City of Alameda
Health Care District

PUBLIC NOTICE

OPEN SESSION AGENDA

MONDAY, SEPTEMBER 14, 2026 @ 5:30 PM

LOCATION: 2070 CLINTON AVE. ALAMEDA, CA 94501

ALAMEDA HOSPITAL - CONFERENCE ROOM A

Join Zoom Meeting

https://us02web.zoom.us/j/81427229760?pwd=diqaQ2wP3XA2TaGG37NrNowVYel6ag.1

Meeting ID: 814 2722 9760

Passcode: 167990

Office of the Clerk: 510-263-8223

Members of the public who wish to comment on agenda items will be given an opportunity before or during the consideration of each agenda item. Those wishing to comment must complete a speaker card indicating the agenda item that they wish to address and present to the District Clerk. This will ensure your opportunity to speak. Please make your comments clear and concise, limiting your remarks to no more than three (3) minutes.

OPEN SESSION AGENDA

1. Call to Order	Jeff Cambra, President
2. Roll Call / General Public Comments	Alixandria Williams, District Clerk
A. GUEST PRESENTATIONS	
1. Series B COP and Resolution No. 2026-07 ENCLOSURE (Pages 4 - 122)	Adam Bauer, Fieldman Rolapp
2. AHS COP Approval ENCLOSURE (Pages 123 - 127)	Peter Hohl, Executive Director
B. AHS REPORTS	
1. Alameda Hospital Updates ENCLOSURE (Pages 128 - 146)	Salma Adin, VP Patient Care
2. AH/AHS Finance Report ENCLOSURE (Pages 147 - 161)	Grace Mesina, Director of Finance
3. Alameda Hospital Medical Staff Update VERBAL UPDATE	Dr. Masana Kalluri, AH Chief of Staff
C. DISTRICT AND OPERATIONAL UPDATES	
1. President's Report ENCLOSURE (Page 162)	Jeff Cambra, President

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2.	Executive Director's Report ENCLOSURE (Pages 163 - 185)	Peter Hohl, Executive Director
3.	Seismic Update ENCLOSURE (Pages 186 - 200)	Kristen Thorson, Porter Consulting
4.	Alameda Hospital Liaison Report VERBAL UPDATE	Robert Deutsch, Secretary
5.	AHS Board Liaison Report ENCLOSURE (Page 201)	David Sayen, AHS Liaison
6.	Communications Subcommittee ENCLOSURE (Page 202)	Jeff Cambra, President
7.	Property Oversight Committee ENCLOSURE (Page 203)	Jeff Cambra, President

D. CONSENT AGENDA

1.	Acceptance of July 13, 2026 Meeting Minutes ENCLOSURE (Pages 204 - 211)	Jeff Cambra, President
2.	Acceptance of June 2026 Financial Statements ENCLOSURE (Pages 212 - 220)	Jeff Cambra, President

E. ACTION ITEMS

1.	Seismic Project Side Agreement #2 ENCLOSURE (Pages 221 - 223)	Peter Hohl, Executive Director
2.	Jaber Property FY 25-26 Distribution ENCLOSURE (Pages 224 - 225)	Peter Hohl, Executive Director
3.	Revised Conflict of Interest Policy ENCLOSURE (Pages 226 - 234)	Tom Driscoll, District Legal
4.	Special Inspections and Testing RFQP Award ENCLOSURE (Pages 235 - 238)	Kristen Thorson, Porter Consulting
5.	Approval of Change Order for Fugro and Geotechnical Engineering	Kristen Thorson, Porter Consulting

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F. NEXT MEETING DATE/PREVIEW

1. October 13, 2026 - Time TBD
2. November 9, 2026 @ 5:30 PM
3. Recommendation to Approve True-Up Parcel Tax Distribution to AHS
4. Review and Acceptance of FY 2025 – 2026 Audit
5. Review of CY 2027 Meeting Dates

G. ADJOURNMENT

CITY OF ALAMEDA HEALTH CARE DISTRICT

RESOLUTION NO. _____

RESOLUTION AUTHORIZING AND DIRECTING EXECUTION OF CERTAIN INSTALLMENT SALE FINANCING DOCUMENTS, AUTHORIZING AND DIRECTING PREPARATION AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT IN CONNECTION WITH THE OFFERING AND SALE OF CERTIFICATES OF PARTICIPATION RELATING THERETO, AUTHORIZING AND DIRECTING EXECUTION OF A CERTIFICATE PURCHASE AGREEMENT AND DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO

RESOLVED, by the Board of Directors (the "Board") of the City of Alameda Health Care District, Alameda County, California (the "District"), as follows:

WHEREAS, the District owns Alameda Hospital, a duly licensed general acute care hospital ("Alameda Hospital"), and owns and/or leases other separately located facilities and hospital distinct part units, all located in Alameda, California;

WHEREAS, the District and Alameda County Medical Center a public hospital authority created by the Alameda County (the "County") Board of Supervisors pursuant to section 101850 of the California Health and Safety Code, doing business as Alameda Health System ("AHS"), have entered into a joint powers agreement, dated November 26, 2013, as amended, to, among other things, facilitate the preservation of Alameda Hospital as a health care resource in the County, to provide for the continuing operation of Alameda Hospital through the delegation to AHS of the possession and control, and the ongoing operation, management and oversight, of Alameda Hospital, including, but not limited to, responsibilities for licensure, governance, operation, administration, financial management and maintenance (including, but not limited to, compliance with ongoing regulatory and seismic requirements) of Alameda Hospital, all for the benefit of the communities that both parties serve;

WHEREAS, to satisfy the State of California's 2030 seismic retrofit requirements pursuant to the Alfred E. Alquist Hospital Facilities Seismic Safety Act, being sections 130000 through 130070 of the California Health and Safety Code (the "2030 Seismic Requirements"), the District and AHS have agreed to a plan whereby the District will finance the planning, design and construction of improvements to Alameda Hospital in order to make it compliant with the 2030 Seismic Requirements and to make any other improvements to Alameda Hospital as determined by District and AHS (collectively, the "Project");

WHEREAS, in order to finance certain costs of planning and design and a portion of the first phase of the Project (the "2024 Financing Project"), the District and CSDA Finance Corporation (the "Corporation") entered into that certain Acquisition Agreement dated as of August 1, 2024, pursuant to which the Corporation acquired Alameda Hospital from the District and the Corporation and the District entered into that certain Installment Sale Agreement dated as of August 1, 2024 (the "2024 Installment Sale Agreement"), pursuant to which the District acquired Alameda Hospital back from the Corporation and agreed to make certain installment payments to U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), as assignee of the Corporation pursuant to that certain Assignment Agreement dated as of August 1, 2024, by and between the Trustee and the Corporation (the "2024 Assignment Agreement");

WHEREAS, to finance the 2024 Financing Project, the District caused the execution and delivery of certificates of participation (the "2024 Certificates") pursuant to that certain Trust Agreement dated as of August 1, 2024, by and among the District, the Corporation, and the Trustee (the "2024 Trust Agreement");

WHEREAS, the District, working together with the Corporation, now desires to finance all or a portion of the remainder of the Project not financed with proceeds of the 2024 Certificates (the "2026 Financing Project") through the execution, sale, and delivery of additional certificates of participation in one or more series;

WHEREAS, such certificates of participation will be secured by payments made by the District under the Installment Sale Agreement (hereinafter defined) secured by and payable from parcel tax revenues approved by registered voters residing in the City of Alameda on April 9, 2002;

WHEREAS, in order to authorize the execution, sale and delivery of such additional series of certificates of participation to finance the 2026 Financing Project, the documents below specified have been filed with the District and the members of the Board, with the aid of its staff, have reviewed said documents; and

WHEREAS, on June 10, 2024, the Board of the District adopted a Debt Management Policy for the District, that complies with Government Code section 8855(i) (the "Debt Management Policy"), and the obligations under the Trust Agreement and the Installment Sale Agreement as contemplated by this Resolution comply with the Debt Management Policy;

WHEREAS, pursuant to section 5852.1 of the California Government Code, certain information relating to the Certificates (hereinafter defined) is set forth in Exhibit A attached to this Resolution, and such information is hereby disclosed and made public;

NOW, THEREFORE, it is hereby DECLARED and ORDERED, as follows:

Section 1. The Certificates of Participation (2026 Financing Program, Series A) (the "Certificates") are hereby authorized to be executed and delivered pursuant to the provisions of the Trust Agreement (hereinafter defined).

Section 2. The below-enumerated documents, in the form on file with the Secretary, are hereby approved and the President, any Vice President, the Treasurer, or the Executive Director, or their designees (the "Authorized Officers") are each hereby authorized and directed to execute said documents, with such changes, insertions and omissions as may be approved by such official:

(a) an acquisition agreement, by and between the District, as seller, and the Corporation, as purchaser, pursuant to which the District will sell the 2026 Financing Project to the Corporation,

(b) an installment sale agreement, by and between the Corporation, as seller, and the District, as purchaser (the "Installment Sale Agreement"), pursuant to which the Corporation will sell the 2026 Financing Project back to the District, so long as the total principal amount of the Certificates does not exceed $58,000,000, and so long as the maturity of the Certificates does not extend beyond September 15, 2056,

(c) a trust agreement, by and among the Corporation, the District and the Trustee (the "Trust Agreement"), relating to the financing, and the execution and delivery of the Certificates, and

(d) a certificate purchase agreement, by and among Piper Sandler & Co. and Hilltop Securities Inc. (collectively, the "Underwriters"), and the District, agreed to and accepted by the Corporation, relating to the purchase by the Underwriters of the Certificates, so long as the Underwriters' discount does not exceed 4% of the principal amount of the Certificates, exclusive of any original issue discount, expenses or fees of Underwriters' Counsel, which does not represent compensation to the Underwriters.

Section 3. The Board hereby approves the preliminary official statement describing the financing in the form on file with the Secretary (the "Preliminary Official Statement"). The Board authorizes and directs any Authorized Officer, on behalf of the District, to deem "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") the Preliminary Official Statement prior to its distribution by the Underwriters.

Section 4. The Authorized Officers are authorized and directed to cause the Preliminary Official Statement to be brought into the form of a final official statement (the "Final Official Statement") and to execute said Final Official Statement, dated as of the date of the sale of the Certificates, and a statement that the facts contained in the Final Official Statement, and any supplement or amendment thereto (which shall be deemed an original part thereof for the purpose of such statement) were, at the time of sale of the Certificates, true and correct in all material respects and that the Final Official Statement did not, on the date of sale of the Certificates, and does not, as of the date of delivery of the Certificates, contain any untrue statement of a material fact with respect to the District or omit to state material facts with respect to the District required to be stated where necessary to make any statement made therein not misleading in light of the circumstances under which it was made. The Authorized Officers shall take such further actions prior to the signing of the Final Official Statement as are deemed necessary or appropriate to verify the accuracy thereof. The execution of the Final Official Statement, which shall include such changes and additions thereto deemed advisable by the Authorized Officers and such information permitted to be excluded from the Preliminary Official Statement pursuant to the Rule, shall be conclusive evidence of the approval of the Final Official Statement by the District.

The Final Official Statement, when prepared, is approved for distribution in connection with the offering and sale of the Certificates.

Section 5. The execution and delivery of the Installment Sale Agreement, the Trust Agreement, and the Certificates is hereby determined to be consistent with the District's Debt Management Policy and to the extent the sale and issuance of the Certificates is not in compliance with the District's Debt Management Policy, such noncompliance is waived in accordance with the terms of the District's Debt Management Policy.

With the passage of this Resolution, the District hereby confirms that it has adopted the Debt Management Policy and certifies that such Debt Management Policy complies with Government Code Section 8855(i), and that the District's financing described in this Resolution and its obligations under the Installment Sale Agreement and Trust Agreement as contemplated by this Resolution are in compliance with the Debt Management Policy, and to the extent the execution and delivery of the Certificates, the Trust Agreement, and the Installment Sale Agreement are not in compliance with the

District's Debt Management Policy, such noncompliance is waived in accordance with the terms of the District's Debt Management Policy, and instructs Stradling Yocca Carlson & Rauth LLP, as Special Counsel, on behalf of the District, with respect to the Certificates described in this Resolution, (a) to cause notices of the proposed sale and final sale of the Certificates and the Installment Sale Agreement to be filed in a timely manner with the California Debt and Investment Advisory Commission pursuant to Government Code section 8855, and (b) to check, on behalf of the District, the "Yes" box relating to such certifications in the notice of proposed sale filed pursuant to Government Code section 8855.

Section 6. The President, any Vice President, the Treasurer, the Executive Director, the Secretary and all other appropriate officials of the District are hereby authorized and directed to execute such other agreements, documents and certificates as may be necessary to effect the purposes of this resolution and the financing herein authorized, including to amend the 2024 Installment Sale Agreement, the 2024 Trust Agreement, and any other legal documents executed and delivered in connection with the 2024 Certificates to facilitate the execution and delivery of the 2026 Installment Sale Agreement as Parity Debt under the 2024 Installment Sale Agreement and to otherwise facilitate and accomplish the transactions authorized by this Resolution. All actions heretofore taken by the officers and agents of the District with respect to the execution, delivery and sale of the Certificates are hereby approved, confirmed and ratified. Whenever in this Resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer shall be absent or unavailable.

Section 7. This Resolution shall take effect upon its adoption by the Board.

I, the undersigned Secretary of the Board of Directors of the City of Alameda Health Care District, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted by the Board of Directors of the District at a meeting thereof on the ___ day of ________, 2026, by the following vote of the members thereof:

AYES:

NOES:

ABSTAIN:

ABSENT:

____
Secretary

EXHIBIT A

GOVERNMENT CODE SECTION 5852.1 DISCLOSURE

The following information consists of estimates that have been provided by the District's municipal advisor and the Underwriters which has been represented to have been provided in good faith:

(A) True Interest Cost of the Certificates: 4.85%

(B) Finance Charges:

Costs of issuance: $298,418

Underwriter's discount: $239,300

Total $537,718

(C) Net Proceeds to be Received: $58,000,000 (net of finance charges)

(D) Total Payment Amount through Maturity: $114,049,644

The foregoing estimates constitute good faith estimates only.

The principal amount of the Certificates, the true interest cost of the Certificates, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Certificates being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Certificates sold being different from the estimated amount used for purposes of such estimates, (c) the actual amortization of the Certificates being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Certificates being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the District's financing plan, or a combination of such factors. The actual date of sale of the Certificates and the actual principal amount of Certificates sold will be determined by the District based on the timing of the need for proceeds of the Certificates and other factors. The actual interest rates with respect to the Certificates will depend on market interest rates at the time of sale thereof. The actual amortization of the Certificates will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the District.

TRUST AGREEMENT

Dated as of October 1, 2026

by and among

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee,

the

CSDA FINANCE CORPORATION

and the

CITY OF ALAMEDA HEALTH CARE DISTRICT

(2026 Financing Program, Series A)

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TRUST AGREEMENT

This TRUST AGREEMENT, dated as of October 1, 2026 (this "Trust Agreement"), is entered into by and among U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America, as trustee (the "Trustee"), the CSDA FINANCE CORPORATION, a nonprofit public benefit corporation, organized and existing under the laws of the State of California (the "Corporation"), as seller under the Installment Sale Agreement defined below, and the CITY OF ALAMEDA HEALTH CARE DISTRICT, a health care district organized and existing under the Constitution and laws of the State of California (the "District"), as purchaser under that certain Installment Sale Agreement dated as of October 1, 2026 by and between the District and the Corporation (the "Installment Sale Agreement");

W I T N E S S E T H

WHEREAS, the District owns Alameda Hospital, a duly licensed general acute care hospital ("Alameda Hospital"), and owns and/or leases other separately located facilities and hospital distinct part units, all located in Alameda, California;

WHEREAS, the District and Alameda County Medical Center a public hospital authority created by the Alameda County (the "County") Board of Supervisors pursuant to section 101850 of the California Health and Safety Code, doing business as Alameda Health System ("AHS"), have entered into a joint powers agreement, dated November 26, 2013, as amended, to, among other things, (1) facilitate the preservation of Alameda Hospital as a health care resource in the County, and (2) provide for the continuing operation of Alameda Hospital through the delegation to AHS of the possession and control, and the ongoing operation, management and oversight, of Alameda Hospital, including, but not be limited to, responsibilities for licensure, governance, operation, administration, financial management and maintenance of Alameda Hospital (including, but not limited to, compliance with ongoing regulatory and seismic requirements), all for the benefit of the communities that both parties serve;

WHEREAS, to satisfy the State of California's 2030 seismic retrofit requirements pursuant to the Alfred E. Alquist Hospital Facilities Seismic Safety Act, being sections 130000 through 130070 of the California Health and Safety Code (the "2030 Seismic Requirements"), the District and AHS have agreed to a plan whereby the District will finance the planning, design and construction of improvements to Alameda Hospital in order to make it compliant with the 2030 Seismic Requirements and to make other improvements to Alameda Hospital as determined by the District and AHS (collectively, the "Project");

WHEREAS, in order to finance the initial planning and design and Phase 1 of the Project (the "2024 Financing Project"), the Corporation and the District entered into that certain Acquisition Agreement dated as of August 1, 2024, pursuant to which the Corporation acquired Alameda Hospital from the District and the Corporation and the District entered into that certain Installment Sale Agreement dated as of August 1, 2024 [and amended as of October 1, 2026] (collectively, the "2024 Installment Sale Agreement"), pursuant to which the District acquired Alameda Hospital back from the Corporation and agreed to make certain installment payments to the Trustee, as assignee of the Corporation pursuant to that certain Assignment Agreement dated as of August 1, 2024, by and between the Trustee and the Corporation (the "2024 Assignment Agreement");

WHEREAS, to finance the 2024 Financing Project, the District caused the execution and delivery of certificates of participation (the "2024 Certificates") pursuant to that certain Trust Agreement dated as of August 1, 2024, by and among the District, the Corporation, and the Trustee;

WHEREAS, the District now desires to finance additional improvements to Alameda Hospital, including improvements to make Alameda Hospital compliant with the 2030 Seismic Requirements not financed as part of the 2024 Financing Project and to make other improvements to Alameda Hospital (the "2026 Financing Project");

WHEREAS, the District, working together with the Corporation, proposes to finance the 2026 Financing Project through the execution, sale and delivery of certificates of participation in one or more series;

WHEREAS, the Board of Directors of the District has determined that in order to accomplish such financing it is necessary and desirable to sell the 2026 Financing Project to the Corporation and to purchase the 2026 Financing Project back from the Corporation pursuant to that certain Installment Sale Agreement, dated as of October 1, 2026, by and between the Corporation and the District;

WHEREAS, such certificates of participation will be secured by payments made, or caused to be made, by the District under the Installment Sale Agreement (hereinafter defined) secured by and payable from parcel tax revenues approved by registered voters residing in the City of Alameda on April 9, 2002;

WHEREAS, for the purpose of obtaining the moneys required to be deposited by it with the Trustee for financing the Project Costs, the Corporation proposes to assign and transfer certain of its rights under the Installment Sale Agreement to the Trustee and, in consideration of such assignment and the execution of this Trust Agreement, the Trustee has agreed to execute and deliver certificates of participation, each evidencing a direct, undivided fractional interest in the Installment Payments and Prepayments (each as hereinafter defined) to be made, or caused to be made, by the District, to provide the moneys required herein to be deposited by the Corporation;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto hereby agree as follows:

ARTICLE I
DEFINITIONS; AUTHORIZATION; EXHIBITS

1.01 Definitions. Unless the context otherwise requires, the terms defined in Exhibit A attached hereto shall, for all purposes of this Trust Agreement, have the meanings therein specified.

