respect to such Bond, and for all other purposes whatsoever, including, without limitation, registering transfers with respect to the Bonds.

The Paying Agent shall pay all Principal of, premium, if any, and interest on the Bonds only to the respective Owners, as shown in the Bond Register, and all such payments shall be valid hereunder with respect to payment of Principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Bond Register, shall receive a Bond evidencing the obligation to make payments of Principal of,

premium, if any, and interest, pursuant to this Resolution. Upon delivery by the Depository to the Paying Agent and the District of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions hereof with respect to Record Dates, the word Nominee in this Resolution shall refer to such new nominee of the Depository.

(b) In order to qualify the Bonds for the Depository's book-entry system, the District is hereby authorized to execute and deliver or shall have 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 Representatives, are hereby authorized to take any other actions, not inconsistent with this Resolution, to qualify the Bonds for the Depository's book-entry program.

(c) If at any time, the Depository notifies the District that it is unwilling or unable to continue as Depository with respect to the Bonds or if at any time the Depository shall no longer be registered or in good standing under the Securities Exchange Act or other applicable statute or regulation and a successor Depository is not appointed by the District within 90 days after the District received notice or became aware of such condition, as the case may be, subsection (a) hereof shall no longer be applicable and the District shall cause the issuance of bonds representing the Bonds as provided below. In addition, the District may determine at any time that the Bonds shall no longer be lodged with a Depository and that the provisions of subsection (a) hereof shall no longer apply to the Bonds. In any such event, the District shall cause the execution and delivery of certificated securities representing the Bonds as provided below. Bonds issued in exchange for global bonds pursuant to this subsection (c) shall be registered in such names and delivered in such denominations as the Depository shall instruct the District. The District shall cause delivery of such certificated securities representing the Bonds to the persons in whose names such Bonds are so registered.

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

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

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

SECTION 12. Execution of the Bonds. The Bonds shall be executed in the manner required by the Authorizing Law. In case any one or more of the officers who shall have signed any of the Bonds shall cease to be such officer before the Bonds so signed shall have been issued by the District, such Bonds may, nevertheless, be issued, as herein provided, as if the persons who signed such Bonds had not ceased to hold such offices. 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.

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

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

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

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

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

SECTION 14. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated, the Paying Agent, at the expense of the Owner, shall deliver a new Bond of like date, interest rate, maturity and tenor as the Bond so mutilated in exchange and substitution for such mutilated Bond, upon surrender and cancellation thereof. All Bonds so surrendered shall be cancelled. If any Bond shall be destroyed, stolen or lost, evidence of such destruction, theft or loss may be submitted to the Paying Agent and if such evidence is satisfactory to the Paying Agent that such Bond has been destroyed, stolen or lost, and upon furnishing the Paying Agent with indemnity satisfactory to the Paying Agent and complying with such other reasonable regulations as the Paying Agent may prescribe and paying such expenses as the Paying Agent may incur, the Paying Agent shall, at the expense of the Owner, execute and deliver a new Bond of like 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.

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

SECTION 16. Unclaimed Money. All money which the Paying Agent shall have received from any source and set aside for the purpose of paying or redeeming any of the Bonds shall be held in trust for the respective Owners of such Bonds, but any money which shall be so set aside or deposited by the Paying Agent and which shall remain unclaimed by the Owners of such Bonds for a period of one year after the date on which any payment or redemption with respect to such Bonds shall have become due and payable shall be transferred to the general fund of the District (the "**General Fund**"); provided, however, that the Paying Agent, before making such payment, shall cause notice to be mailed to the Owners of such Bonds, by first-class mail, postage prepaid, not less than 90 days prior to the date of such payment to the effect that said money has not been claimed and that after a date named therein any unclaimed balance of said money then remaining will be transferred to the General Fund. Thereafter, the Owners of such Bonds shall look only to the General Fund for payment of such Bonds.

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

(a) Accrued interest, if any, paid on the sale of the Bonds, shall be kept separate and apart in the fund hereby created and established and to be designated as the "Washington Township Health Care District General Obligation Refunding Bonds, 2019 Refunding Debt Service Fund" (the "**Debt Service Fund**") and used only for payments of Principal of and interest on the Bonds. Any excess proceeds of the Bonds not needed for the authorized purposes set forth herein for which the Bonds are being issued shall be transferred to the Debt Service Fund and applied to the payment of the Principal of and interest on the Bonds.