1.02 Authorization. Each of the parties hereby represents and warrants that it has full legal authority and is duly empowered to enter into this Trust Agreement, and has taken all actions necessary to authorize the execution of this Trust Agreement by the officers and persons signing it.

1.03 Content of Written Certificates. Every certificate provided for in this Trust Agreement with respect to compliance with any provision hereof, except the certificate of destruction pursuant to Section 13.07, shall include (a) a statement that the person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the certificate is based; (c) a statement that, in the opinion of such person, he has made or caused to be made such examination or investigation as is necessary to enable him to express an informed opinion with respect to the subject matter referred to in the instrument to which his signature is affixed; (d) a statement of the assumptions upon which such certificate is based, and that such assumptions are reasonable; and (e) a statement as to whether, in the opinion of such person, such provision has been complied with.

Any such certificate made or given by a District Representative may be based, insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation by counsel or an accountant, unless such District Representative knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel or an accountant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the District, as the case may be) upon a certificate or opinion of or representation by a District Representative, unless such counsel or accountant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such person's certificate or opinion or representation may be based, as aforesaid, is erroneous. The same District Representative, or the same counsel or accountant, as the case may be, need not certify to all of the matters required to be certified under any provision of this Trust Agreement, but different officers, counsel or accountants may certify to different matters, respectively.

1.04 Exhibits. The following Exhibits are attached to, and by this reference are made a part of, this Trust Agreement:

Exhibit A:	DEFINITIONS
Exhibit B:	FORM OF CERTIFICATE OF PARTICIPATION
Exhibit C:	DESCRIPTION OF ALAMEDA HOSPITAL, THE PROJECT, AND THE 2026 FINANCING PROJECT

ARTICLE II
THE CERTIFICATES OF PARTICIPATION

2.01 Authorization. The Trustee is hereby authorized and directed upon written request from the Corporation to execute and deliver, to the Original Purchaser, Certificates in an aggregate principal amount of ______________ dollars ($__________) evidencing undivided fractional interests in the Installment Payments and the Prepayments.

2.02 Date. Each Certificate shall be dated as of the Closing Date.

2.03 Principal; Interest Rates. The Certificates shall mature on March 15 and September 15 in the years and in the principal amounts, and interest with respect thereto shall be computed at the rates, as shown below:

Maturity Date	*Principal Amount*	*Interest Rate*
	$	%

2.04 Interest. Interest with respect to the Certificates shall be payable semiannually on each Certificate Payment Date, commencing [March 15, 2027], to and including the date of final principal payment (or provision therefor pursuant to Section 13.01 hereof) or redemption, whichever is earlier, computed on the basis of a 360-day year comprised of twelve 30-day months. Said interest shall represent the portion of Installment Payments designated as interest and coming due during the six-month period preceding each Certificate Payment Date with respect to the Certificates. The portion of Installment Payments designated as interest with respect to any Certificate shall be computed by multiplying the portion of Installment Payments designated as principal with respect to such Certificate by the rate of interest applicable to such Certificate.

Interest with respect to any Certificate shall be payable from the Certificate Payment Date next preceding the date of execution thereof, unless (i) such Certificate is executed on a Certificate Payment Date, in which event interest shall be payable from such Certificate Payment Date, or (ii) such Certificate is executed after the close of business on the fifteenth (15th) day of the month immediately preceding the following Certificate Payment Date and prior to such Certificate Payment Date, in which event interest shall be payable from such Certificate Payment Date, or (iii) such Certificate is executed on or before [February 15, 2027], in which event interest shall be payable from the Closing Date; provided, however, that if at the time of execution of any Certificate, interest with respect thereto is in default, interest with respect thereto shall be payable from the Certificate Payment Date to which interest has previously been paid or made available for payment. Payment of interest with respect to any Certificate shall be made to the person appearing on the Certificate Register as the Owner thereof as of the fifteenth (15th) day of the month preceding such Certificate Payment Date, such interest to be paid by check or draft mailed by first class mail to such Owner at his address as it appears on the Certificate Register.

2.05 Form of Certificates; Legends. The Certificates shall be delivered in the form of fully registered Certificates, without coupons, in the denomination of $5,000 each or any integral multiple thereof. The Certificates shall be numbered in such manner as the Trustee deems appropriate. The Certificates shall be substantially in the form set forth in Exhibit B attached hereto and by this reference incorporated herein. The Certificates may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Trust Agreement as may be necessary or desirable to comply with custom, or otherwise.

2.06 Execution. The Certificates shall be executed by and in the name of the Trustee, at the written direction of the Corporation, by the manual signature of an authorized signatory of the Trustee.

2.07 Application of Proceeds. The proceeds received by the Trustee from the sale of the Certificates in the amount of $__________, being the principal amount of the Certificates of $__________, plus an original issue premium of $__________, less an underwriters' discount of $__________, shall forthwith be set aside by the Trustee in the following respective funds and accounts:

(a) The Trustee shall deposit in the Delivery Costs Fund an amount equal to $__________; and

(b) The Trustee shall deposit the remainder of the proceeds of $__________ in the Project Fund.

The Trustee may, in its discretion, establish a temporary fund or account in its books and records to facilitate such transfers.

2.08 Transfer and Exchange.

(a) Transfer of Certificates. Any Certificate may, in accordance with its terms, be transferred upon the books required to be kept pursuant to the provisions of Section 2.12 hereof by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Certificate for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Trustee, duly executed. Whenever any Certificate shall be surrendered for transfer, the Trustee shall deliver a new Certificate or Certificates of the same maturity, interest rate and aggregate principal amount to the transferee thereof. The Trustee may require the payment by the Certificate Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

No transfer of Certificates shall be required to be made during the fifteen (15) days prior to the date of selection of Certificates for redemption, or of any Certificate selected for redemption.

(b) Exchange of Certificates. Certificates may be exchanged at the Principal Corporate Trust Office, for a like aggregate principal amount of Certificates of other authorized denominations of the same maturity. The Trustee may require the payment by the Certificate Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

No exchange of Certificates shall be required to be made during the fifteen (15) days prior to the date of selection of Certificates for redemption, or of any Certificate selected for redemption.

2.09 Certificates Mutilated, Lost, Destroyed or Stolen. If any Certificate shall become mutilated, the Trustee, at the expense of the Owner of said Certificate, shall execute and deliver a new Certificate of like maturity and principal amount in exchange and substitution for the Certificate so mutilated, but only upon surrender to the Trustee of the Certificate so mutilated. Every mutilated Certificate so surrendered to the Trustee shall be canceled by it and destroyed in accordance with Section 13.07 hereof, and the Trustee shall deliver a certificate of destruction to the District. If any Certificate shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence is satisfactory to the Trustee and if an indemnity satisfactory to the Trustee shall be given, the Trustee, at the expense of the Certificate Owner, shall execute and deliver a new Certificate of like tenor and maturity and numbered as the Trustee shall determine in lieu of and in substitution for the Certificate so lost, destroyed or stolen. The Trustee may require payment of an appropriate fee for each new Certificate delivered under this Section 2.09 and of the expenses which may be incurred by the Trustee in carrying out the duties under this Section 2.09. Any Certificate delivered under the provisions of this Section 2.09 in lieu of any Certificate alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits of this Trust Agreement with all other Certificates secured by this Trust Agreement. The Trustee shall not be required to treat both the original Certificate and any substitute Certificate as being Outstanding for the purpose of determining the principal amount of Certificates which may be executed and delivered hereunder or for the purpose of determining any percentage of Certificates Outstanding hereunder; the Trustee shall consider only the substitute Certificate as Outstanding for such purpose. Notwithstanding any other provision of this Section 2.09, in lieu of delivering a new Certificate which has been mutilated, lost, destroyed or stolen, and which has matured, the Trustee may make payment with respect to such Certificate upon receipt of indemnity satisfactory to the Trustee.

2.10 Payment. Except as otherwise provided herein, payment of interest due with respect to any Certificate on any Certificate Payment Date shall be made to the person appearing on the Certificate Register as the Owner thereof as of the Regular Record Date immediately preceding such Certificate Payment Date, such interest to be paid by check or draft mailed on the Certificate Payment Date by first class mail to such Owner at his address as it appears on the Certificate Register as of such Regular Record Date or, upon written request filed with the Trustee prior to the Regular Record Date by an Owner of at least $1,000,000 in aggregate principal amount of Certificates, by wire transfer in immediately available funds to an account in the United States designated by such Owner in such written request. Any such written request shall remain in effect until rescinded in writing by the Owner. The principal and redemption price with respect to the Certificates at maturity or upon prior redemption shall be payable by check or draft denominated in lawful money of the United States of America upon surrender of the Certificates at the Principal Corporate Trust Office.

2.11 Execution of Documents and Proof of Ownership. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by Certificate Owners may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Owners in person or by their attorneys or agents appointed by an instrument in writing for that purpose, or by any bank, trust company or other depository for such Certificates. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent, and of the holding and ownership of Certificates shall be sufficient for any purpose of this Trust Agreement (except as otherwise herein provided), if made in the following manner:

(a) The fact and date of the execution by any Owner or his attorney or agent of any such instrument and of any instrument appointing any such attorney or agent, may be proved by a certificate, which need not be acknowledged or verified, of an officer of any bank or trust company located within the United States of America, or of any notary public, or other officer authorized to take acknowledgments of deeds to be recorded in such jurisdictions, that the persons signing such instruments acknowledged before him the execution thereof. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such certificate shall also constitute sufficient proof of the authority of such officer or member.

(b) The fact of the holding of Certificates by any Owner and the amount, the maturity and the numbers of such Certificates and the date of his holding the same may be proved by reference to the Certificate Register maintained by the Trustee provided for in Section 2.12 hereof. The Trustee may conclusively assume that such ownership continues until transfer as provided in Section 2.08(a) hereof.

Nothing contained in this Article II shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which the Trustee may deem sufficient. Any request or consent of the Owner of any Certificate shall bind every future Owner of the same Certificate in respect of anything done or suffered to be done by the Trustee in pursuance of such request or consent.

2.12 Certificate Register. The Trustee will keep or cause to be kept, at the Principal Corporate Trust Office, sufficient books for the registration and transfer of the Certificates, which shall be open at all reasonable times with reasonable prior notice during normal business hours of the Trustee to inspection by the District and the Corporation; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Certificates as hereinbefore provided.

2.13 CUSIP Numbers. The Trustee, the District and the Corporation shall not be liable for any defect or inaccuracy in the CUSIP number that appears on any Certificate or in any redemption notice. The Trustee may, in its discretion, include in any redemption notice a statement to the effect that the CUSIP numbers on the Certificates have been assigned by an independent service and are included in such notice solely for the convenience of the Owners and that neither the Trustee, the District nor the Corporation shall be liable for any inaccuracies in such numbers.

2.14 Use of Depository. Notwithstanding any provision of this Trust Agreement to the contrary:

(a) At the request of the Original Purchaser, the Certificates shall be initially executed and delivered registered in the name of "Cede & Co.," as nominee of The Depository Trust Company ("DTC"), the depository designated by the Original Purchaser, and shall be evidenced by one Certificate maturing on each of the maturity dates set forth in Section 2.03 hereof to be in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such Certificates, or any portions thereof, may not thereafter be transferred except:

(i) to any successor of DTC or its nominee, or of any substitute depository designated pursuant to paragraph (ii) of this subsection (a) ("substitute depository"); provided that any successor of DTC or substitute depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(ii) to any substitute depository designated in a written request of the District, upon (i) the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or (ii) a determination by the District that DTC or its successor is no longer able to carry out its functions as depository; provided that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) to any person as provided below, upon (A) the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or (B) a determination by the District that DTC or its successor is no longer able to carry out its functions as depository; provided that no substitute depository which is not objected to by the District and the Trustee can be obtained.

(b) In the case of any transfer pursuant to paragraph (i) or paragraph (ii) of subsection (a) of this Section 2.14, upon receipt of all Outstanding Certificates by the Trustee, together with a written request of a District Representative to the Trustee, a single new Certificate shall be executed and delivered for each maturity of such Certificate then outstanding, registered in the name of such successor or such substitute depository or their nominees, as the case may be, all as specified in such written request of a District Representative. In the case of any transfer pursuant to paragraph (iii) of subsection (a) of this Section 2.14, upon receipt of all Outstanding Certificates by the Trustee together with a written request of a District Representative, new Certificates shall be executed and delivered in such denominations and registered in the names of such persons as are requested in a written request of the District provided the Trustee shall not be required to deliver such new Certificates within a period less than sixty (60) days from the date of receipt of such a written request of a District Representative.

(c) In the case of partial redemption or an advance refunding of any Certificates evidencing all of the principal maturing in a particular year, DTC shall, at the District's expense, deliver the Certificates to the Trustee for cancellation and re-registration to reflect the amounts of such reduction in principal.

(d) The District and the Trustee shall be entitled to treat the person in whose name any Certificate is registered as the absolute Owner thereof for all purposes of this Trust Agreement and any applicable laws, notwithstanding any notice to the contrary received by the Trustee or the District and the District and the Trustee shall have no responsibility for the accuracy of any records maintained by DTC or any participant in DTC or transmitting payments to, communication with, notifying or otherwise dealing with any beneficial owners of the Certificates. Neither the District nor the Trustee will have any responsibility or obligations, legal or otherwise, to the beneficial owners or to any other party including DTC or its successor (or substitute depository or its successor), except for the registered owner of any Certificate.

(e) So long as all outstanding Certificates are registered in the name of Cede & Co. or its registered assign, the District and the Trustee shall reasonably cooperate with Cede & Co., as sole registered Owner, or its registered assign in effecting payment of the principal and redemption premium, if any, and interest due with respect to the Certificates by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

(f) So long as all Outstanding Certificates are registered in the name of Cede & Co. or its registered assigns (hereinafter, for purposes of this paragraph (f), the "Owner"):

(i) All notices and payments addressed to the Owners shall contain the Certificates' CUSIP numbers.

(ii) Notices to the Owner shall be forwarded in the manner set forth in the form of Blanket Issuer Letter of Representations executed by the District and received and accepted by DTC.

ARTICLE III
PROJECT FUND; DELIVERY COSTS FUND

3.01 Project Fund. The Trustee shall establish a special fund designated as the "Project Fund"; shall keep such fund separate and apart from all other funds and moneys held by the Trustee; and shall administer such fund as provided herein. There shall be deposited in the Project Fund the proceeds of sale of the Certificates required to be deposited therein pursuant to Section 2.07(b) hereof and any other funds from time to time deposited with the Trustee for such purpose.

3.02 Payment of Project Costs. Amounts in the Project Fund shall be disbursed for Project Costs. Disbursements from the Project Fund shall be made by the Trustee upon receipt of a sequentially numbered requisition requesting disbursement executed by a District Representative with bills, invoices or statements attached, stating that the amounts to be disbursed are for Project Costs properly chargeable to the Project Fund. Each such requisition shall:

(a) set forth the amounts to be disbursed for payment or reimbursement of previous payments of Project Costs and the person or persons to whom said amounts are to be disbursed;

(b) state that the amounts to be disbursed constitute Project Costs, that said amounts are required to be disbursed pursuant to a contract entered into therefor by or on behalf of the District, or were necessarily and reasonably incurred, and that said amounts are not being paid in advance of the time, if any, fixed for payment; and

(c) state that no amount set forth in the requisition was included in any requisition requesting disbursement previously filed with the Trustee pursuant to this Section 3.02.

The Trustee shall be responsible for the safekeeping and investment (in accordance with Section 7.02 hereof) of the moneys held in the Project Fund and the payment thereof in accordance with this Section 3.02, but the Trustee shall not be responsible for such requisitions.

3.03 Delivery Costs Fund. The Trustee shall establish a special fund designated as the "Delivery Costs Fund"; shall keep such fund separate and apart from all other funds and moneys held by it; and shall administer such fund as provided herein. There shall be deposited in the Delivery Costs

Fund the proceeds of sale of the Certificates required to be deposited therein pursuant to Section 2.07(a) hereof and any other funds from time to time deposited with the Trustee for such purpose and identified in writing to the Trustee.

3.04 Payment of Delivery Costs.

(a) The moneys in the Delivery Costs Fund shall be disbursed by the Trustee to pay the Delivery Costs.

(b) The Trustee shall disburse moneys in the Delivery Costs Fund only upon a receipt of a sequentially numbered requisition, with bills, invoices or statements attached, signed by a District Representative setting forth the amounts to be disbursed for payment or reimbursement of Delivery Costs and the name and address of the person or persons to whom said amounts are to be disbursed, stating that the amounts to be disbursed are for Delivery Costs properly chargeable to the Delivery Costs Fund.

(c) The Trustee shall be responsible for the safekeeping and investment (in accordance with Section 7.02 hereof) of the moneys held in the Delivery Costs Fund and the payment thereof in accordance with this Section 3.04, but the Trustee shall not be responsible for such requisitions.

(d) Upon written notice from a District Representative that all Delivery Costs have been paid, but in no event later than [January __, 2027], the Trustee shall transfer any moneys then remaining in the Delivery Costs Fund to the Project Fund, the Delivery Costs Fund shall be closed and the Trustee shall no longer be obligated to make payments for Delivery Costs.

3.05 Transfers of Unexpended Proceeds. The Trustee is hereby directed that all unexpended moneys remaining in the Project Fund and not identified in writing by a District Representative to be required for payment of Project Costs shall, on the date of notification by the District of such fact, be transferred to the Installment Payment Fund and applied to pay the Installment Payments as the same become due and payable.

ARTICLE IV
REDEMPTION OF CERTIFICATES

4.01 Redemption.

(a) Generally. The Certificates shall not be subject to redemption prior to maturity, except in the manner, at the times and in all respects in accordance with the provisions of this Article IV.

(b) Optional Redemption. The Certificates maturing on or after [________ 15, 20__], are subject to redemption in whole or in part on any date on or after [________ 15, 20__], at the principal amount with respect thereto, together with accrued interest to the date fixed for redemption from the proceeds of optional Prepayments made by the District pursuant to the Installment Sale Agreement, without premium.

(c) Mandatory Redemption. The Certificates maturing on [________ 15, 20__], are subject to mandatory prepayment in part on [________ 15, 20__] and [________ 15, 20__], from the principal components of scheduled Installment Payments required to be paid by the District pursuant to the Installment Sale Agreement with respect to each such prepayment date (subject to abatement, as set forth in the Installment Sale Agreement), at a prepayment price equal to the principal amount thereof to be prepaid, together with accrued interest to the date fixed for prepayment, without premium, as follows:

Date	***Principal Amount of Certificates to be Redeemed***
	$

† Maturity.

The Certificates maturing on [________ 15, 20__], are subject to mandatory prepayment in part on [March 15 and September 15] in each year on and after [________ 15, 20__], to and including [________ 15, 20__], from the principal components of scheduled Installment Payments required to be paid by the District pursuant to the Installment Sale Agreement with respect to each such prepayment date (subject to abatement, as set forth in the Installment Sale Agreement), at a prepayment price equal to the principal amount thereof to be prepaid, together with accrued interest to the date fixed for prepayment, without premium, as follows:

Date	***Principal Amount of Certificates to be Redeemed***
	$

† Maturity.

In the event that the Trustee shall redeem the Certificates maturing on [________ 15, 20__], or [________ 15, 20__], in part but not in whole pursuant to subsection (b) of this Section 4.01, the amount of such Certificates to be redeemed in each subsequent year pursuant to this subsection (c) shall be reduced pro rata to correspond to the principal components of the Installment Payments prevailing following such redemption, determined as set forth in Section 4.04(b) of the Installment Sale Agreement.

4.02 Selection of Certificates for Redemption. Whenever provision is made in this Trust Agreement for the redemption of Certificates and less than all Outstanding Certificates are called for redemption, the Trustee shall select Certificates for redemption in any order of maturity selected by the District (and if not selected by the District, pro rata among maturities) and by lot within a maturity. The Trustee shall promptly notify the District and the Corporation in writing of the Certificates so selected for redemption.

4.03 Notice of Redemption. Notice of any such redemption shall be given by the Trustee on behalf and at the expense of the District by mailing a copy of a redemption notice by first class mail at least twenty (20) days and not more than sixty (60) days prior to the date fixed for redemption to such Owner of the Certificate or Certificates to be redeemed at the address shown on the Certificate Register maintained by the Trustee; provided, however, that neither the failure to receive such notice nor any defect in any notice shall affect the sufficiency of the proceedings for the redemption of the Certificates.

All notices of redemption shall be dated and shall state: (i) the redemption date, (ii) the redemption price, (iii) if less than all Outstanding Certificates are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Certificates to be redeemed, (iv) that on the redemption date the redemption price will become due and payable with respect to each such Certificate or portion thereof called for redemption, and that interest with respect thereto shall cease to accrue from and after said date, (v) the place where such Certificates are to be surrendered for payment of the redemption price, which place of payment shall be the Principal Corporate Trust Office, and may state that such notice is conditioned upon deposit with the Trustee, on or before the date set for redemption, of an amount of money sufficient to pay the redemption price of all the Certificates or portions of Certificates which are to be redeemed on the applicable redemption date.

Notice of redemption having been given as aforesaid, and provided that money sufficient to pay the redemption price of the Certificates to be redeemed has been deposited with the Trustee, the Certificates or portions of the Certificates so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District shall default in the payment of the redemption price) interest with respect to such Certificates or portions of Certificates shall cease to be payable. Upon surrender of such Certificates for redemption in accordance with said notice, such Certificates shall be paid by the Trustee at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Certificate, there shall be executed and delivered for the Owner a new Certificate or Certificates of the same maturity in the amount of the unredeemed principal. All Certificates which have been redeemed shall be canceled by the Trustee, shall not be reissued and shall be destroyed pursuant to Section 13.07.

In addition to the foregoing notice, notice of redemption shall be given by the Trustee by telecopy, registered, certified or overnight mail, to all Securities Depositories and to an Information Service on the date such notice is mailed to the Owners, which shall state the information set forth above, but no defect in said notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above.

The Trustee shall have no responsibility for a defect in the CUSIP number that appears on any Certificate or in the redemption notice. The redemption notice may provide that the CUSIP numbers have been assigned by an independent service and are included in the notice solely for the convenience of Certificate Owners and that the Trustee and the District shall not be liable in any way for inaccuracies in said numbers.

4.04 Partial Redemption of Certificate. Upon surrender of any Certificate redeemed in part only, the Trustee shall execute and deliver to the Owner thereof, at the expense of the District, a new Certificate or Certificates of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Certificate surrendered and of the same interest rate and the same maturity.

4.05 Effect of Notice of Redemption. Notice having been given as aforesaid, and the moneys for the redemption, including interest to the applicable Certificate Payment Date and premium, if any, having been set aside in the Installment Payment Fund, the Certificates to be redeemed shall become due and payable on said Certificate Payment Date, and, upon presentation and surrender thereof at the office or offices specified in said notice, said Certificates shall be paid at the unpaid principal amount with respect thereto, plus redemption premium, if any, and any unpaid and accrued interest to said Certificate Payment Date.

If, on said Certificate Payment Date, moneys for the redemption of all the Certificates to be redeemed, together with interest to said Certificate Payment Date, shall be held by the Trustee so as to be available therefor on such Certificate Payment Date, and, if notice of redemption thereof shall have been given as aforesaid, then, from and after said Certificate Payment Date, interest with respect to the Certificates to be redeemed shall cease to accrue and become payable. If said moneys shall not be so available on said Certificate Payment Date, interest with respect to such Certificates shall continue to be payable at the same rates as it would have been payable had the Certificates not been called for redemption. All moneys held by or on behalf of the Trustee for the redemption of particular Certificates shall be held in trust for the account of the Owners of the Certificates so to be redeemed. The Trustee shall not be liable for any interest earned on the amounts so held.

ARTICLE V
INSTALLMENT PAYMENTS; INSTALLMENT PAYMENT FUND

5.01 Assignment of Rights in Installment Sale Agreement. The Corporation has, pursuant to the Assignment Agreement, transferred, assigned and set over to the Trustee all of its rights, title and interest in the Installment Sale Agreement (excepting only its rights under Sections 6.03 and 8.04(b) thereof), including but not limited to all of the Corporation's rights to receive and collect all of the Installment Payments, the Prepayments and all other amounts required to be deposited in the Installment Payment Fund pursuant to the Installment Sale Agreement or pursuant hereto. All Installment Payments, Prepayments and such other amounts to which the Corporation may at any time be entitled shall be paid directly to the Trustee and all Installment Payments collected or received by the Corporation shall be deemed to be held or to have been collected or received by the Corporation as agent of the Trustee.

5.02 Establishment of Installment Payment Fund. The Trustee shall establish a special fund designated as the "Installment Payment Fund." All moneys at any time deposited by the Trustee in the Installment Payment Fund shall be held by the Trustee in trust for the benefit of the Owners of the Certificates. So long as any Certificates are Outstanding, neither the District nor the Corporation shall have any beneficial right or interest in the Installment Payment Fund or the moneys deposited therein, except only as provided in this Trust Agreement, and such moneys shall be used and applied by the Trustee as hereinafter set forth.

5.03 Deposits. There shall be deposited in the Installment Payment Fund all Installment Payments and Prepayments received by the Trustee, including any moneys received by the Trustee for deposit therein pursuant to Section 4.06 or Article IX of the Installment Sale Agreement, and any other moneys required to be deposited therein pursuant to the Installment Sale Agreement or pursuant to this Trust Agreement. In addition, Parcel Tax Revenues remitted by the County to the Trustee shall be deposited in the Installment Payment Fund, as received.

5.04 Application of Moneys. All amounts in the Installment Payment Fund shall be used and withdrawn by the Trustee solely for the purpose of paying principal and interest with respect to the Certificates as the same shall become due and payable, in accordance with the provisions of Article II hereof.

5.05 Surplus. Upon receipt by the Trustee of Parcel Tax Revenues sufficient to pay principal and interest with respect to the Certificates and any Parity Debt due on the Certificate Payment Dates in each Year, all surplus amounts on deposit in or subsequently deposited in the Installment Payment Fund shall be withdrawn by the Trustee and remitted to the District. Any surplus remaining in the Installment Payment Fund, after redemption and payment of all Certificates, including premiums, if any, and accrued interest (if any) and payment of any applicable fees, costs and expenses to the Trustee, or provision for such redemption or payment having been made to the satisfaction of the Trustee, shall be withdrawn by the Trustee and remitted to the District.

ARTICLE VI
INSURANCE AND CONDEMNATION FUND; INSURANCE; EMINENT DOMAIN

6.01 Establishment of Insurance and Condemnation Fund; Application of Net Proceeds of Insurance Award.

(a) Any Net Proceeds of insurance against accident to or destruction of any structure constituting any part of Alameda Hospital collected by the District in the event of any such accident or destruction shall be transferred by the District to the Trustee and the Trustee shall deposit such moneys in a special fund to be established when deposits are required to be made therein designated as the "Insurance and Condemnation Fund."

(b) The Trustee shall disburse moneys in the Insurance and Condemnation Fund from time to time to pay the costs of the repair or replacement of the damaged portions of Alameda Hospital upon receipt by the Trustee of a written requisition of the District that: (a) states with respect to each disbursement to be made (i) the requisition number, (ii) the name and address of the person, firm or corporation to whom payment will be made, (iii) the amount to be disbursed, and (iv) that each obligation mentioned therein is a proper charge against the Insurance and Condemnation Fund and has not previously been disbursed by the Trustee from amounts in the Insurance and Condemnation Fund; and (b) is accompanied by a bill or statement of account (if any) for each obligation. The Trustee may conclusively rely on the information contained in any written requisition and shall have no responsibility with respect to the application of any funds disbursed in accordance with such written requisitions. Upon the filing with the Trustee of a Written Certificate of the District stating that the repair or replacement of the damaged portions of Alameda Hospital has been completed or that all written requisitions intended to be filed by the District have been filed, the Trustee shall withdraw all amounts then on deposit in the Insurance and Condemnation Fund and transfer such amounts to the Installment Payment Fund.

6.02 Application of Net Proceeds of Eminent Domain Award.

(a) If all or any part of Alameda Hospital shall be taken by eminent domain (or sold to a government threatening to exercise the power of eminent domain) the Net Proceeds therefrom shall be transferred by the District to the Trustee for deposit in the Insurance and Condemnation Fund.

(b) The Trustee shall disburse moneys in the Insurance and Condemnation Fund from time to time to pay the costs of the replacement of the condemned portions of Alameda Hospital upon receipt by the Trustee of a written requisition of the District which: (a) states with respect to each disbursement to be made (i) the requisition number, (ii) the name and address of the person, firm or corporation to whom payment will be made, (iii) the amount to be disbursed, and (iv) that each obligation mentioned therein is a proper charge against the Insurance and Condemnation Fund and has not previously been disbursed by the Trustee from amounts in the Insurance and Condemnation Fund; and (b) is accompanied by a bill or statement of account (if any) for each obligation. The Trustee may conclusively rely on the information contained in any written requisition and shall have no responsibility with respect to the application of any funds disbursed in accordance with such written requisitions. Upon the filing with the Trustee of a Written Certificate of the District stating that the replacement of the condemned portions of Alameda Hospital has been completed or that all written requisitions intended to be filed by the District have been filed, the Trustee shall withdraw all amounts then on deposit in the Insurance and Condemnation Fund and transfer such amounts to the Installment Payment Fund.

6.03 Excess Net Proceeds. After all of the Certificates have been retired and the entire amount of principal, interest and any redemption premiums with respect to the Certificates and any remaining fees and expenses of the Trustee have been paid in full, the Trustee shall transfer any remaining funds to the District.

6.04 Cooperation. The Corporation shall cooperate with the District at the expense of the District in filing any proof of loss with respect to any insurance policy maintained pursuant to Article V of the Installment Sale Agreement and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to Alameda Hospital or any part thereof.

ARTICLE VII
MONEYS IN FUNDS; INVESTMENT

7.01 Held in Trust. The moneys and investments held by the Trustee under this Trust Agreement are irrevocably held in trust for the benefit of the Owners of the Certificates, and for the purposes herein specified, and such moneys, and any income or interest earned thereon, shall be expended only as provided in this Trust Agreement, and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of either the Corporation, the Trustee (except as provided in Section 8.03 below) or the District or any Owner of Certificates, or any of them until after the Certificates have been paid in full.

7.02 Investments Authorized. Moneys held by the Trustee hereunder shall, upon written order of a District Representative received by the Trustee at least two (2) Business Days prior to investment, be invested and reinvested by the Trustee in Permitted Investments. If a District Representative shall fail to so direct investments, the Trustee shall invest the affected moneys in Permitted Investments described in paragraph (f) of the definition thereof. Such investments, if registrable, shall be registered in the name of and held by the Trustee or its nominee. The Trustee may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Section 7.02. Such investments and reinvestments shall be made giving full consideration to the time at which funds are required to be available. The Trustee or any of its affiliates may act as principal or agent in the making or disposing of any investment. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with this Article VII. The Trustee shall be entitled to rely conclusively upon the written instructions of a District

Representative directing investments as to the fact that each investment is permitted by the laws of the State and constitutes a Permitted Investment hereunder, and the Trustee shall not be required to make further investigation with respect thereto. To the extent that any of the requirements concerning any Permitted Investment embodies a legal conclusion, the Trustee shall be entitled to conclusively rely upon a certificate from the appropriate party or an opinion of counsel to such party that such requirement has been met.

The District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive brokerage confirmations of security transactions as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the District monthly cash transaction statements which include detail for all investment transactions made by the Trustee hereunder.

7.03 Accounting. The Trustee shall furnish to the District a monthly accounting in statement form of all investments, transactions and disbursements made by the Trustee. The Trustee may commingle, at its sole discretion, any of the funds held by it pursuant to this Trust Agreement into a separate fund or funds for investment purposes only; provided, however, that all funds or accounts held by the Trustee hereunder shall be accounted for separately notwithstanding such commingling by the Trustee.

7.04 Allocation of Earnings. All interest or income received by the Trustee on investment of the Installment Payment Fund shall be retained in the Installment Payment Fund and be applied as a credit against Installment Payments. All interest or income in the Project Fund shall be retained in the Project Fund until the Project Fund is closed pursuant to Section 3.05 hereof. All interest or income in the Delivery Costs Fund shall be retained in the Delivery Costs Fund until the Delivery Costs Fund is closed pursuant to Section 3.04 hereof.

7.05 Acquisition, Disposition and Valuation of Investments.

(a) Except as otherwise provided in subsection (b) of this Section 7.05, the District covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Trust Agreement, or otherwise containing gross proceeds of the Certificates (within the meaning of section 148 of the Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Trust Agreement or the Code) at Fair Market Value. The Trustee is not responsible to determine Fair Market Value.

(b) Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code and so identified in a certificate executed by the District to the Trustee shall be valued at their present value (within the meaning of section 148 of the Code). The Trustee is not responsible to determine present value.

ARTICLE VIII
THE TRUSTEE

8.01 Appointment of Trustee. The Trustee is hereby appointed trustee, registrar and paying agent by the Corporation and the District for the purpose of receiving all moneys required to be deposited with the Trustee hereunder and to allocate, use and apply the same as provided in this Trust Agreement. The Corporation and the District agree that they will maintain a Trustee which shall be a corporation or association organized and doing business under the laws of any state of the United

States of America or the District of Columbia or under federal law of the United States, authorized under such laws to exercise corporate trust powers, which shall have (or, in the case of a corporation included in a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least seventy-five million dollars ($75,000,000), and subject to supervision or examination by federal or State authority, so long as any Certificates are Outstanding. If such corporation or association publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining authority above referred to then for the purpose of this Section 8.01, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 8.01, the Trustee shall resign immediately in the manner and with the effect specified in Section 8.07.

The Trustee is hereby authorized to pay the Certificates when duly presented for payment at maturity, or on redemption and to cancel all Certificates upon payment thereof. The Trustee shall keep records in accordance with industry standards of all funds administered by it and of all Certificates paid and discharged. The Trustee shall be compensated for its services rendered pursuant to the provisions of this Trust Agreement.

8.02 Acceptance of Trusts. The Trustee hereby accepts the trusts imposed upon it by this Trust Agreement and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

The Trustee, prior to the occurrence of an Event of Default and after the curing or waiver of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Trust Agreement and no implied duties or obligations, fiduciary or otherwise, shall be read into this Trust Agreement against the Trustee. In case an Event of Default has occurred (which has not been cured or waived) the Trustee may exercise such of the rights and powers vested in it by this Trust Agreement and shall use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

No provision in this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers. The Trustee shall be entitled to interest on any amounts advanced at its or of its affiliates' prime rate then in effect plus two percent (2%).

The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder either directly or by or through attorneys or agents and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder. The Trustee shall not be liable for any action taken or not taken in reliance upon the opinion or advice of counsel.

The Trustee shall not be responsible for any recital herein, in the Assignment Agreement or in the Certificates, or for any of the supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Certificates delivered hereunder or intended to be secured hereby and the Trustee shall not be bound to ascertain or inquire as to the observance or performance of any covenants, conditions or agreements on the part of the Corporation or the District hereunder or under the Installment Sale Agreement.

The Trustee shall not be accountable for the use of any Certificates delivered hereunder or the proceeds thereof. The Trustee, in its individual or any other capacity, may become the Owner or pledgee of Certificates secured hereby with the same rights which it would have if it were not the Trustee; may acquire and dispose of other bonds or evidence of indebtedness of the District with the same rights it would have if it were not the Trustee; and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of Certificates, whether or not such committee shall represent the Owners of the majority in principal amount of the Certificates then Outstanding.

In the absence of bad faith on its part, the Trustee shall be protected in acting or refraining from acting upon any notice, request, consent, requisition, Written Certificate, order, affidavit, letter, telegram or other paper or document, whether received by mail, telecopy or personal delivery, reasonably believed by it to be genuine and to have been signed or sent by the proper person or persons. Any action taken or omitted to be taken by the Trustee in good faith pursuant to this Trust Agreement upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Certificate, shall be conclusive and binding upon all future Owners of the same Certificate and upon Certificates executed and delivered in exchange therefor or in place thereof. The Trustee shall not be bound to recognize any person as an Owner of any Certificate or to take any action at his request unless such Certificate shall be deposited with the Trustee or satisfactory evidence of the ownership of such Certificate in accordance with the terms of this Trust Agreement shall be furnished to the Trustee.

As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a Written Certificate signed by a Corporation Representative or a District Representative as sufficient evidence of the facts therein contained and except during the existence of an Event of Default of which the Trustee has been given notice or is deemed to have notice as provided in Section 8.02, shall also be at liberty to accept a similar Written Certificate to the effect that any particular dealing, transaction or action is necessary or expedient. The Trustee may accept a Written Certificate of a Corporation Representative or a District Representative to the effect that an authorization in the form therein set forth has been adopted by the Corporation or the District, as the case may be, as conclusive evidence that such authorization has been duly adopted, and is in full force and effect.

The permissive right of the Trustee to do things enumerated in this Trust Agreement shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct. The immunities and exceptions from liability of the Trustee shall extend to its officers, directors, employees, agents and attorneys.

The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder except failure by the District to make any of the Installment Payments to the Trustee required to be made by the District pursuant to the Installment Sale Agreement, unless the Trustee shall be specifically notified in writing of such default by the Corporation, the District or by the Owners of at least twenty-five percent (25%) in aggregate principal amount of Certificates then Outstanding and all notices or other instruments required by this Trust Agreement to be delivered to the Trustee must, in order to be effective, be delivered at the Principal Corporate Trust Office, and in the absence of such notice so delivered the Trustee may conclusively assume there is no Event of Default except as aforesaid.