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

(c) On or before the Business Day immediately preceding each Interest Payment Date, the District shall transfer or cause to be transferred from the Debt Service Fund to the Paying Agent, an amount in immediately available funds sufficient to pay all the Principal of, premium, if any, and interest on the Bonds coming due (collectively, the "**Debt Service**") on such payment date. Debt Service on the Bonds shall be paid by the Paying Agent in the manner provided by law for the payment of Debt Service.

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

SECTION 18. Payment of and Security for the Bonds. There shall be levied on all the taxable property in the District, in addition to all other taxes a continuing direct *ad valorem* property tax annually during the period the Bonds are outstanding in an amount sufficient, together with moneys on deposit in the Debt Service 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 by the County, Pledged Moneys will be placed in the Debt Service Fund of the District. The property taxes and amounts collected shall be immediately subject to this pledge, and the pledge shall constitute a lien and security interest which shall immediately attach to the property taxes and amounts held in the Debt Service Fund of the District when collected, to secure the payment of the Bonds and shall be effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act. The tax levy may include an allowance for a reasonably required reserve in accordance with the Nonarbitrage Certificate, established for the purpose of ensuring that the tax or assessment actually collected is sufficient to pay the annual debt service requirements on the Bonds due in such 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 and Section 53559 of the Government Code.

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

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

SECTION 19. Payment of Costs of Issuance. Proceeds of the sale of the Bonds necessary to pay all costs of issuing the Bonds shall be deposited in the fund of the District known as the “Washington Township Health Care District 2019 Refunding Costs of Issuance Fund” (the “**Costs of Issuance Fund**”) and shall be kept separate and distinct from all other District funds, and those proceeds shall be used solely for the purpose of paying Costs of Issuance of the Bonds. The Costs of Issuance Fund may be held and administered by the Paying Agent. Notwithstanding the foregoing, all or a portion of the Costs of Issuance may be paid by the Underwriter or by a fiscal agent designated for such purpose. Any amounts retained for payment of Costs of Issuance and returned to the District pursuant to the Contract of Purchase shall be transferred to the Debt Service Fund to be applied to the payment of Principal of and/or interest on the Bonds.

SECTION 20. Negotiated Sale/Method of Sale. The Bonds shall be sold by negotiated sale to the Underwriter inasmuch as such a sale: (a) will allow the District to integrate the sale of the Bonds with other public financings undertaken, or to be undertaken, by the District; (b) will allow the District to utilize the services of consultants who are familiar with the financial needs, status and plans of the District; (c) will allow the District to control the timing of the sale of the Bonds to the municipal bond market and, potentially, take advantage of interest rate opportunities for favorable sale of the Bonds to such market, in order to insure that savings are generated by the within refunding. The interest rate on the Bonds shall not exceed 5.0% per annum. The District acknowledges receipt of the letter from the Underwriter in compliance with Rule G-17 of the Municipal Securities Rulemaking Board.

SECTION 21. Engagement of Consultants; Parameters of Sale. The Board hereby confirms the appointment of Mary K. Norvell, Attorney at Law, as Special Counsel to the District, Wells Consultancy LLC, as Legal Consultant to the District, C. Gordon Howie, as financial consultant to the District, Nixon Peabody LLP, as Bond Counsel to the District, and Merrill Lynch, Pierce, Fenner & Smith, Incorporated, or BofA Securities, Inc., as successor in interest thereto, as Underwriter in connection with the sale and issuance of the Bonds. The estimated Costs of Issuance associated with the sale of the Bonds are 3.5% of the Principal Amount thereof and the Underwriter’s discount shall not exceed 1.0% of the Principal Amount thereof, without regard to original issue discount, if any. If an Authorized Representative determines it to be in the best interest of the District, bond insurance or other credit enhancement shall be obtained with respect to the Bonds. If bond insurance or other credit enhancement with respect to the Bonds is obtained, the Authorized Representative are hereby authorized to make such changes to the documents approved by this Resolution as such officers and agents may approve as being in the best interest of the District, such action to be conclusively evidenced by the execution and delivery thereof.

SECTION 22. Establishment of Additional Funds and Accounts. If at any time it is deemed necessary or desirable by the District, the Treasurer, the Auditor-Controller, or the Paying Agent, the District may establish additional funds under this Resolution and/or accounts within any of the funds or accounts established hereunder.

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

(b) The Board of Supervisors, the Auditor-Controller, the Treasurer and other officials of the County are hereby requested to take and authorize such actions as may be necessary, upon, but only upon, the defeasance or redemption of the Refunded Bonds from proceeds of the Bonds, to discontinue the levy of property taxes on all taxable property of the District for the payment of the Refunded Bonds, pursuant to Section 53561 of the Government Code.