The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

Notwithstanding anything elsewhere in this Trust Agreement with respect to the execution of any Certificates, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Trust Agreement, the Trustee shall have the right, but shall not be required, to demand any showings, Written Certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action, by the Trustee deemed desirable for the purpose of establishing the right of the District to the withdrawal of any cash, or the taking of any other action by the Trustee.

All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of moneys made by it in accordance with Article VII of this Trust Agreement.

The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of a majority in aggregate principal amount of the Outstanding Certificates relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Trust Agreement.

Before taking any action under Article XII hereof or this Section 8.02 at the request or direction of the Certificate Owners, the Trustee may require that an indemnity bond satisfactory to it for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its own negligence or willful misconduct in connection with any action so taken. Before being required to take any action, the Trustee may require an opinion of Independent Counsel acceptable to the Trustee, which counsel may be counsel to any of the parties hereto, or a verified Written Certificate of any party hereto, or both, concerning the proposed action. If it does so in good faith, the Trustee shall be absolutely protected in relying thereon.

Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Certificates.

The Trustee shall not be accountable for the use or application by the District or the Corporation or any other party of any funds which the Trustee has released in accordance with the terms of this Trust Agreement.

The Trustee makes no representation or warranty, express or implied, as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose or fitness for the use contemplated by the District or the Corporation of Alameda Hospital. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from the Installment Sale Agreement or this Trust Agreement for the existence, furnishing or use of Alameda Hospital.

The Trustee makes no representations as to the validity or sufficiency of the Certificates and shall incur no responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Certificates assigned to or imposed upon it. The Trustee shall not be responsible for the validity or sufficiency of the Installment Sale Agreement or the assignment under the Assignment Agreement, the sufficiency of this Trust Agreement or the creation or perfection of any security interest purported to be created by this Trust Agreement or the Installment Sale Agreement. The Trustee shall not be liable for the sufficiency or collection of any Installment Payments or other moneys required to be paid to it or to the Owners under the Installment Sale Agreement (except as provided in this Trust Agreement), its right to receive moneys pursuant to the Installment Sale Agreement, or the value of or title to the premises upon which Alameda Hospital is located or Alameda Hospital. The Trustee makes no representations and shall have no responsibility for any official statement or other offering material prepared or distributed with respect to the Certificates.

In accepting the trust hereby created, the Trustee acts solely as Trustee for the Owners and not in its individual capacity and all persons, including without limitation the Owners and the District or the Corporation having any claim against the Trustee arising from this Trust Agreement shall look only to the funds and accounts held by the Trustee hereunder for payment except as otherwise provided herein.

Whether or not therein expressly so provided, every provision of this Trust Agreement, the Installment Sale Agreement and the Assignment Agreement relating to the conduct or affecting the liability of the Trustee shall be subject to the provisions of this Article VIII.

The Trustee is authorized and directed to execute, in its capacity as Trustee, the Assignment Agreement.

8.03 Fees, Charges and Expenses of Trustee. The Trustee shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees and expenses (including the allocated costs of in-house counsel) and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services, which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust, and the Trustee shall have a first and prior lien on the funds held hereunder to secure the same. The Trustee's rights hereunder, including its rights under Section 11.03 hereof, shall survive its resignation or removal and final payment of the Certificates.

8.04 Notice to Certificate Owners of Default. If an Event of Default occurs of which the Trustee has been given or is deemed to have notice pursuant to Section 8.02, then the Trustee shall, within ninety (90) days of the occurrence thereof, give written notice thereof by first class mail to the Owner of each Certificate, unless such Event of Default shall have been cured before the giving of such notice.

8.05 Intervention by Trustee. In any judicial proceeding to which the Corporation or the District is a party which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of Owners of the Certificates, the Trustee may intervene on behalf of the Certificate Owners, and shall do so if requested in writing by the Owners of at least twenty-five percent (25%) of the aggregate principal amount of Certificates then Outstanding, provided the Trustee shall have no duty to take such action unless it has been indemnified to its satisfaction against all risk or liability arising from such action.

8.06 Removal of Trustee. Upon thirty (30) days' written notice, the District (so long as no Event of Default shall have occurred and be continuing) or the Owners of at least a majority of the aggregate principal amount of Certificates then Outstanding may, with the consent of the Corporation, remove the Trustee initially appointed, and any successor thereto, by an instrument or concurrent instruments in writing delivered to the Trustee and the Corporation, and may appoint a successor or successors thereto; provided that any such successor shall be a corporation or association meeting the requirements set forth in Section 8.01 hereof.

8.07 Resignation by Trustee. The Trustee and any successor Trustee may, at any time, resign by giving thirty (30) days' written notice by registered or certified mail to the District and the Corporation.

8.08 Appointment of Successor Trustee. In the event of the removal or resignation of the Trustee pursuant to Sections 8.06 or 8.07 hereof, the District shall promptly appoint a successor Trustee. In the event the District shall, for any reason whatsoever, fail to appoint a successor Trustee within thirty (30) days following the delivery to the Trustee of the instrument described in Section 8.06 hereof or within thirty (30) days following the receipt of notice by the District pursuant to Section 8.07 hereof, the Trustee may apply to a court of competent jurisdiction at the expense of the District for the appointment of a successor Trustee meeting the requirements of Section 8.01 hereof. Any such successor Trustee appointed by such court shall become the successor Trustee hereunder notwithstanding any action by the District purporting to appoint a successor Trustee following the expiration of such thirty (30) day period. The resignation or removal of the Trustee shall not become effective until the appointment and acceptance of the successor Trustee pursuant to Section 8.10 below.

8.09 Merger or Consolidation. Any company or association into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company or association to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company or association shall be eligible under Section 8.01 hereof, shall be the successor to the Trustee and vested with all of the title to the trust estate and all of the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

8.10 Concerning any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its or his predecessor and also the Corporation and the District an instrument in writing accepting such appointment hereunder and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessors; but such predecessor shall, nevertheless, on the written request of the District, or of its successor, execute and deliver an instrument transferring to such successor all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as the Trustee hereunder to its successor. Upon such acceptance, the District shall mail, or cause the mailing of, notice thereof to the Certificate Owners at their respective addresses set forth on the Certificate Register. Should any instrument in writing from the District be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the District. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article VIII, shall be filed or recorded by the successor Trustee in each recording office where the Assignment Agreement shall have been filed or recorded, if applicable.

ARTICLE IX
MODIFICATION OR AMENDMENT OF AGREEMENTS

9.01 Amendments Permitted. This Trust Agreement and the rights and obligations of the Owners of the Certificates and the Installment Sale Agreement and the rights and obligations of the parties thereto, may be modified or amended at any time by a supplemental agreement which shall become effective when the written consent of the Owners of at least sixty percent (60%) in aggregate principal amount of the Certificates then Outstanding, exclusive of Certificates disqualified as provided in Section 9.03, shall have been filed with the Trustee. No such modification or amendment shall (1) extend or have the effect of extending the fixed maturity of any Certificate or reducing the interest rate with respect thereto or extending the time of payment of interest, or reducing the amount of principal thereof or reducing any premium payable upon the redemption thereof, without the express consent of the Owner of such Certificate, or (2) reduce or have the effect of reducing the percentage of Certificates required for the affirmative vote or written consent to an amendment or modification of the Installment Sale Agreement, or (3) modify any of the rights or obligations of the Trustee without its written assent thereto. Any such supplemental agreement shall become effective as provided in Section 9.02.

This Trust Agreement and the rights and obligations of the Owners of the Certificates and the Installment Sale Agreement and the rights and obligations of the parties thereto, may be modified or amended at any time by a supplemental agreement, without the consent of any such Owners, but only to the extent permitted by law and only (1) to add to the covenants and agreements of the Corporation or the District, (2) to cure, correct or supplement any ambiguous or defective provision contained herein or therein and which shall not, in the opinion of nationally recognized bond counsel, adversely affect the interests of the Owners of the Certificates, (3) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which shall not, in the opinion of nationally recognized bond counsel, adversely affect the interests of the Owners of the Certificates, (4) to make such additions, deletions or modifications as may be necessary or appropriate to assure the exclusion from gross income for federal income tax purposes of the interest component of Installment Payments and the interest payable with respect to the Certificates, (5) to add to the rights of the Trustee, or (6) to maintain the rating or ratings assigned to the Certificates. Any such supplemental agreement shall become effective upon its execution and delivery by the parties hereto or thereto as the case may be.

This Trust Agreement, the Assignment Agreement and the Installment Sale Agreement may not be modified or amended at any time by a supplemental agreement which would modify any of the rights and obligations of the Trustee without its written assent thereto.

The Trustee may require an opinion of Independent Counsel that any amendment entered into hereunder complies with the provisions of this Article IX and the Trustee may rely conclusively on such opinion.

9.02 Procedure for Amendment with Written Consent of Certificate Owners. This Trust Agreement or the Installment Sale Agreement may be amended by supplemental agreement as provided in this Section 9.02 in the event the consent of the Owners of the Certificates is required pursuant to Section 9.01. A copy of such supplemental agreement, together with a request to the Certificate Owners for their consent thereto, shall be mailed by the Trustee to the Owner of each Certificate at his address as set forth in the Certificate Register, but failure to mail copies of such supplemental agreement and request shall not affect the validity of the supplemental agreement when assented to as provided in this Section 9.02.

Such supplemental agreement shall not become effective unless there shall be filed with the Trustee the written consent of the Owners of at least sixty percent (60%) in aggregate principal amount of the Certificates then Outstanding (exclusive of Certificates disqualified as provided in Section 9.03) and a notice shall have been mailed as hereinafter provided in this Section 9.02. Each such consent shall be effective only if accompanied by proof of ownership of the Certificates for which such consent is given, which proof shall be such as is permitted by Section 2.11. Any such consent shall be binding upon the Owner of the Certificate giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee within five (5) Business Days of the date when the notice of consent hereinafter in this Section 9.02 provided for has been mailed. Any revocation received by the Trustee later than five (5) Business Days after such notice has been mailed shall be of no force and effect.

After the Owners of the required percentage of Certificates shall have filed their consents to such supplemental agreement, the Trustee shall mail a notice to the Owners of the Certificates in the manner hereinbefore provided in this Section 9.02 for the mailing of such supplemental agreement at the notice of adoption thereof, stating in substance that such supplemental agreement has been consented to by the Owners of the required percentage of Certificates and will be effective as provided in this Section 9.02 (but failure to mail copies of said notice shall not affect the validity of such supplemental agreement or consents thereto). A record, consisting of the papers required by this Section 9.02 to be filed with the Trustee, shall be conclusive proof of the matters therein stated until the contrary is proved. Such supplemental agreement shall be deemed conclusively binding upon the parties hereto and the Owners of all Certificates at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty (60) day period.

9.03 Disqualified Certificates. Certificates owned or held by or for the account of the District or by any person directly or indirectly controlled or controlled by, or under direct or indirect common control with the District (except any Certificates held in any pension or retirement fund) shall not be deemed Outstanding for the purpose of any vote, consent, waiver or other action or any calculation of Outstanding Certificates provided for in this Trust Agreement, and shall not be entitled to vote upon, consent to, or take any other action provided for in this Trust Agreement; provided, however, that the Trustee shall not be liable for determining whether Certificates are owned or held by the District or any such other person unless such Certificates are registered in the name of the District or such other person on the Certificate Register.

9.04 Effect of Supplemental Agreement. From and after the time any supplemental agreement becomes effective pursuant to this Article IX, this Trust Agreement or the Installment Sale Agreement, as the case may be, shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners of Certificates Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any supplemental agreement shall be deemed to be part of the terms and conditions of this Trust Agreement or the Installment Sale Agreement, as the case may be, for any and all purposes.

The District may adopt appropriate regulations to require each Certificate Owner, before their consent provided for in this Article IX shall be deemed effective, to reveal the Certificates as to which such consent is given are disqualified as provided in Section 9.03.

9.05 Endorsement or Replacement of Certificates Delivered After Amendments. The District may determine that Certificates delivered after the effective date of any action taken as provided in this Article IX shall bear a notation, by endorsement or otherwise, in form approved by the Trustee, as to such action. In that case, upon demand of the Owner of any Certificate Outstanding at such effective date and presentation of his Certificate for the purpose at the Principal Corporate Trust Office, a suitable notation shall be made on such Certificate. The District may determine that new Certificates, so modified as in the opinion of the District is necessary to conform to such Certificate Owners' action, shall be prepared, executed and delivered. In that case, upon demand of the Owner of any Certificate then Outstanding, such new Certificate shall be exchanged in the Principal Corporate Trust Office, without cost to such Owner, for a Certificate of the same character then Outstanding, upon surrender of such Certificate.

9.06 Amendatory Endorsement of Certificates. The provisions of this Article IX shall not prevent any Certificate Owner from accepting any amendment as to the particular Certificates held by him, provided that due notification thereof is made on such Certificates.

ARTICLE X
COVENANTS

10.01 Compliance With and Enforcement of Installment Sale Agreement. The District and the Corporation covenant and agree with the Owners of the Certificates to perform all obligations and duties imposed on them under the Installment Sale Agreement and this Trust Agreement.

The District or the Corporation, immediately upon receiving or giving any notice or communication or other document in any way relating to or affecting their respective interests in Alameda Hospital which may or can in any manner affect such interest, will deliver the same, or a copy thereof, to the Trustee.

The District will not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission of or refraining from action, would or might be a ground for cancellation or termination of the Installment Sale Agreement by the Corporation thereunder or termination or reduction of the Parcel Tax.

10.02 Payment of Taxes. The District will, subject to any right of challenge thereof, pay or cause to be paid all taxes, assessments and other governmental charges, if any, that may be levied, assessed or charged upon Alameda Hospital or any part thereof, promptly as and when the same shall become due and payable; and the District will keep the Trustee advised in writing of such payments. The District will not suffer Alameda Hospital, or any part thereof, to be sold for any taxes, assessments or other charges whatsoever, or to be forfeited therefor.

10.03 Observance of Laws and Regulations. The District will well and truly keep, observe and perform, or cause to be kept, observed and performed, all valid and lawful obligations or regulations now or hereafter imposed on it or others with respect to Alameda Hospital by contract, or prescribed by any law of the United States, or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by the District with respect to Alameda Hospital to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

10.04 Prosecution and Defense of Suits. The District shall promptly, upon request of the Trustee or any Certificate Owner holding at least 25% in principal amount of the Certificates from time to time, take such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to Alameda Hospital, whether now existing or hereafter developing and shall, to the extent permitted by law, prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and shall indemnify and save the Trustee and every Certificate Owner harmless from all loss, cost, damage and expense, including attorneys' fees, which they or any of them may incur by reason of any such defect, cloud, suit, action or proceeding.

10.05 Further Assurances. The Corporation, the District and the Trustee (at the cost and request of the District or the Corporation) will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Trust Agreement, and for the better assuring and confirming unto the Owners of the Certificates the rights and benefits provided herein.

10.06 Filing. The District shall be responsible for the filing of any supplemental instruments or documents of further assurance as may be required by law in order to perfect or renew the security interests created by this Trust Agreement. Neither the Trustee nor the Corporation shall be responsible for such filing.

10.07 Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Trust Agreement, failure of the District to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, the Trustee, at the written direction of any Participating Underwriter (as defined in the Continuing Disclosure Certificate) or the holders of at least 25% aggregate principal amount of Outstanding Certificates, shall, but only to the extent moneys or other indemnity, satisfactory to the Trustee, has been furnished to the Trustee to hold it harmless from any loss, costs, liability or expense, including fees and expenses of its attorneys and any additional fees of the Trustee or any holder or beneficial owner of the Certificates may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

10.08 No Arbitrage. The District shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Certificates which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Certificates or the Installment Sale Agreement to be "arbitrage bonds" within the meaning of section 148 of the Code.

10.09 Maintenance of Tax-Exemption. The District shall take all actions necessary to assure the exclusion of interest with respect to the Certificates from the gross income of the Owners of the Certificates to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the Closing Date.

ARTICLE XI
LIMITATION OF LIABILITY

11.01 Limited Liability of District. Except for the payment of Installment Payments and Prepayments when due in accordance with the Installment Sale Agreement and the performance of the other covenants and agreements of the District contained in said Agreement, the District shall have no pecuniary obligation or liability to any of the other parties or to the Owners of the Certificates with respect to this Trust Agreement or the terms, execution, delivery or transfer of the Certificates, or the distribution of Installment Payments to the Owners by the Trustee except as expressly set forth herein.

11.02 No Liability of the Corporation for Trustee Performance. Neither the District nor the Corporation shall have any obligation or liability to the other party or to the Owners of the Certificates with respect to the performance by the Trustee of any duty imposed upon the Trustee under this Trust Agreement.

11.03 Indemnification of Trustee. The District shall to the extent permitted by law indemnify and save the Trustee, its officers, employees, directors and agents harmless from and against all claims, losses, costs, expenses, liability and damages, including legal fees and expenses (including allocated costs of in-house counsel), arising out of (i) the use, maintenance, condition or management of, or from any work or thing done on, Alameda Hospital by the Corporation or the District, (ii) any breach or default on the part of the Corporation or the District in the performance of any of their respective obligations under the Installment Sale Agreement, this Trust Agreement and any other agreement made and entered into for purposes of Alameda Hospital, (iii) any act of the Corporation or the District or of any of their respective agents, contractors, servants, employees or licensees with respect to Alameda Hospital, (iv) any act of any assignee of, or purchaser from the Corporation or the District or of any of its or their respective agents, contractors, servants, employees or licensees with respect to Alameda Hospital, (v) the acquisition, construction, installation and equipping of Alameda Hospital or the authorization of payment of Project Costs or Delivery Costs, (vi) the actions of any other party, including but not limited to the ownership, operation or use of Alameda Hospital by the Corporation or the District, (vii) the Trustee's exercise and performance of its powers and duties hereunder or pursuant to the Assignment Agreement and the Installment Sale Agreement, (viii) the offering and sale of the Certificates, or (ix) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements made, in the light of the circumstances under which they were made, not misleading, in any official statement or other offering document utilized in connection with the sale of the Certificates. No indemnification will be made under this Section 11.03 or elsewhere in this Trust Agreement for willful misconduct or negligence under this Trust Agreement by the Trustee, its officers or employees. The District's obligations hereunder shall remain valid and binding notwithstanding maturity and payment of the Certificates or resignation or removal of the Trustee.

11.04 Limitation of Rights to Parties and Certificate Owners. Nothing in this Trust Agreement or in the Certificates expressed or implied is intended or shall be construed to give any person other than the District, the Corporation, the Trustee and the Owners of the Certificates, any legal or equitable right, remedy or claim under or in respect of this Trust Agreement or any covenant, condition or provision hereof; and all such covenants, conditions and provisions are and shall be for the sole and exclusive benefit of the District, the Corporation, the Trustee and said Owners.

ARTICLE XII
EVENTS OF DEFAULT AND REMEDIES OF CERTIFICATE OWNERS

12.01 Assignment of Rights. Pursuant to the Assignment Agreement, the Corporation transfers, assigns and sets over to the Trustee all of the Corporation's rights under the Installment Sale Agreement (excepting only the Corporation's rights under Sections 6.03 and 8.04(b) thereof), including without limitation the Corporation's rights to exercise such rights and remedies conferred on the Corporation pursuant to the Installment Sale Agreement as may be necessary or convenient (i) to enforce payment of the Installment Payments, Prepayments and any other amounts required to be deposited in the Installment Payment Fund or the Insurance and Condemnation Fund, and (ii) otherwise to exercise the Corporation's rights and take any action to protect the interests of the Trustee or the Certificate Owners in an Event of Default.

12.02 Remedies. If an Event of Default shall happen, then and in each and every such case during the continuance of such Event of Default, the Trustee may exercise any and all remedies available hereunder pursuant to law or granted pursuant to the Installment Sale Agreement.

Upon the occurrence of an Event of Default, the Trustee shall, at the written direction of the Owners of a majority of the principal amount of Certificates then Outstanding, by written notice to the District, declare the principal of the Installment Payments to be immediately due and payable, whereupon that portion of the principal of the Installment Sale Agreement thereby coming due and the interest thereon accrued to the date of payment shall, without further action, become and be immediately due and payable, anything in this Trust Agreement or in the Installment Payments to the contrary notwithstanding.

Remedies shall be cumulative with respect to the Trustee and the Owners. If any remedial action is discontinued or abandoned, the Trustee and the Owners shall be restored to their former positions.

12.03 Application of Funds. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article XII or of Article VIII of the Installment Sale Agreement, shall be applied by the Trustee in the order following upon presentation of the several Certificates and the stamping thereon of the payment if only partially paid or upon the surrender thereof if fully paid -

First, to the payment of the costs and expenses of the Trustee hereunder (including, but not limited to, the fees, costs and expenses of itself and its counsel) and, after such payment to the Trustee, of the Certificate Owners in declaring such Event of Default, including reasonable compensation to its or their agents, attorneys and counsel (including the allocated costs of in-house counsel), together with interest on all such amounts advanced as provided in Section 8.02;

Second, to the payment of the whole amount then owing and unpaid with respect to the Certificates for principal and interest, with interest on the overdue principal and installments of interest at the rate or rates specified in the respective Certificates (but such interest on overdue installments of interest shall be paid only to the extent funds are available therefor following payment of principal and interest and interest on overdue principal, as aforesaid), and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid with respect to the Certificates, then to the payment of such principal and interest without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest.

12.04 Institution of Legal Proceedings. If one or more Events of Default shall happen and be continuing, the Trustee, upon the written request of the Owners of a majority in principal amount of the Certificates then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Owners of Certificates by a suit in equity or action at law, for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Trustee shall deem most effectual to enforce any of its rights or duties hereunder.

12.05 Non-waiver. Nothing in this Article XII or in any other provision of this Trust Agreement, or in the Certificates, shall affect or impair the obligation of the District, which is absolute and unconditional subject to Section 4.05 of the Installment Sale Agreement, to pay or prepay the Installment Payments as provided in the Installment Sale Agreement, or affect or impair the right of action, which is also absolute and unconditional, of the Certificate Owners to institute suit to enforce such payment. No delay or omission of the Trustee or of any Owner of any of the Certificates to exercise any right or power arising upon the happening of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein, and every power and remedy given by this Article XII to the Trustee or to the Owners of Certificates may be exercised from time to time and as often as shall be deemed expedient by the Trustee or the Certificate Owners.

12.06 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Certificate Owners is intended to be exclusive of any other remedy, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise.

12.07 Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of a majority in principal amount of the Certificates then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Certificates, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not, unless there no longer continues an Event of Default hereunder, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of at least a majority in principal amount of the Certificates Outstanding hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

12.08 Limitation on Certificate Owners' Right to Sue. No Owner of any Certificate shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Trust Agreement, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default hereunder; (b) the Owners of at least a majority in aggregate principal amount of all the Certificates then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Certificates of any remedy hereunder; it being understood and intended that no one or more Owners of Certificates shall have any right in any manner whatever by his or their action to enforce any right under this Trust Agreement, except in the manner herein provided, and that all proceedings at law or in equity with respect to an

Event of Default shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Certificates.

The right of any Owner of any Certificate to receive payment of said Owner's proportionate interest in the Installment Payments as the same become due, or to institute suit for the enforcement of such payment, shall not be impaired or affected without the consent of such Owner, notwithstanding the foregoing provisions of this Section 12.08 or any other provision of this Trust Agreement.

12.09 Parties Interested Herein. Nothing in this Trust Agreement expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the District, the Corporation, the Trustee, their officers, employees and agents, and the Owners any right, remedy or claim under or by reason of this Trust Agreement, or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Trust Agreement contained by and on behalf of the District shall be for the sole and exclusive benefit of the District, the Corporation, the Trustee, their officers, employees and agents, and the Owners.

ARTICLE XIII
MISCELLANEOUS

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

(a) by well and truly paying or causing to be paid the principal with respect to and interest with respect to all Certificates Outstanding, as and when the same become due and payable;

(b) by depositing with the Trustee, in trust, at or before maturity, money which, together with the amounts then on deposit in the Installment Payment Fund, is fully sufficient to pay all Certificates Outstanding, including all principal and interest;

(c) by irrevocably depositing with the Trustee or an escrow agent (on terms satisfactory to the Trustee), in trust, cash or Federal Securities in such amount as an independent nationally recognized certified public accountant shall determine in a written report delivered to the Trustee or escrow agent will, together with the interest to accrue thereon and moneys then on deposit in the Installment Payment Fund, together with the interest to accrue thereon, without reinvestment, be fully sufficient to pay and discharge all Certificates (including all principal, premium, if any, and interest) at or before their respective maturity dates; or

(d) by depositing with the Trustee, under an escrow deposit and trust agreement, security for the payment of Installment Payments as more particularly described in Section 9.04 of the Installment Sale Agreement, said security to be held by the Trustee, as agent for District, and to be applied by the Trustee to Installment Payments representing the obligation of the District under the Installment Sale Agreement, as described in Section 4.05 of the Installment Sale Agreement;

notwithstanding that any Certificates shall not have been surrendered for payment, all rights hereunder of the Owners of the Certificates and all obligations of the Corporation, the Trustee and the District under this Trust Agreement with respect to all Outstanding Certificates shall cease and terminate, except only the obligation of the Trustee to pay or cause to be paid, from Installment Payments paid by or on behalf of the District from deposits pursuant to paragraphs (b) through (d) of this Section 13.01, to the Owners of the Certificates not so surrendered and paid all sums due with respect thereto, and in the event of deposits pursuant to paragraphs (b) through (d) of this Section 13.01, the Certificates shall continue to represent direct, undivided and fractional interests of the Owners thereof in Installment Payments under the Installment Sale Agreement.

Any funds held by the Trustee, at the time of one of the events described above in subsections (a) through (d) above, which are not required for the payment to be made to Owners, or for payments to be made to the Trustee by the District (including attorneys' fees, including those allocated to in-house counsel), shall be paid over to the District.

To accomplish defeasance, the District shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants verifying the sufficiency of the escrow established to pay the Certificates in full on the maturity or redemption date ("Verification"), (ii) an escrow deposit agreement, and (iii) an opinion of nationally recognized bond counsel to the effect that the Certificates are no longer Outstanding; each Verification and defeasance opinion shall be acceptable in form and substance to the District, and addressed, to the District and the Trustee.

Certificates shall be deemed Outstanding under this Trust Agreement unless and until they are in fact paid and retired or the above criteria are met.

13.02 Records. The Trustee shall keep complete and accurate records of all moneys received and disbursed under this Trust Agreement, which shall be available for inspection by the District, the Corporation and the Owners of not less than 10% in aggregate principal amount of the Certificates Outstanding, or the agent of any of them, upon reasonable prior notice and during regular business hours.

13.03 Notices. All written notices to be given under this Trust Agreement shall be given by facsimile or by mail first class, postage prepaid, to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other parties in writing from time to time. Any such notice shall be deemed to have been received 48 hours after deposit in the United States mail, with postage fully prepaid.

If to the District:	City of Alameda Health Care District 1402 Park Street, Suite A/B Alameda, CA 94501 Attention: Executive Director
If to the Corporation:	CSDA Finance Corporation 1112 I Street Sacramento, CA 95814 Attention: Chief Executive Officer
If to the Trustee:	U.S. Bank Trust Company, National Association One California Street, Suite 1000 San Francisco, CA 94111 Attention: Global Corporate Trust

Notwithstanding the foregoing provisions of this Section 13.03, the Trustee shall not be deemed to have received, and shall not be liable for failing to act upon the contents of, any notice unless and until the Trustee actually receives such notice.

13.04 Governing Law. This Trust Agreement shall be construed and governed in accordance with the laws of the State.

13.05 Binding Effect; Successors. This Trust Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Whenever in this Trust Agreement the Corporation, the District or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Trust Agreement contained by or on behalf of the Corporation, the District or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

13.06 Execution in Counterparts. This Trust Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

13.07 Destruction of Canceled Certificates. Whenever in this Trust Agreement provision is made for the surrender to or cancellation by the Trustee and the delivery to the District of any Certificates, the Trustee may, in lieu of such cancellation and delivery, destroy such Certificates and, upon request of the District, deliver a certificate of such destruction to the District.

13.08 Headings. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Trust Agreement. All references herein to "Articles," "Sections," and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Trust Agreement; and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Trust Agreement as a whole and not to any particular Article, Section or subdivision hereof.

13.09 Limitation of Rights to Parties and Certificates Owners. Nothing in this Trust Agreement or in the Certificates expressed or implied is intended or shall be construed to give to any person other than the Corporation, the District, the Trustee and the Owners of the Certificates, any legal or equitable right, remedy or claim under or in respect of this Trust Agreement or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Corporation, the District, the Trustee and the Owners of the Certificates delivered hereunder.

13.10 Waiver of Notice. Whenever in this Trust Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

13.11 Payment of Unclaimed Moneys. Notwithstanding any provisions of this Trust Agreement, any moneys held by the Trustee in trust for the payment of the principal or interest due with respect to any Certificates and remaining unclaimed after two (2) years, shall, on such date, be repaid to the District free from the trusts created by this Trust Agreement and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to the District as aforesaid, the Trustee may (at the cost and request of the District) first mail to the Owners to whom such amounts have not yet been paid, at the addresses shown on the Certificate Register, a notice, in such form as may be deemed appropriate by the Trustee with respect to the amounts so payable and with respect to the provisions relating to the repayment to the District of the moneys held for the payment thereof. The Trustee shall not be liable for any interest on funds held by it. The District shall not be liable for any interest on the sums paid to it pursuant to this Section 13.11 and shall not be regarded as a trustee of such money.

13.12 Separability of Invalid Provisions. In case any one or more of the provisions contained in this Trust Agreement or in the Certificates shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or unenforceability shall not affect any other provision of this Trust Agreement, and this Trust Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The parties hereto hereby declare that they would have entered into this Trust Agreement and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the delivery of the Certificates pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Trust Agreement may be held illegal, invalid or unenforceable.

IN WITNESS WHEREOF, the parties have executed this Trust Agreement as of the date and year first above written.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

By: ______________________________
David Jason
Vice President

CITY OF ALAMEDA HEALTH CARE DISTRICT

By: ______________________________
Jeffrey Cambra
President

CSDA FINANCE CORPORATION

By: ______________________________
Neil McCormick
Chief Executive Officer

EXHIBIT A

DEFINITIONS

"*Acquisition Agreement*" means the agreement by that name, dated as of October 1, 2026, by and between the District and the Corporation, and any duly authorized and executed amendment or supplement thereto.

"*AHS*" means Alameda Health System.

"*Alameda Hospital*" means the acute care hospital owned by the District, more particularly described in Exhibit B to the Installment Sale Agreement.

"*Assignment Agreement*" means the agreement by that name, dated as of October 1, 2026, by and between the Corporation and the Trustee, together with any amendments or supplements thereto.

"*Board*" means the Board of Directors of the District.

"*Bond Counsel*" means (a) Stradling Yocca Carlson & Rauth LLP, or (b) any other attorney or firm of attorneys appointed by or acceptable to the District of nationally recognized experience in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes under the Code.

"*Business Day*" means a day which is not a Saturday, Sunday or legal holiday on which banking institutions in the state in which the Principal Corporate Trust Office is located are closed or are required to close or a day on which the New York Stock Exchange is closed.

"*Certificate Payment Date*" means March 15 and September 15 of each year, commencing [March 15, 2027].

"*Certificate Register*" means the registration books relating to the Certificates maintained by the Trustee in accordance with Section 2.12 of the Trust Agreement.

"*Certificates*" means the $__________ aggregate principal amount of certificates of participation to be executed and delivered pursuant to the Trust Agreement which evidence direct, undivided fractional Interests of the Owners thereof in Installment Payments.

"*Closing Date*" means October __, 2026, the date upon which there is a physical delivery of the Certificates in exchange for the amount representing the purchase of the Certificates by the Original Purchaser.

"Code" means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced in the Installment Sale Agreement or the Trust Agreement) as it may be amended to apply to obligations issued on the Closing Date, together with applicable temporary and final regulations promulgated under the Code.

"Continuing Disclosure Certificate" shall mean that certain Continuing Disclosure Certificate executed by the District and dated the date of execution and delivery of the Certificates, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"*Corporation*" means the CSDA Finance Corporation, a nonprofit public benefit corporation organized and existing under the laws of the State.

"*Corporation Representative*" means the President of the Board of Directors of the Corporation, the Chief Executive Officer of the Corporation, or any persons authorized to act on behalf of the Corporation under or with respect to the Trust Agreement, the Installment Sale Agreement and/or the Assignment Agreement and identified as such to the Trustee in writing.

"*County*" means Alameda County, a political subdivision of the State.

"*Debt Service*" means the scheduled amount of interest and amortization of principal payable with respect to the Installment Sale Agreement during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning or during such period.

"*Delivery Costs*" means all items of expense directly or indirectly payable by or reimbursable to the District or the Corporation relating to the financing from the proceeds of the Certificates, including but not limited to filing and recording costs, settlement costs, printing costs, reproduction and binding costs, initial fees and charges and first year's administration fee of the Trustee, Trustee's counsel fees and expenses, financing discounts, legal fees and charges, financial and other professional consultant fees, costs of rating agencies or credit enhancement providers, fees for execution, transportation and safekeeping of the Certificates and travel expenses.

"*Delivery Costs Fund*" means the fund by that name established pursuant to Article III of the Trust Agreement and held by the Trustee.

"*District*" means the City of Alameda Health Care District, a health care district duly organized and existing under the Constitution and laws of the State.

"District Representative" means the President of the Board, any Vice President of the Board, the Treasurer of the District, the Executive Director of the District, the Secretary of the Board, or any other person authorized to act on behalf of the District under or with respect to the Trust Agreement and/or the Installment Sale Agreement and/or the Acquisition Agreement and identified as such to the Trustee in writing.

"*Event of Default*" means an event of default under the Installment Sale Agreement, as defined in Section 8.01 thereof.

"Fair Market Value" means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security-State and Local Government Series, that is acquired in accordance with applicable regulations of the United States

Bureau of Public Debt, or (iv) the investment is the Local Agency Investment Fund of the State of California but only if at all times during which the investment is held its yield is reasonably expected to be equal to or greater than the yield on a reasonably comparable direct obligation of the United States.

"Federal Securities" means (a) Cash, and (b) obligations of, or obligations guaranteed as to principal and interest by, the United States or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States including: (i) United States treasury obligations, (ii) all direct or fully guaranteed obligations, (iii) General Services Administration, (iv) Guaranteed Title XI Financing, (v) Government National Mortgage Association (GNMA), and (vi) State and Local Government Series.

"*Fiscal Year*" means any period of twelve (12) consecutive months established by the District as its fiscal year and shall initially mean the period commencing July 1 of one year and ending on June 30 of the following year.

"*Independent Counsel*" means an attorney or a firm of attorneys duly admitted to the practice of law before the highest court of the state in which he or such firm maintains an office and who is not an employee of the Corporation, the Trustee or the District.

"Information Services" means the Electronic Municipal Market Access System (referred to as "EMMA"), a facility of the Municipal Securities Rulemaking Council (at http://emma.msrb.org) or, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other national information services providing information or disseminating notices of redemption of obligations similar to the Certificates.

"*Installment Payment*" means any payment required to be paid by the District to the Corporation pursuant to Section 4.04 of the Installment Sale Agreement.

"*Installment Payment Date*" means the 1st day of March and September in each year, commencing [March 1, 2027], so long as any Certificates are Outstanding.

"*Installment Payment Fund*" means the fund by that name established and held by the Trustee pursuant to Article V of the Trust Agreement.

"*Installment Sale Agreement*" means the agreement by that name, dated as of October 1, 2026, by and between the Corporation and the District, and any duly authorized and executed amendment or supplement thereto.

"Insurance and Condemnation Fund" means the fund by that name established pursuant to Article VI of the Trust Agreement and held by the Trustee.

"*Moody's*" means Moody's Investors Service, New York, New York, or its successors.

"Net Proceeds" means any insurance proceeds or condemnation award paid with respect to the Facilities, remaining after payment therefrom of all expenses incurred in the collection thereof.

"*Original Purchaser*" means the first purchaser of the Certificates upon their delivery by the Trustee on the Closing Date.

"*Outstanding*", when used as of any particular time with respect to Certificates, means (subject to the provisions of Section 9.03 of the Trust Agreement) all Certificates theretofore executed and delivered by the Trustee under the Trust Agreement except:

(a) Certificates theretofore canceled by the Trustee or surrendered to the Trustee for cancellation;

(b) Certificates for the payment or redemption of which funds or eligible securities in the necessary amount, including accrued interest thereon, shall have theretofore been deposited with the Trustee (whether upon or prior to the maturity or redemption date of such Certificates), provided that, if such Certificates are to be redeemed prior to maturity, notice of such redemption shall have been given as provided in Section 4.03 of the Trust Agreement or provision satisfactory to the Trustee shall have been made for the giving of such notice; and

(c) Certificates in lieu of or in exchange for which other Certificates shall have been executed and delivered by the Trustee pursuant to Section 2.09 of the Trust Agreement.

"*Owner*" or "*Certificate Owner*" or "*Owner of a Certificate*", or any similar term, means the person in whose name a Certificate shall be registered.

"*Parcel Tax*" means the special parcel tax approved by the voters of the District at a special election held on April 9, 2002.

"*Parcel Tax Revenues*" means the annual amounts collected by the County on behalf of the District derived from the Parcel Tax.

"*Parity Debt*" means indebtedness or other obligations (including leases and installment sale agreements) hereafter issued or incurred and secured by a pledge of and lien on Parcel Tax Revenues equally and ratably with the Installment Payments.

"*Participating Underwriter*" shall have the meaning ascribed thereto in the Continuing Disclosure Certificate.