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

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

SECTION 26. Selection of Bonds for Redemption. Whenever provision is made in this Resolution or in the Contract of Purchase for the redemption of the Bonds and less than all Outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District given as provided herein, shall select Bonds for redemption in the manner directed by the District, or in the event the District shall fail to provide such direction, in inverse order of maturity and within a maturity, by lot. Within a maturity, the Paying Agent shall select Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that the portion of any Bond to be redeemed in part shall be in the Principal Amount of \$5,000 or any integral multiple thereof.

SECTION 27. Notice of Redemption. When redemption is authorized or required pursuant to this Resolution or the Contract of Purchase, the Paying Agent, upon written instruction from the District given at least 60 days prior to the date designated for such redemption, shall give notice (each, a “**Redemption Notice**”) of the redemption of the Bonds. Such Redemption Notice shall specify: (a) the Bonds or designated portions thereof (in the case

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

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

(i) At least 20 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given to the respective Owners of Bonds designated for redemption by first class mail, postage prepaid, at their addresses appearing on the Bond Register, and to the MSRB.

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

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

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

A Redemption Notice given hereunder may be conditioned upon the satisfaction of certain conditions and/or the receipt of sufficient moneys to pay the redemption price of the affected Bonds and may be rescinded by the District for any reason on any date prior to the date fixed for such optional redemption, by causing written notice of the rescission to be given to the Owners of those Bonds so called for redemption if, for any reason, on the date fixed for redemption, such conditions are not met or are not expected to be met and/or the District does not expect moneys to be available in the Debt Service Fund or otherwise held in trust in an escrow fund established for such purpose in an amount sufficient to pay in full on said date the principal of and interest due on the Bonds called for redemption. Notice of rescission, if any, shall be given by the Paying Agent in the same manner as a Redemption Notice above.

SECTION 28. Partial Redemption of Bonds. Upon the surrender of any Bond redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal in Principal Amounts to the unredeemed portion of the Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the District shall be released and discharged thereupon from all liability to the extent of such payment.

SECTION 29. Effect of Notice of Redemption. Notice having been given as aforesaid, and the moneys for the redemption (including the interest to the applicable date of redemption) having been set aside in the Debt Service Fund or in an escrow fund established therefor, the Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Bonds to be redeemed as provided in Section 25 hereof, together with interest to such redemption date, shall be held by the Paying Agent so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest with respect to the Bonds to be redeemed shall cease to accrue and become payable. All money held by or on behalf of the Paying Agent for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of Section 25 shall be cancelled upon surrender thereof and delivered to or upon the order of the District. All or any portion of a Bond purchased by the District shall be cancelled by the Paying Agent upon written notice by the District given to the Paying Agent.

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

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

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

SECTION 32. Evidence on Which Paying Agent May Act. The Paying Agent, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of this Resolution, shall examine such instrument to determine whether it conforms to the requirements of this Resolution and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. The Paying Agent may consult

with counsel, who may or may not be counsel to the District, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Resolution in good faith and in accordance therewith.

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

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

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

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

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

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

as an investment of moneys therein shall be valued at cost, plus, where applicable, accrued interest.

SECTION 37. Supplemental Resolutions with Consent of Owners. This Resolution, and the rights and obligations of the District and of the Owners of the Bonds issued hereunder, may be modified or amended at any time by a Supplemental Resolution adopted by the District with the written consent of Owners owning at least 60% in aggregate Principal Amount of the Outstanding Bonds, exclusive of Bonds, if any, owned by the District. Notwithstanding the foregoing, no such modification or amendment shall, without the express consent of the Owner of each Bond affected, reduce the Principal Amount of any Bond, reduce the interest rate payable thereon, advance the earliest redemption date thereof, extend its maturity or the times for paying interest thereon or change the monetary medium in which Principal and interest is payable, nor shall any modification or amendment reduce the percentage of consents required for amendment or modification. No such Supplemental Resolution shall change or modify any of the rights or obligations of any Paying Agent without its written assent thereto. Notwithstanding anything herein to the contrary, no such consent shall be required if the Owners are not directly and adversely affected by such amendment or modification.

SECTION 38. Supplemental Resolutions Effective Without Consent of Owners. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution of the District may be adopted, which, without the requirement of consent of the Owners, shall be fully effective in accordance with its terms:

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

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

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

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

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

SECTION 39. Effect of Supplemental Resolution. Any act done pursuant to a modification or amendment so consented to shall be binding upon the Owners of all the Bonds and shall not be deemed an infringement of any of the provisions of this Resolution, whatever the character of such act may be, and may be done and performed as fully and freely as if expressly permitted by the terms of this Resolution, and after consent relating to such specified matters has been given, no Owner shall have any right or interest to object to such action or in

any manner to question the propriety thereof or to enjoin or restrain the District or any officer or agent thereof from taking any action pursuant thereto.