"*Permitted Investments*" means any of the following:

(a) Federal Securities;

(b) Federal Housing Administration debentures;

(c) The following listed obligations government-sponsored agencies which are not backed by the full faith and credit of the United States of America:

(i) Federal Home Loan Mortgage Corporation (FHLMC) senior debt obligations and participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts),

(ii) Farm Credit System (formerly Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) consolidated system-wide bonds and notes,

(iii) Federal Home Loan Banks (FHL Banks) consolidated debt obligations,

(iv) Federal National Mortgage Association (FNMA) senior debt obligations and mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts),

(v) Financing Corporation (FICO) debt obligations, and

(vi) Resolution Funding Corporation (REFCORP) debt obligations;

(d) Unsecured certificates of deposit, time deposits, and bankers' acceptances (having maturities of not more than 30 days) of any bank, which may include the Trustee and its affiliates, the short-term obligations of which are rated "A-1" or better by S&P;

(e) Bank deposit products, demand deposits, interest bearing money market accounts, trust funds, trust accounts, overnight deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks, which may include the Trustee and its affiliates, which have capital and surplus of at least $5 million;

(f) Commercial paper (having original maturities of not more than 30 days) rated at the time of purchase "A-1+" by S&P and "Prime-1" by Moody's;

(g) Money market funds rated in one of the two highest rating categories by S&P and Moody's including such funds for which the Trustee or an affiliate receives and retains a fee for services provided to the fund, whether as a custodian, transfer agent, investment advisor or otherwise;

(h) "*State Obligations*," which means:

(i) Direct general obligations of any state of the United States of America or any subdivision of agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated "A3" by Moody's and "A" by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated,

(ii) Direct general short-term obligations of any state agency or subdivision or agency thereof described in (i) above and rated "A-1+" by S&P and "MIG-1" by Moody's, and

(iii) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state or state agency described in (i) above and rated "AA" or better by S&P and "Aa" or better by Moody's;

(i) Pre-refunded municipal obligations rated "AAA" by S&P and "Aaa" by Moody's meeting the following requirements:

(i) the municipal obligations are (A) not subject to redemption prior to maturity or (B) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions,

(ii) the municipal obligations are secured by cash or U.S. Treasury Obligations, which may be applied only to payment of the principal of, interest and premium on such municipal obligations,

(iii) the principal of and interest on the U.S. Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification"),

(iv) the cash or U.S. Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations

(v) no substitution of a U.S. Treasury Obligation shall be permitted except with another U.S. Treasury Obligation and upon delivery of a new Verification, and

(vi) the cash or U.S. Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent;

(j) Repurchase agreements with

(i) any domestic bank, or domestic branch of a foreign bank, the long-term debt of which is rated at least "AA" by S&P and Moody's, or

(ii) any broker-dealer with "retail customers" or a related affiliate thereof, which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least "AA" by S&P and Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation, or

(iii) any other entity rated "AA" or better by S&P and Moody's, provided that:

(A) The market value of the collateral is maintained at levels and upon such conditions as would be acceptable to S & P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach),

(B) The Trustee or a third party acting solely as agent therefor or for the District (the "Holder of the Collateral") has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books),

(C) The repurchase agreement shall state, and an opinion of counsel shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession),

(D) All other requirements of S&P in respect of repurchase agreements shall be met, and

(E) The repurchase agreement shall provide that if during its term the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below "A-" by S&P or "A3" by Moody's, as appropriate, the provider must, at the direction of the District or the Trustee, within 10 days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the District or Trustee.

Notwithstanding the above, if a repurchase agreement has a term of 270 days or less (with no evergreen provision), collateral levels need not be as specified in (A) above, so long as such collateral levels are 103% or better and the provider is rated at least "A" by S&P and Moody's, respectively.

(k) Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt is rated at least "AA" (stable) by S&P and "Aa" (stable) by Moody's, or, in the case of a monoline municipal bond insurance company, claims paying ability of the guarantor is rated at least "AAA" (stable) by S&P and "Aaa" (stable) by Moody's; provided that, by the terms of the investment agreement:

(i) interest payments are to be made to the Trustee at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) with respect to the Certificates;

(ii) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven (7) days' prior notice; and the District and the Trustee agree to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

(iii) the investment agreement shall state that is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks pari passu with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;

(iv) the District or the Trustee receives the opinion of domestic counsel (which opinion shall be addressed to the District) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable);

(v) the investment agreement shall provide that if during its term:

(A) the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3", respectively, the provider shall, at its option, within 10 days of receipt of publication of such downgrade, either (i) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the District, the Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral") collateral free and clear of any third-party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach); or (ii) repay the principal of and accrued but unpaid interest on the investment, and

(B) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3", respectively, the provider must, at the direction of the District or the Trustee, within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the District or Trustee;

(vi) the investment agreement shall state, and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession); and

(vii) the investment agreement must provide that if during its term:

(A) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the District or the Trustee, be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the District or Trustee, as appropriate, and

(B) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the District or Trustee, as appropriate.

(l) The Local Agency Investment Fund of the State created pursuant to section 16429.1 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name.

(m) The County Investment Pool.

"*Prepayment*" means any payment applied towards the prepayment of the Installment Payments, in whole or in part, pursuant to Article X of the Installment Sale Agreement.

"*Principal Corporate Trust Office*" means the corporate trust office of the Trustee in San Francisco, California, or at such other address designated by the Trustee by written notice filed with the District and the Corporation.

"*Proceeds*," when used with reference to the Certificates, means the face amount of the Certificates, plus accrued interest and premium, if any, less original issue discount, if any.

"*Project*" means the planning, design and construction of improvements to Alameda Hospital in order to make it compliant with the 2030 Seismic Requirements and to make any other improvements to Alameda Hospital as determined by AHS and the District, more particularly described in Exhibit C to the Trust Agreement.

"*Project Costs*" means all costs of payment of, or reimbursement for, the 2026 Financing Project.

"*Project Fund*" means the fund by that name established and held by the Trustee pursuant to Section 3.01 of the Trust Agreement.

"*Rating Category*" means, with respect to any Permitted Investment, one or more of the generic categories of ratings by Moody's and/or S&P applicable to such Permitted Investment, without regard to any refinement or gradation of such rating category by a plus or minus sign.

"*Regular Record Date*" means the close of business on the fifteenth (15th) day of the month preceding each Certificate Payment Date, whether or not such fifteenth (15th) day is a Business Day.

"*S&P*" means S&P Global Ratings, a Standard & Poor's Financial Services LLC business, New York, New York, or its successors.

"*Securities Depositories*" means The Depository Trust Company, 55 Water Street, 50th Floor, New York, NY 10041 Attention: Call Notification Department; or to such other addresses and/or such other registered securities depositories holding substantial amounts of obligations of types similar to the Certificates.

"*State*" means the State of California.

"*Subordinate Debt*" means indebtedness or other obligations (including leases and installment sale agreements) hereafter issued or incurred and secured by a pledge of and lien on Parcel Tax Revenues which by its terms is subordinate to the payment of Installment Payments and subordinate to the security and right to payment of the Installment Sale Agreement in the Event of Default or default under such Subordinate Debt.

"*Tax Certificate*" means that certain Tax Certificate executed in connection with the execution and delivery of the Certificates.

"*Term of the Installment Sale Agreement*" means the time during which the Installment Sale Agreement is in effect, as provided in Section 4.03 of the Installment Sale Agreement.

"*Trustee*" means U.S. Bank Trust Company, National Association, or any successor thereto, acting as Trustee pursuant to the Trust Agreement.

"*Trust Agreement*" means the agreement by that name, dated as of October 1, 2026, by and among the Trustee, the Corporation and the District, together with any amendments or supplements thereto permitted to be made thereunder.

"*Written Certificate*" of the District means a written certificate signed in the name of the District by a District Representative. Any such certificate or request may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument. If and to the extent required by Section 1.03 of the Trust Agreement or Section 1.02 of the Installment Sale Agreement, each such certificate shall include the statements provided for in Section 1.03 of the Trust Agreement or Section 1.02 of the Installment Sale Agreement.

"*Year*" means each twelve month period extending from September 2 in one calendar year to September 1 of the succeeding calendar year, both dates inclusive, except in the case of the initial Year which shall be the period from the Closing Date of the Certificates to [September 1, 2027].

"*2024 Assignment Agreement*" is defined in the recitals to this Trust Agreement.

"*2024 Installment Sale Agreement*" is defined in the recitals to this Trust Agreement.

"*2024 Trust Agreement*" means that certain Trust Agreement dated as of August 1, 2024, by and among the District, the Corporation, and the Trustee, pursuant to which the District caused the execution and delivery of its Certificates of Participation (2024 Financing Program, Series A).

"*2026 Financing Project*" is defined in the recitals to this Trust Agreement and in Exhibit C to this Trust Agreement.

EXHIBIT B

FORM OF CERTIFICATE OF PARTICIPATION

No. _____ **$ ______**

CERTIFICATE OF PARTICIPATION
(2026 Financing Program, Series A)
Evidencing a Direct, Undivided Fractional Interest of the
Owner Hereof in Installment Payments to be Made by the
CITY OF ALAMEDA HEALTH CARE DISTRICT
(Alameda County, California)
As the Purchase Price for Certain Property Pursuant to an
Installment Sale Agreement with the
CSDA FINANCE CORPORATION

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
_______%	_____ 15, _______	October __, 2026	______

REGISTERED OWNER: CEDE & CO.
PRINCIPAL AMOUNT: ___________________DOLLARS

This is to certify that this Certificate of Participation (the "Certificate") evidences a direct, undivided fractional interest in the right to receive certain installment payments (the "Installment Payments") under, and as defined in, that certain Installment Sale Agreement, dated as of October 1, 2026 (the "Installment Sale Agreement"), by and between the CSDA Finance Corporation, a nonprofit public benefit corporation, organized and existing under the laws of the State of California (the "Corporation"), and the City of Alameda Health Care District, a health care district organized and existing under the Constitution and laws of the State of California (the "District"). The Installment Payments to be made under the Installment Sale Agreement have been assigned to U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), at its Principal Corporate Trust Office (as such term is defined in the Trust Agreement). The Registered Owner stated above, or registered assigns (the "Owner"), is entitled to receive, on the Maturity Date stated above, the Principal Amount stated above, subject to the terms of the Installment Sale Agreement, which represents a portion of the Installment Payments designated as principal coming due on the Certificate Payment Date (as hereinafter defined) immediately preceding the Maturity Date. The Owner is also entitled to receive, subject to the terms of the Installment Sale Agreement, semiannually on each March 15 and September 15, commencing [March 15, 2027] (each, a "Certificate Payment Date"), to and including the Maturity Date or the date of redemption, whichever is earlier, the Owner's fractional share of the Installment Payments designated as interest coming due with respect to each Certificate Payment Date; provided, however, that interest with respect to such principal amount shall be payable from the Certificate Payment Date next preceding the date of execution of this Certificate unless (i) this Certificate is executed on a Certificate Payment Date, in which event interest shall be payable from such Certificate Payment Date, or (ii) this Certificate is executed after the close of business on the fifteenth (15th) day of the month immediately preceding the following Certificate Payment Date (the "Record Date") and prior to such Certificate Payment Date, in which event interest shall be payable from such Certificate Payment Date, or (iii) this Certificate is executed on or before [February 15, 2027], in which event interest shall be payable from the Dated Date stated above. Said fractional share of the portion of the Installment Payments designated as interest is the result of the multiplication of the Principal Amount by the Interest Rate per annum stated above. Interest is calculated on the basis of a 360-day year comprised of twelve 30-day months.

Said amounts are payable in lawful money of the United States of America, which at the time of payment is legal tender for the payment of public and private debts. The amounts representing principal are payable upon presentation and surrender of this Certificate at the Principal Corporate Trust Office and the amounts representing interest are payable by check of the Trustee mailed first class, postage prepaid, on each Certificate Payment Date to the Owner of record at the close of business on the Record Date, or by wire transfer to an account in the continental United States at the written request of the Owner of not less than $1,000,000 principal amount of Certificates received by the Trustee prior to the Record Date.

The District is authorized to enter into the Installment Sale Agreement pursuant to the laws of the State of California and Resolution No. ______ of the District adopted on _______, 2026. The Corporation has assigned its rights to receive Installment Payments to the Trustee pursuant to an Assignment Agreement, dated as of October 1, 2026, by and between the Corporation and the Trustee (the "Assignment Agreement"), and a Trust Agreement, dated as of October 1, 2026, by and among the Trustee, the Corporation and the District (the "Trust Agreement").

This Certificate has been executed by the Trustee pursuant to the terms of the Trust Agreement. Copies of the Installment Sale Agreement, the Assignment Agreement and the Trust Agreement are on file at the office of the District and at the Principal Corporate Trust Office, and reference to the Trust Agreement, the Installment Sale Agreement, the Assignment Agreement and any and all amendments to said agreements is made for a description of the pledges and covenants of the District securing the Installment Payments, the nature, extent and manner of enforcement of such pledges and covenants, the rights and remedies of the registered owners of the Certificates with respect thereto and the terms and conditions upon which the Certificates are delivered thereunder. To the extent and in the manner permitted by the terms thereof, the provisions of the Installment Sale Agreement and the Trust Agreement may be amended by the parties thereto with the written consent of the registered owners of at least sixty percent (60%) in principal amount with respect to the Certificates then outstanding, or without such consent with respect to an amendment not adversely affecting the interests of the registered owners of the Certificates.

The District's obligation to pay Installment Payments is secured by a first and prior lien on the Parcel Tax Revenues of the District (as such terms are defined in the Installment Sale Agreement), and certain other sources, all as provided in the Installment Sale Agreement. *The obligation of the District to pay the Installment Payments does not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation, other than the Parcel Tax. The obligation of the District to pay Installment Payments does not constitute a debt of the District, the State of California or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.*

The registration of this Certificate shall be transferable only upon the Certificate registration books, which shall be kept for that purpose at the Principal Corporate Trust Office, upon surrender hereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the Owner of this Certificate or his duly authorized attorney. Upon the registration of the transfer and the surrender of this Certificate, the Trustee shall provide, in the name of the transferee, a new fully registered Certificate or Certificates of the same aggregate principal amount and Maturity Date as the surrendered Certificate.

The Certificates are delivered in the form of fully registered Certificates in denominations of $5,000 each or any integral multiple thereof and upon surrender thereof at the Principal Corporate Trust Office with a written request for exchange satisfactory to the Trustee duly executed by the registered owner thereof or his attorney duly authorized in writing, may, at the option of such registered owner thereof, be exchanged for an equal aggregate principal amount of Certificates of any other authorized denominations and of the same Maturity Date.

No transfer or exchange of Certificates shall be required to be made during the fifteen (15) days prior to the date of selection of Certificates for redemption or of any Certificate selected for redemption.

Certificates maturing on and after [_________ 15, 20__], are subject to redemption in whole at any time or in part on any date on or after [_________ 15, 20__], in any order of maturity selected by the District and by lot within a maturity, at the principal amount with respect thereto, together with accrued interest to the date fixed for redemption, from the proceeds of optional prepayments made by the District pursuant to the Installment Sale Agreement, without premium.

The Certificates maturing on [_________ 15, 20__], are subject to mandatory prepayment in part on [_________ 15, 20__]and [_________ 15, 20__], from the principal components of scheduled Installment Payments required to be paid by the District pursuant to the Installment Sale Agreement with respect to each such prepayment date (subject to abatement, as set forth in the Installment Sale Agreement), at a prepayment price equal to the principal amount thereof to be prepaid, together with accrued interest to the date fixed for prepayment, without premium, as follows:

Date	***Principal Amount of Certificates to be Redeemed***
	$

† Maturity.

The Certificates maturing on [_________ 15, 20__], are subject to mandatory prepayment in part on [March 15 and September 15] in each year on and after [_________ 15, 20__], to and including [_________ 15, 20__], from the principal components of scheduled Installment Payments required to be paid by the District pursuant to the Installment Sale Agreement with respect to each such prepayment date (subject to abatement, as set forth in the Installment Sale Agreement), at a prepayment price equal to the principal amount thereof to be prepaid, together with accrued interest to the date fixed for prepayment, without premium, as follows:

Date	*Principal Amount of Certificates to be Redeemed*
	$
†	

† Maturity.

In the event that the Trustee shall redeem the Certificates maturing on [_________ 15, 20__], or [_________ 15, 20__], in part but not in whole pursuant to optional redemption as provided above, the amount of such Certificates subject to mandatory redemption in each subsequent year shall be reduced pro rata to correspond to the principal components of the Installment Payments prevailing following such redemption.

Notice of redemption is to be given by the Trustee by mailing a redemption notice by first class mail at least twenty (20) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owner of the Certificate or Certificates to be redeemed at the address shown on the Certificate registration books maintained by the Trustee. Notice of redemption having been given as aforesaid, the Certificates or portions of Certificates so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District shall default in the payment of the redemption price) interest with respect to such Certificates or portions of Certificates shall cease to be payable.

The Trustee has no obligation or liability to the registered owners of the Certificates to make payments of principal or interest with respect to the Certificates, except from funds held by the Trustee under the Trust Agreement. The Trustee's primary obligations are to administer, for the benefit of the registered owners of the Certificates, the various funds and accounts established under the Trust Agreement. The Trustee is not responsible for the recitals of fact in this Certificate.

The District has certified, recited and declared that all acts, conditions and things required by the Constitution and statutes of the State of California, the Installment Sale Agreement and the Trust Agreement to exist, to have happened and to have been performed precedent to and in the delivery of this Certificate, exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, this Certificate has been executed by the manual signature of the Trustee as of the date set forth below.

Execution Date: ________________

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION, as Trustee

By: ____________________________________
Authorized Signatory

FORM OF ASSIGNMENT

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

____

____

____

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

the within Certificate and do(es) hereby irrevocably constitute and appoint

____, attorney, to transfer the same on the registration books of the Trustee, with full power of substitution in the premises.

Dated: _______________

Signature Guaranteed:

____

NOTICE: Signature(s) must be guaranteed by an eligible guarantor.

____

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

EXHIBIT C

DESCRIPTION OF ALAMEDA HOSPITAL, THE PROJECT, AND THE 2026 FINANCING PROJECT

[District to confirm]

Alameda Hospital. Alameda Hospital is a general hospital, with 66 general acute care beds and 35 distinct part sub-acute skilled nursing beds, located at 2070 Clinton Avenue in the City of Alameda, California. The 2026 Financing Project consists of various improvements to Alameda Hospital, including improvements to make Alameda Hospital compliant with the State of California's 2030 seismic retrofit requirements pursuant to the Alfred E. Alquist Hospital Facilities Seismic Safety Act, being sections 130000 through 130070 of the California Health and Safety Code and to make other improvements to Alameda Hospital.

The Project. The Project consists of four phases:

Phase 1 consists of above-ceiling construction work to anchor equipment, ducts of a certain size, ceiling, lighting or sprinklers that are not already anchored, in critical areas of the hospital to comply with Senate Bill 1953 (Stats. 1993, ch. 740). This Phase I of the project will make required non-structural performance category ("NPC") 4 seismic upgrades to Alameda Hospital.

Phase 2 involves the installation of domestic water tank, sewer tank, and an enlarged fuel storage tank. This work is needed to meet Senate Bill 1953 seismic requirements to allow the hospital to function if potable and non-potable water as well as electricity is out of service for 4 days. This Phase 2 of the project will make required NPC 5 seismic upgrades to Alameda Hospital.

Phase 3A and 3B involves increasing seismic strength of Stephens Wing and the West Wing to comply with Senate Bill 1953. This Phase 3 of the project will make required structural performance category ("SPC") 4D seismic upgrades to Alameda Hospital.

Phase 4 consists of converting a vacated partial floor of the South Wing to a distinct part Skilled Nursing Unit (Medi-SNF beds) to provide operational upgrades in response to market demand and to maintain financial viability of Alameda Hospital.

2026 Financing Project. The proceeds of the Certificates will be used to finance pre-construction costs associated with all four phases of the Project and construction costs associated with Phase 1, to the extent not paid with proceeds of the District's Certificates of Participation (2024 Financing Program, Series A), and to finance construction costs associated with Phases 2, 3A, 3B, and 4 of the Project (the "2026 Financing Project"). The 2026 Financing Project may also include additional capital improvements at and relating to District facilities.

$____________
CERTIFICATES OF PARTICIPATION
(2026 Financing Program, Series A)
Evidencing the Direct, Undivided Fractional Interests of the
Owners Thereof in Installment Payments to be Made by the
CITY OF ALAMEDA HEALTH CARE DISTRICT
(Alameda County, California)
As the Purchase Price for Certain Property Pursuant to an
Installment Sale Agreement with the
CSDA FINANCE CORPORATION

CERTIFICATE PURCHASE AGREEMENT

_________, 2026

City of Alameda Health Care District
1402 Park Street, Suite A/B
Alameda, CA 94501

Ladies and Gentlemen:

The undersigned, of Piper Sandler & Co., as representative (the "Representative") on behalf of itself and Hilltop Securities Inc., as underwriters (the "Underwriters"), hereby offers to enter into this Certificate Purchase Agreement (this Certificate Purchase Agreement, together with the exhibits hereto, being herein called the "Purchase Agreement") with the City of Alameda Health Care District (the "District"), which, upon acceptance, will be binding upon the District and the Underwriters. This offer is made subject to the acceptance by the District by execution of this Purchase Agreement and its delivery to the Representative prior to 11:59 P.M., Pacific Standard time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriters upon notice by the Representative delivered to the District at any time prior to such acceptance.

Capitalized terms used in this Purchase Agreement and not otherwise defined herein shall have the meanings given to such terms as set forth in the Trust Agreement, dated as of October 1, 2026 (the "Trust Agreement") by and among the District, the CSDA Finance Corporation (the "Corporation") and U.S. Bank Trust Company, National Association, as trustee (the "Trustee").

The District hereby acknowledges and agrees that (a) the Underwriters have financial and other interests that differ from those of the District, (b) the primary role of the Underwriters is to purchase securities for sale to investors in an arm's-length commercial transaction between the District and the Underwriters, (c) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriters are and have been acting solely as principals and is not acting as the agents or fiduciaries of the District, (d) the Underwriters are not acting as municipal advisors, financial advisors or fiduciaries to the District and have not assumed any advisory or fiduciary responsibilities to the District with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters have provided or is currently providing other services to the District on other matters), (e) the only obligations the Underwriters have to the District with respect to the transaction contemplated hereby are expressly set forth in this Purchase Agreement, and (f) the District has consulted its own financial, municipal, legal, accounting, tax and/or other advisors, as applicable, to the extent it has deemed appropriate in connection with the issuance of the Certificates and the other matters contemplated by this Purchase Agreement. The District has a municipal advisor in this transaction that has legal fiduciary duties to the District.

The District hereby acknowledges receipt from the Underwriters of disclosures required by the Municipal Securities Rulemaking Board ("MSRB") Rule G-17 (as set forth in MSRB Notice 2012-25 (May 7, 2012), relating to disclosures concerning the Underwriters' role in the transaction, disclosures concerning the Underwriters' compensation, conflict disclosures, if any, and disclosures concerning complex municipal securities financing, if any.

Section 1. **Purchase and Sale**. Upon the terms and conditions and upon the basis of the representations, warranties and agreements herein set forth, the District and the Corporation hereby agree to sell and deliver to the Underwriters all of the $__________ aggregate principal amount of Certificates of Participation (2026 Financing Program, Series A) (the "Certificates"), evidencing direct, undivided fractional interests of the owners thereof in installment payments (the "Installment Payments") to be made by the District pursuant to an installment sale agreement (the "Installment Sale Agreement"), with the Corporation. The purchase price of the Certificates shall be $__________ (representing an aggregate principal amount of the Certificates of $__________, plus an original issue premium of $__________, less an Underwriters' discount of $__________).

Section 2. **The Certificates**. The Certificates will be dated their date of delivery and will be substantially in the form described in, shall be authorized, executed and delivered under the provisions of, and shall be payable as provided in, the Trust Agreement. The Certificates are being executed and delivered to provide funds to (a) finance preconstruction costs and a portion of the costs of the construction of improvements to the duly licensed general acute care hospital owned by the District ("Alameda Hospital") in order to make it compliant with the State of California's 2030 seismic retrofit requirements pursuant to the Alfred E. Alquist Hospital Facilities Seismic Safety Act, being sections 130000 through 130070 of the California Health and Safety Code and to make other improvements to Alameda Hospital, and (b) pay costs incurred in connection with executing and delivering the Certificates.

The District is legally required under the Installment Sale Agreement to make Installment Payments secured by and payable from parcel tax revenues approved by registered voters residing in the City of Alameda on April 9, 2002. Installment Payments are scheduled in an amount sufficient to pay, when due, the annual principal and interest with respect to the Certificates. The District's obligation to pay the Installment Payments will be on parity with the District's obligation to pay installment payments under that certain Installment Sale Agreement dated as of August 1, 2024, between the District and the Corporation, and any additional parity obligations incurred by the District in the future.

The Corporation will assign its right to receive Installment Payments from the District under the Installment Sale Agreement to the Trustee pursuant to an Assignment Agreement, dated as of October 1, 2026 (the "Assignment Agreement").

The District will also enter into a Continuing Disclosure Certificate, dated the Closing Date (the "Continuing Disclosure Certificate"). The Trust Agreement, the Installment Sale Agreement, the Assignment Agreement, the Continuing Disclosure Certificate and this Purchase Agreement are hereinafter referred to as the "Legal Documents."

Section 3. **Public Offering and Establishment of Issue Price**.

(a) The Representative, on behalf of the Underwriters, agrees to assist the District in establishing the issue price of the Certificates and shall execute and deliver to the District at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the District and Stradling Yocca Carlson & Rauth LLP, as special counsel (the "Special Counsel"), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Certificates.

(b) Except as otherwise set forth in Schedule I to Exhibit B, the District will treat the first price at which 10% of each maturity of the Certificates (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Agreement, the Representative shall report to the District the price or prices at which it has sold to the public each maturity of Certificates. If at that time the 10% test has not been satisfied as to any maturity of the Certificates, the Underwriters agree to promptly report to the District the prices at which they sell the unsold Certificates of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Certificates of that maturity or until all Certificates of that maturity have been sold to the public.

(c) The Representative confirms that the Underwriters have offered the Certificates to the public on or before the date of this Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Schedule I to Exhibit B, except as otherwise set forth therein. Schedule I to Exhibit B also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Certificates for which the 10% test has not been satisfied and for which the District and the Representative, on behalf of the Underwriters, agrees that the restrictions set forth in the next sentence shall apply, which will allow the District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Certificates, the Underwriters will neither offer nor sell unsold Certificates of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(i) the close of the fifth (5th) business day after the sale date; or

(ii) the date on which the Underwriters have sold at least 10% of that maturity of the Certificates to the public at a price that is no higher than the initial offering price to the public.

The Representative shall promptly advise the District when they have sold 10% of that maturity of the Certificates to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(d) The Representative confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Certificates to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Certificates of each maturity allotted to it until it is notified by the Underwriters that either the 10% test has been satisfied as to the Certificates of that maturity or all Certificates of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative and as set forth in the related oricing wires. The District acknowledges that, in making the representation set forth in this subsection, the Underwriters will rely on (i) in the event a selling group has been created in connection with the initial sale of the Certificates to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a retail distribution agreement was employed in connection with the initial sale of the Certificates to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The District further acknowledges that the Underwriters shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Certificates.

(e) The Underwriters acknowledge that sales of any Certificates to any person that is a related party to the Underwriters shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Certificates to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Certificates to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Certificates to the public),

(iii) a purchaser of any of the Certificates is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date of execution of this Purchase Agreement by all parties.

Section 4. **The Official Statement**.

(a) By its acceptance of this proposal, the District ratifies, confirms and approves of the use and distribution by the Underwriters prior to the date hereof of the preliminary official statement, dated __________, 2026, relating to the Certificates (including the cover page, all appendices and all information incorporated therein, the "Preliminary Official Statement"). The District hereby certifies that such Preliminary Official Statement is deemed final as of its date, for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("Rule 15c2-12") except for certain omissions with respect to the pricing of the Certificates permitted to be omitted therefrom by Rule 15c2-12.

The District hereby agrees to deliver or cause to be delivered to the Underwriters, within seven business days of the date hereof, copies of the final official statement, dated the date hereof, relating to the Certificates (including all information previously permitted to have been omitted by Rule 15c2-12, the cover page, all appendices, all information incorporated therein and any amendments or supplements as have been approved by the District and the Underwriters, the

"Official Statement") in such quantity as the Underwriters shall reasonably request. The District has approved the use and distribution by the Underwriters of the Official Statement, and the District hereby authorizes the use by the Underwriters of the Legal Documents in connection with the offer and sale of the Certificates.

Section 5. **Closing**. At 8:30 A.M., Pacific Daylight time, on __________, 2026, or at such other time and date as may be agreed upon by the District and the Underwriters (the "Closing Date"), (i) the District will cause to be delivered to the Representative the Certificates in definitive form, bearing CUSIP numbers and fully registered, through the book-entry system of The Depository Trust Company ("DTC"); and (ii) the District will cause to be delivered to the Underwriters the other documents herein mentioned at the offices of Special Counsel in Newport Beach, California, or another place to be agreed upon by the Corporation, the District and the Underwriters. The Underwriters will accept such delivery and pay the purchase price of the Certificates as set forth in Section 1 hereof in immediately available funds to the order of the Trustee on behalf of the District. This payment and delivery, together with the delivery of the aforementioned documents, is herein called the "Closing." Notwithstanding the foregoing, neither the failure to print CUSIP numbers on any Certificate nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriters to accept delivery of and pay for the Certificates on the Closing Date in accordance with the terms of this Purchase Agreement.

Section 6. **Representation, Warranties and Covenants of the District**. The District represents, warrants and covenants to the Underwriters that:

(a) The District is a health care district, duly organized and validly existing under the Constitution and laws of the State of California (the "State"). The District has all necessary power and authority and has taken all official action necessary to enter into and perform its duties under the Trust Agreement, the Installment Sale Agreement, the Continuing Disclosure Certificate and this Purchase Agreement (collectively, the "District Documents"). The District Documents and the Official Statement have been duly executed and delivered by the District and, assuming the due authorization, execution and delivery by the other respective parties thereto, the District Documents to the best knowledge of the District will constitute legally valid and binding obligations of the District enforceable against the District in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other similar laws or equitable principles relating to or limiting creditors' rights generally.

(b) To the best of its knowledge, except as may be required under Blue Sky or other securities laws of any state (as to which no representation is made), there is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory authority having jurisdiction over the District required for the execution, delivery and sale of the Certificates or the consummation by the District of the transactions contemplated by the District Documents and by the Official Statement, which has not been duly obtained or made on or prior to the date hereof.

(c) There is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court or governmental or public entity pending, or to the best knowledge of the District, threatened against the District which affects or seeks to prohibit, restrain or enjoin the execution or delivery of the Certificates, or contesting the powers of the District to enter into or perform its obligations under any of the District Documents or the existence or powers of the District.

(d) the distribution of the Preliminary Official Statement and the Official Statement have been duly authorized by the District and as of the date hereof and at all times subsequent thereto up to and including the time of the Closing, the statements and information contained in the Official Statement (excluding statements under the captions "THE CORPORATION," "UNDERWRITING," information relating to DTC and the book-entry only system and information as to bond prices on the cover of the Official Statement, as to which no opinion or view is expressed) are and will be true, correct and complete in all material respects and the Official Statement does not and will not omit to state a material fact required to be stated therein or necessary to make such statements and information therein, in the light of the circumstances under which they were made, not misleading in any material respect;

(e) The District agrees that, if at any time before the Closing Date any event of which it has knowledge occurs, as a result of which the Official Statement as then in effect would include any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading, the District shall promptly prepare or cooperate in the preparation of an amendment or supplement to the Official Statement if in the opinion of the District and the Underwriters or their respective counsel, such event requires the preparation and publication of a supplement or amendment to the Official Statement. The District shall advise the Underwriters promptly of any proposal to so amend or supplement the Official Statement and shall effect such amendment or supplement in a form and manner approved by the Underwriters. The District shall promptly advise the Underwriters of the institution of any action, suit, proceeding, inquiry or investigation seeking to prohibit, restrain or otherwise affect the use of the Official Statement in connection with the offering, sale or distribution of the Certificates.

If any information relating to the District contained in the Official Statement is amended or supplemented pursuant to the immediately preceding subparagraph, at the time of each supplement or amendment thereto and (unless subsequently supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date of the Closing, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein) will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such information therein concerning the District or the District's affairs, in the light of the circumstances under which it was presented, not misleading.

(f) The District shall furnish or cause to be furnished to the Underwriters, in such quantities as shall be reasonably required by the Underwriters, copies of the Official Statement and all amendments and supplements thereto, in each case as soon as available.

(g) The proceeds from the sale to the Underwriters of the Certificates will be applied in the manner and for the purposes specified in the Trust Agreement.

(h) The resolution of the District approving the execution and delivery of the District Documents and the Official Statement has been duly adopted by the District, has not been amended, modified or repealed and is in full force and effect on the date hereof.

(i) To the best of its knowledge, neither the execution and delivery by the District of the District Documents nor the District's adoption of the resolution, nor the District's compliance with such documents or such resolution, nor the consummation of the transactions contemplated by such documents, such resolution or the Official Statement, conflicts with or constitutes a breach of or default under, or will conflict with or constitute a breach of or default under, any term or provision of any applicable law or any administrative rule or regulation of the State or the United States or any applicable judgment, decree, order, license, permit, agreement or instrument to which the District is subject or is otherwise bound has or will have a material adverse effect on the ability of the District to perform its obligations under the District Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instruments.

(j) The District agrees to cooperate with the Underwriters in endeavoring to qualify the Certificates for offer and sale under the securities or Blue Sky laws of as many jurisdictions of the states of the United States as the Underwriters may request; provided, however, that the District will not be required to expend any of its own funds in connection with such qualifications and will not be required to consent to service of process in any such jurisdiction in which it is not now subject to service of process or to qualify as a broker or a foreign corporation in connection with any such qualification in any jurisdiction.

(k) The District covenants that it will not take any action which would cause interest payable with respect to the Certificates to be subject to federal income taxation or State personal income taxation.

(l) Other than as described in the Preliminary Official Statement and the Official Statement, the District has not failed to comply with any previous continuing disclosure undertaking within the prior 5 years.

Section 7. **Conditions to the Obligations of the Underwriters**. The Underwriters have entered into this Purchase Agreement in reliance upon the representations and warranties of the District contained herein. The obligations of the Underwriters to accept delivery of and pay for the Certificates on the Closing Date shall be subject, at the option of the Representative, to the performance by the District of its obligations, to be performed hereunder and to the performance by the District and the Corporation of their obligations, to be performed under the Legal Documents, at or prior to the Closing Date and the following additional conditions:

(a) The representations, warranties and covenants of the District contained herein shall be true and correct at the date hereof and at the time of the Closing, as if made on the Closing Date;

(b) At the time of Closing, the Legal Documents shall be in full force and effect as valid and binding agreements between or among the various parties thereto and the Legal Documents and the Official Statement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Representative, and all such reasonable actions as, in the opinion of Special Counsel or counsel to the Underwriters, shall reasonably deem necessary in connection with the transactions contemplated hereby;

(c) Between the date hereof and the Closing Date, the market price or marketability, at the initial public offering prices set forth on the inside cover page of the Official Statement, of the Certificates shall not have been materially adversely affected, in the reasonable judgment of the Representative, by reason of any of the following:

(i) the marketability of the Certificates or the market price thereof, in the opinion of the Underwriters, has been materially adversely affected by an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State, or the amendment of legislation pending as of the date of the Purchase Agreement in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any federal or state court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or state authority affecting the federal or state tax status of the Corporation or the District, or the interest with respect to bonds or notes (including the Certificates);

(ii) the declaration of war or engagement in major military hostilities by the United States or the occurrence or escalation of any other national emergency or calamity relating to the normal operation of the government of or the financial community in the United States;

(iii) the declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading on any national securities exchange;

(iv) the imposition by the New York Stock Exchange or other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Certificates or obligations of the general character of the Certificates or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, underwriters;

(v) an order, decree or injunction issued by any court of competent jurisdiction, or order, ruling, regulation (final, temporary or proposed), official statement or other form of notice or communication issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that (i) obligations of the general character of the Certificates, or the Certificates, including any or all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Trust Agreement is not exempt from qualification under the Trust Indenture Act of 1939, as amended, or (ii) the execution and delivery, offering or sale of obligations of the general character of the Certificates, or the execution and delivery, offering or sale of the Certificates, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect;

(vi) any event shall occur which makes untrue any material statement or results in an omission to state a material fact that is necessary to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading, which event, in the reasonable opinion of the Underwriters would materially or adversely affect the ability of the Underwriters to market the Certificates;

(vii) any legislation, ordinance, rule or regulation shall be enacted by any governmental body, department or authority of the State, or a decision by any court of competent jurisdiction within the State shall be rendered which materially adversely affects the market price of the Certificates;

(viii) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, to the effect that obligations of the general character of the Certificates, or the Certificates, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or that the Trust Agreement is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect;

(ix) any rating of the Certificates or the rating of any obligations of the District shall have been downgraded or withdrawn by a national rating service, which, in the opinion of the Underwriters, materially adversely affects the market price of the Certificates;

(x) the commencement of any action, suit or proceeding described in Section 6(c); or

(xi) A material disruption in securities settlement, payment or clearance services affecting the Certificates shall have occurred.

If any of the preceding shall have occurred before the Closing, the Underwriters shall have the right to cancel their obligations to purchase the Certificates, by written notice (or by telephone, confirmed in writing) by the Representative to the District.