SECTION 40. Defeasance. If any or all Outstanding Bonds shall be paid and discharged in any one or more of the following ways:

(a) by paying or causing to be paid the Principal of, premium, if any, and interest on such Bonds, as and when the same become due and payable;

(b) by depositing with the Paying Agent or with a duly appointed escrow agent, in trust, at or before maturity, cash which, together with the amounts then on deposit in the Debt Service Fund (and the accounts therein other than amounts that are not available to pay Debt Service) and together with the interest to accrue thereon without the need for further investment, is fully sufficient to pay such Bonds at maturity thereof, including any premium and all interest thereon, notwithstanding that any Bonds shall not have been surrendered for payment; or

(c) by depositing in escrow with an institution that meets the requirements of serving as successor Paying Agent pursuant to Section 35 hereof selected by the District, in trust, lawful money or noncallable direct obligations issued by the United States Treasury (including State and Local Government Series) or obligations which are unconditionally guaranteed by the United States of America, and permitted under Section 149(b) of the Code and Regulations which, in the opinion of nationally recognized bond counsel, will not impair the exclusion from gross income for federal income tax purposes of interest on the Bonds, in such amount as will, together with the interest to accrue thereon without the need for further investment, be fully sufficient to pay and discharge such Bonds at maturity or earlier redemption thereof, for which notice has been given or provided for, including any premium and all interest thereon, notwithstanding that any Bonds shall not have been surrendered for payment;

then all obligations of the District and the Paying Agent under this Resolution with respect to such Bonds shall cease and terminate, except only the obligation of the Paying Agent or escrow agent to pay or cause to be paid to the Owners of such Bonds all sums due thereon, and the obligation of the District to pay to the Paying Agent amounts owing to the Paying Agent under Section 33 hereof.

SECTION 41. Excess Earning Fund. There is hereby established in trust a special fund designated "Washington Township Health Care District 2019 General Obligation Refunding Bonds Excess Earnings Fund" (the "**Excess Earnings Fund**") which shall be held by the Paying Agent for the account of the District and which shall be kept separate and apart from all other funds and accounts held hereunder. The District shall transfer, or cause to be transferred, moneys to the Excess Earnings Fund in accordance with the provisions of the Nonarbitrage Certificate. Amounts on deposit in the Excess Earnings Fund shall only be applied to payments made to the United States or otherwise transferred to other accounts or funds established hereunder in accordance with the Nonarbitrage Certificate.

SECTION 42. Approval of Actions; Miscellaneous. (a) The Authorized Representatives of the District are each hereby authorized and directed, jointly and severally, to

do any and all things and to execute and deliver any and all certificates, statements, disclosures, notices, contracts, or other documents which they may deem necessary or advisable in order to proceed with the issuance of the Bonds or otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

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

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

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

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

[Remainder of Page Intentionally Left Blank]

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

ADOPTED, SIGNED AND APPROVED this 22nd day of May, 2019, by the Board of Directors of the Washington Township Health Care District, at a regularly scheduled meeting held in Fremont, California, at a location freely accessible to the public, and at which a quorum was present and acting throughout, by the following roll-call vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

WASHINGTON TOWNSHIP HEALTH CARE DISTRICT

By: _____
President, Board of Directors

Attest:

By: _____
Secretary, Board of Directors

EXHIBIT A

FORM OF BOND

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

UNITED STATES OF AMERICA

STATE OF CALIFORNIA

**WASHINGTON TOWNSHIP HEALTH CARE DISTRICT
(Alameda County, California)
2019 GENERAL OBLIGATION REFUNDING BONDS**

\$ _____

No. R-

Interest
Rate

Maturity
Date

Dated
Date

CUSIP

_____ %

August 1, _____

REGISTERED OWNER:

PRINCIPAL AMOUNT:

Washington Township Health Care District (the “**District**”), a health care district duly organized and existing under the laws of the State of California, located within the County of Alameda, State of California (the “**County**”), for value received, hereby acknowledges itself indebted and promises to pay to the Registered Owner set forth above, or registered assigns, the Principal Amount set forth above, on the Maturity Date set forth above, together with interest thereon from the Dated Date set forth above until the principal amount hereof shall have been paid or provided for, in accordance with the Resolution hereinafter referred to, at the interest rate set forth above. Interest on this Bond is payable on [February 1, 2020], and semiannually thereafter on the first day of February and August (each, an “**Interest Payment Date**”) in each year to the registered owner hereof from the Interest Payment Date next preceding the date on which this Bond is registered (unless it is registered after the close of business on the fifteenth

calendar day of the month preceding any Interest Payment Date (each “**Record Date**”) and before the close of business on the immediately following Interest Payment Date, in which event it shall bear interest from such following Interest Payment Date, or unless this Bond is registered prior to the close of business on the first Record Date, in which event it shall bear interest from its date; *provided, however*, that if at the time of registration of this Bond interest with respect hereto is in default, interest with respect hereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment). The principal amount hereof is payable at the office of U.S. Bank National Association, as paying agent (the “**Paying Agent**”), or at the office of a successor Paying Agent appointed pursuant to the Resolution (as hereinafter defined). The interest hereon is payable by check or draft mailed by first-class mail to each registered owner, at his address as it appears on the registration books kept by the Paying Agent as of the Record Date, or by wire transfer to any Owner of \$1,000,000 aggregate principal amount of Bonds, to the account specified by the Owner in a written request delivered to the Paying Agent on or prior to the Record Date for such Interest Payment Date; provided, however, that payments of defaulted interest shall be payable to the person in whose name this Bond is registered at the close of business on a special record date fixed therefor by the Paying Agent which shall not be more than fifteen days and not less than ten days prior to the date of the proposed payment of defaulted interest.

The Bonds of this issue are comprised of \$_____ aggregate principal amount of Washington Township Health Care District 2019 General Obligation Refunding Bonds. This Bond is issued by the District under and in accordance with the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with Sections 53550 and 53580, respectively) of the Government Code of the State of California, and pursuant to a resolution adopted by the Board of Directors of the District on May 20, 2019 (the “**Resolution**”). Reference is hereby made to the Resolution, a copy of which is on file with the Clerk of the Board of Directors of the District, for a description of the terms on which the Bonds are delivered, and the rights thereunder of the registered owners of the Bonds and the rights and duties of the Paying Agent, and the District, to all of the provisions of which the registered owner of this Bond, by acceptance hereof, assents and agrees. All capitalized terms used but not otherwise defined herein shall have the respective meanings set forth in the Resolution.

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

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

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

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

<u>Sinking Fund Payment Date</u> <u>(August 1)</u>	<u>Principal Amount</u>
---	-------------------------

*Final Maturity.

The rights and obligations of the District and of the owners of the Bonds may be modified or amended at any time by a supplemental resolution adopted by the District with the written consent of owners of at least 60% in aggregate principal amount of the Outstanding Bonds, exclusive of Bonds, if any, owned by the District. Notwithstanding the foregoing, no such modification or amendment shall, without the express consent of the Owner of each Bond affected, reduce the principal amount of any Bond, reduce the interest rate payable thereon, advance the earliest redemption date thereof, extend its maturity or the times for paying interest thereon or change the monetary medium in which principal and interest is payable, nor shall any modification or amendment reduce the percentage of consents required for amendment or modification. No such supplemental resolution shall change or modify any of the rights or obligations of any Paying Agent without its written assent thereto. Notwithstanding anything herein to the contrary, no such consent shall be required if the Owners are not directly and adversely affected by such amendment or modification.

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

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

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

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

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

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

WASHINGTON TOWNSHIP HEALTH CARE
DISTRICT

Dated: _____

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

Attest:

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

CERTIFICATE OF AUTHENTICATION

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

DATED: _____

U.S. BANK NATIONAL ASSOCIATION,
as Paying Agent

By: [form only]
Authorized Signatory

FORM OF ASSIGNMENT

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

Name of Transferee: _____

Address for Payment of Interest: _____

Social Security Number or other Tax Identification No.:

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

Registered Owner

Dated: _____

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

Signature _____
guaranteed

[Bank, Trust Company or Firm]

By: _____
Authorized Officer

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

EXHIBIT B

FORM OF 15c2-12 CERTIFICATE

With respect to the proposed sale of its 2019 General Obligation Refunding Bonds (the “Bonds”) in the maximum aggregate amount of not to exceed \$12,675,000, the Washington Township Health Care District (the “**District**”) has delivered to [Merrill Lynch, Pierce, Fenner & Smith Incorporated][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 of the Securities Exchange Act of 1934, as amended (“**Rule 15c2-12**”), deems the Preliminary Official Statement to be final as of its date, except for the omission of no more than the information permitted under Rule 15c2-12.

WASHINGTON TOWNSHIP HEALTH CARE
DISTRICT

Dated: _____, 2019

By: [form only] _____
Authorized Representative