(d) At or prior to the Closing, the Underwriters shall receive the following documents, in each case to the reasonable satisfaction in form and substance of the Representative:

(i) the Legal Documents duly executed and delivered by the respective parties thereto, with only such amendments, modifications or supplements as may have been agreed to in writing by the Underwriters;

(ii) the approving opinion of Special Counsel, dated the Closing Date and addressed to the District, in substantially the form attached as Appendix F to the Official Statement, together with reliance letters addressed to the Underwriters and the Trustee;

(iii) a supplemental opinion of Special Counsel dated the Closing Date and addressed to the Underwriters and the District, in form and substance acceptable to each of them to the effect that:

(A) the statements in the Official Statement under the captions, "INTRODUCTION," "THE CERTIFICATES," "SOURCE OF PAYMENT FOR THE CERTIFICATES," "CONTINUING DISCLOSURE," "TAX MATTERS," APPENDIX F–FORM OF OPINION OF SPECIAL COUNSEL, APPENDIX A–SUMMARY OF PRINCIPAL LEGAL DOCUMENTS, AND APPENDIX D–FORM OF CONTINUING DISCLOSURE CERTIFICATE insofar as such statements purport to summarize certain provisions of the Certificates, security for the Certificates, the Trust Agreement, the Installment Sale Agreement, the Assignment Agreement, the Continuing Disclosure Certificate and the legal opinion of Special Counsel with respect thereto concerning the validity and tax status of interest with respect to the Certificates, are accurate in all material respects; but excluding therefrom information about DTC and the book-entry only system;

(B) this Purchase Agreement has been duly authorized, executed and delivered by the Corporation and the District and, assuming due authorization, execution and delivery by the other respective parties thereto, constitute valid and binding agreements of the Corporation and the District and are enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other similar laws affecting enforcement of creditors' rights and by the application of equitable principles if equitable remedies are sought; and

(C) the Certificates are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended;

(iv) the opinion of Thomas Driscoll, Esq., counsel to the District, dated the Closing Date, and addressed to the Underwriters and the Trustee, to the effect:

(A) the District is a health care district organized and existing under and by virtue of the laws and the Constitution of the State and has full legal power and lawful authority to execute and deliver and perform all obligations under the Legal Documents to which the District is a party (the "District Documents") and to participate in the transactions contemplated by the Official Statement;

(B) the resolution adopted by the Board of Directors of the District approving the form and authorizing the execution of the District Documents has been duly adopted at a meeting of the Board of Directors of the District, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout and such resolution is in full force and effect and has not been modified, amended or rescinded;

(C) the District has duly authorized, executed and delivered the District Documents and, assuming due authorization, execution and delivery by the parties thereto other than the District, the District Documents constitute the legally valid and binding obligations of the District enforceable against the District in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought.

(D) there is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, government agency, public board or body, pending or, to our knowledge after reasonable investigation, threatened: (1) which would materially adversely affect the financial position of the District; (2) affecting, contesting or seeking to prohibit, restrain or enjoin the execution and delivery of any of the Certificates or the District Documents, or in any way contesting or affecting the validity of or security for the Certificates or the District Documents or the consummation of the transactions contemplated thereby, or contesting the powers of the District or its authority to execute and deliver the District Documents or perform its obligations thereunder; or (3) contesting the completeness or accuracy of the Official Statement or asserting that the Official Statement contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and to their knowledge there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in subparagraphs (1) through (3) of this paragraph (D);

(E) the District is not in material breach of or default under any applicable constitutional provision, law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, and no event has occurred or is continuing which with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument; and the execution and delivery of the District Documents and compliance with the provisions thereof by the District, will not result in a violation of, a breach of, or a default under the articles of incorporation or bylaws of the District or any statute, indenture, mortgage, deed of trust, note agreement, or other agreement or instrument to which the District is a party or by which it or any of its property is bound, or any order, rule, law or regulation of any court or other governmental body having jurisdiction of the District;

(F) no authorization, approval, consent or order of the State or any other governmental authority or agency within the State, other than the governing body of the District, is required for the valid authorization, execution and delivery by the District of the District Documents and the performance by the District of its obligations thereunder; and

(G) as of the date hereof, nothing has come to such attorney's attention causing them to believe that the information contained in the Official Statement relating to the District under the caption "THE DISTRICT" as of its date or as of the date hereof contained any untrue statement of material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(v) the opinion of McMurchie Law, counsel to the Corporation, dated the Closing Date and addressed to the Underwriters and the Trustee, in form and substance acceptable to each of them, to the effect that:

(A) the Corporation is a nonprofit public benefit corporation organized and existing under and by virtue of the laws and the Constitution of the State and has full legal power and lawful authority to execute and deliver and perform all obligations under the Legal Documents to which the Corporation is a party (the "Corporation Documents") and to participate in the transactions contemplated by the Official Statement;

(B) the resolution adopted by the Board of Directors of the Corporation approving the form and authorizing the execution of the Corporation Documents has been duly adopted at a meeting of the Board of Directors of the Corporation, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout and such resolution is in full force and effect and has not been modified, amended or rescinded;

(C) the Corporation has duly authorized, executed and delivered the Corporation Documents and, assuming due authorization, execution and delivery by the parties thereto other than the Corporation, the Corporation Documents constitute the legally valid and binding obligations of the Corporation enforceable against the Corporation in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought.

(D) there is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, government agency, public board or body, pending or, to our knowledge after reasonable investigation, threatened: (1) which would materially adversely affect the financial position of the Corporation; (2) affecting, contesting or seeking to prohibit, restrain or enjoin the execution and delivery of any of the Certificates or the Corporation Documents, or in any way contesting or affecting the validity of or security for the Certificates or the Legal Documents or the consummation of the transactions contemplated thereby, or contesting the powers of the Corporation or its authority to execute and deliver the Legal Documents or perform its obligations thereunder; or (3) contesting the completeness or accuracy of the Official Statement or asserting that the Official Statement contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and to our knowledge there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in subparagraphs (1) through (3) of this paragraph (D);

(E) the Corporation is not in material breach of or default under any applicable constitutional provision, law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Corporation is a party or to which the Corporation or any of its property or assets is otherwise subject, and no event has occurred or is continuing which with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument; and the execution and delivery of the Legal Documents and compliance with the provisions thereof by the

Corporation, will not result in a violation of, a breach of, or a default under the articles of incorporation or bylaws of the Corporation or any statute, indenture, mortgage, deed of trust, note agreement, or other agreement or instrument to which the Corporation is a party or by which it or any of its property is bound, or any order, rule, law or regulation of any court or other governmental body having jurisdiction of the Corporation;

(F) no authorization, approval, consent or order of the State or any other governmental authority or agency within the State, other than the governing body of the Corporation, is required for the valid authorization, execution and delivery by the Corporation of the Legal Documents and the performance by the Corporation of its obligations thereunder; and

(G) as of the date hereof, nothing has come to such attorney's attention causing us to believe that the information contained in the Official Statement relating to the Corporation under the caption "THE CORPORATION" as of its date or as of the date hereof contained any untrue statement of material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(vi) a certificate, dated the Closing Date, signed by a duly authorized official of the District satisfactory in form and substance in the reasonable judgment of the Underwriters to the effect that:

(A) the District is a local health care district, duly organized and existing under the laws of the State and has all necessary power and authority to enter into and perform its duties under the District Documents;

(B) by official action of the District, the District has approved the execution and delivery of and the performance by the District of the obligations on its part contained in the District Documents;

(C) the execution and delivery of the District Documents to which it is a party, compliance with the provisions thereof and performance of its duties thereunder, will not conflict with or constitute a breach of or default under the District's duties under any law, administrative regulation, judgment, decree, note, resolution, charter, by-law or other agreement to which the District is a party or is otherwise subject or by which its properties may be affected;

(D) the information relating to the District contained in the Official Statement does not contain any untrue or misleading statement of a material fact or omit to state any material fact which is necessary to make such statements therein, in the light of the circumstances under which they were made, not misleading;

(E) to the best knowledge of the District, there is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory authority having jurisdiction over the District required for the execution, delivery and sale of the Certificates or the consummation by the District of the transactions on its part contemplated by the District Documents;

(F) to the best knowledge of the District, the District is not in breach of or default under any applicable law or administrative regulation of the State or the United States or any applicable judgment or decree, agreement or other instrument to which the District is a party or is otherwise subject, and no event has occurred and is continuing that, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, which breach or default has or may have a material adverse effect on the ability of the District to perform its obligations under the District Documents;

(G) there is no action, suit, proceeding, inquiry or investigation, at law or in equity before or by any court or governmental agency or body, pending or, to the best knowledge of the District, threatened against the District, except as disclosed in the Official Statement, to restrain or enjoin the execution or delivery of the Certificates, or in any way contesting or affecting the validity or enforceability of the Certificates or the District Documents or contesting the powers of the District to enter into or perform its obligations under any of the foregoing; and

(H) the District covenants that it will not take any action that would cause interest with respect to the Certificates to be subject to federal income taxation or California personal income taxes;

(vii) a certificate, dated the Closing Date, signed by a duly authorized official of the Corporation satisfactory in form and substance in the reasonable judgment of the Underwriters to the effect that:

(A) the Corporation is nonprofit public benefit corporation, duly organized and validly existing under the laws of the State;

(B) the Corporation has all necessary power and authority and has taken all official actions necessary to execute, deliver and perform its duties under each of the Corporation Documents and each of the Legal Documents has been duly authorized, executed and delivered by the Corporation and, assuming the due authorization, execution and delivery by the other respective parties thereto, will constitute legally valid and binding obligations of the Corporation enforceable against the Corporation in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or limiting creditors' rights generally or principles of equity involving judicial discretion;

(C) the Corporation is not in material breach of, or default under, any applicable constitutional provision, law or administrative rule or regulation of the State or the United States of America material to the conduct of its functions or any applicable judgment or decree or any loan agreement, indenture, bond, certificate, note, resolution or other agreement or instrument to which the Corporation is a party or to which the Corporation or any of its properties is otherwise subject, and no event has occurred and is continuing that, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any of the foregoing; and the authorization, execution and delivery of the Legal Documents, and compliance with the provisions thereof, will not conflict with or constitute a breach of or default under any constitutional provision, law, administrative rule or regulation, or any judgment, decree, license, permit, loan agreement, indenture, bond, certificate, note, resolution, agreement or other instrument to which the Corporation (or any of its officers in their respective capacities as such) is subject or by which it or any of its properties is bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument except as may be provided by the Legal Documents;

(D) there is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory entity having jurisdiction over the Corporation required for the execution and delivery of the Legal Documents, or the consummation by the Corporation of the transactions contemplated in the Official Statement or in the Legal Documents, which has not been duly obtained or made on or prior to the date hereof;

(E) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or governmental or public entity pending or, to the knowledge of the Corporation, threatened against the Corporation that affects or seeks to prohibit, restrain or enjoin the execution or delivery of the Certificates or any of the Legal Documents, or contesting the validity of the Certificates or any of the Legal Documents or the powers of the Corporation to enter into or perform its obligations under the Legal Documents or the existence or powers of the Corporation; and

(F) no event affecting the Corporation has occurred since the date of the Official Statement that either makes untrue or incorrect in any material respect as of the Closing Date the statements or information regarding the Corporation contained in the Official Statement or is not reflected in the Official Statement but should be reflected therein in order to make the statements and information therein regarding the Corporation not misleading in any material respect;

(viii) a certificate of the Trustee, dated the Closing Date, signed by a duly authorized officer of the Trustee, and in form and substance satisfactory to the Underwriters, to the effect that:

(A) the Trustee is a national banking association duly organized and existing under and by virtue of the laws of the United States of America authorized to carry out corporate trust powers and has all necessary power and authority to enter into and perform its duties under the Trust Agreement and the Assignment Agreement and to execute the Certificates;

(B) the representations of the Trustee in the Trust Agreement and the Assignment Agreement are true and correct in all material respects as of the Closing Date;

(C) to its knowledge, no litigation is pending or threatened (either in state or federal courts) (1) to restrain or enjoin the execution or delivery of any of the Certificates or the collection of revenues pledged under the Installment Sale Agreement, or (2) in any way contesting or affecting any authority for the execution or delivery of the Certificates or the validity or enforceability of the Trust Agreement or the Assignment Agreement;

(D) the Trustee is duly authorized to execute and deliver the Certificates to the Underwriters upon instruction by the District pursuant to the terms of the Trust Agreement, and the Trust Agreement and the Assignment Agreement constitute legal, valid and binding obligations of the Trustee enforceable in accordance with its respective terms;

(E) to the best of its knowledge, the execution and delivery of the Trust Agreement and the Assignment Agreement, and compliance with the provisions thereof, will not conflict with, or constitute a breach of or default under, the Trustee's duties under said documents or any law, administrative regulation, court decree, resolution, articles of association, bylaws or other material agreement to which the Trustee is subject or by which it is bound; and

(F) the Certificates have been validly executed and delivered by the Trustee;

(ix) the opinion of counsel to the Trustee, addressed to the Underwriters and the District, dated the Closing Date, to the effect that;

(A) the Trustee has been duly organized and is validly existing in good standing as a national banking association under the laws of the United States of America, with full corporate power to enter into the Trust Agreement and the Assignment Agreement and to accept the trust as provided therein, and to perform its obligations under the Trust Agreement and the Assignment Agreement;

(B) the Trustee has duly authorized, executed and delivered the Trust Agreement and the Assignment Agreement and by all proper corporate action has authorized the acceptance of the trust of the Trust Agreement;

(C) assuming the due authorization, execution and delivery by the other parties to the Trust Agreement and the Assignment Agreement, the Trust Agreement and the Assignment Agreement, constitute legally valid and binding agreements of the Trustee, enforceable against the Trustee in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, moratorium or other similar laws or equitable principles relating to or limiting creditors' rights generally;

(D) the Certificates have been validly executed by the Trustee; and

(E) no approval, authorization or other action by, or filing with, any governmental body or regulatory authority (which has not been obtained) is required in connection with the due execution, delivery and performance by the Trustee of the Trust Agreement and the Assignment Agreement;

(x) the opinion of Pierson Ferdinand LLP, counsel to the Underwriters, dated the Closing Date and addressed to the Underwriters, in form and substance acceptable to the Underwriters.

(xi) a copy of the Official Statement, executed on behalf of the District;

(xii) a copy of the general resolution of the Trustee authorizing the execution and delivery of the Trust Agreement and the Assignment Agreement;

(xiii) copies of all resolutions relating to the Certificates, the Official Statement and the Legal Documents adopted by the Corporation and the District, as applicable, and certified by an authorized official of the Corporation and the District;

(xiv) a tax certificate by the District in form and substance acceptable to Special Counsel;

(xv) a letter from Moody's Investors Service indicating that the Certificates have been assigned a rating of "Aa2."

(xvi) a parity debt certificate pursuant to Section 4.07(b) of the Installment Sale Agreement.

(xvii) evidence of good standing of the Corporation with the State; and

(xviii) such additional legal opinions, certificates, proceedings, instruments or other documents as Special Counsel and counsel to the Underwriters, if any, may reasonably request to evidence compliance by the Corporation and the District with legal requirements, the truth and accuracy, as of the Closing Date, of the representations and warranties of the Corporation and the District contained herein, and the due performance or satisfaction by the Corporation and the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Corporation and the District.

Section 8. **Changes in Official Statement**. After the Closing, the District will not adopt any amendment of or supplement to the Official Statement to which the Underwriters shall object in writing. Within 90 days after the Closing or within 25 days following the end of the underwriting period, whichever occurs first, if any event relating to or affecting the Certificates, the Trustee, the Corporation or the District shall occur as a result of which it is necessary, in the opinion of the Underwriters, to amend or supplement the Official Statement in order to make the Official Statement not misleading in any material respect in the light of the circumstances existing at the time it is delivered to a purchaser, the District will forthwith prepare and furnish to the Underwriters an amendment or supplement that will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to purchaser, not misleading. The District shall cooperate with the Underwriters in the filing by the Underwriters of such amendment or supplement to the Official Statement with a nationally recognized municipal securities repository. For the purposes of this section the Trustee, the Corporation and the District will each furnish such information with respect to itself as the Underwriters may reasonably request from time to time during such period.

Section 9. **Expenses**. Whether or not the transactions contemplated by this Purchase Agreement are consummated, the Underwriters shall be under no obligation to pay, and the District shall pay from the proceeds of the Certificates or otherwise, all expenses and costs due from the District and the Corporation incident to the performance of their obligations in connection with the authorization, execution, sale and delivery of the Certificates to the Underwriters, including, without limitation, printing costs, rating agency fees and charges, initial fees of the Trustee, including fees and disbursements of its counsel, if any, fees and disbursements of the District's municipal advisor, Special Counsel, Disclosure Counsel and other professional advisors employed by the District or the Corporation, and costs of preparation, printing, signing, transportation, delivery and safekeeping of the Certificates. The Underwriters shall pay all out-of-pocket expenses of the Underwriters, including, without limitation, advertising expenses, regulatory fees imposed on new securities issuers, CUSIP Bureau fees, the California Debt and

Investment Advisory Commission fee and any and all other expenses incurred by the Underwriters in connection with the public offering and distribution of the Certificates, including the fees and disbursements of its counsel.

Section 10. **Notices**. Any notice or other communication to be given to the Underwriters under this Purchase Agreement may be given by delivering the same in writing to Piper Sandler & Co., 11635 Rosewood Street, Leawood, KS 66211, Attention: Mr. Todd C. Van Deventer, Managing Director. Any notice or communication to be given to the Corporation or the District under this Purchase Agreement may be given by delivering the same in writing to the Corporation's and the District's addresses, respectively set forth above, Attention: Executive Director.

The approval of the Underwriters when required hereunder or the determination of the Underwriters' satisfaction as to any document referred to herein shall be in writing signed by the Representative and delivered to you.

Section 11. **Parties in Interest**. This Purchase Agreement is made solely for the benefit of the Corporation, the District and the Underwriters (including the successors or assigns thereof) and no other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements of the Corporation and the District in this Purchase Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriters and shall survive the delivery of and payment of the Certificates.

Section 12. **Counterparts**. This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 13. **Governing Law**. This Purchase Agreement shall be governed by the laws of the State.

PIPER SANDLER & CO. and
HILLTOP SECURITIES INC., as Underwriters

By PIPER SANDLER & CO., as Representative

By ____
Managing Director

Accepted and Agreed to:

CITY OF ALAMEDA HEALTH CARE DISTRICT

By ____
President

Time of Execution: ___________, P.M., Pacific Daylight time, ________, 2026

EXHIBIT A

MATURITY SCHEDULE AND REDEMPTION PROVISIONS

$___________
CERTIFICATES OF PARTICIPATION
(2026 Financing Program, Series A)
Evidencing the Direct, Undivided Fractional Interests of the
Owners Thereof in Installment Payments to be Made by the
CITY OF ALAMEDA HEALTH CARE DISTRICT
(Alameda County, California)
As the Purchase Price for Certain Property Pursuant to an
Installment Sale Agreement with the
CSDA FINANCE CORPORATION

MATURITY SCHEDULE

Maturity Date	Principal Amount	Interest Rate	Yield	Price

c Priced to the optional redemption date of ________ 15, 20__, at par.
T Term Certificates.

Optional Prepayment. The Certificates maturing on and after _______ 15, 20___, are subject to optional prepayment in whole or in part on any date on and after _______ 15, 20___, in such order of maturity as shall be designated by the District (or, if the District shall fail to so designate the order of prepayment, in *pro rata* among maturities) and by lot within a maturity, at a prepayment price equal to the principal amount thereof, together with accrued interest to the date fixed for prepayment, without premium, from the proceeds of the optional prepayment of Installment Payments made by the District pursuant to the Installment Sale Agreement.

Sinking Fund Prepayment. The Certificates maturing on _______ 15, 20___, are subject to mandatory prepayment in part on _______ 15, 20___ and _______ 15, 20___, from the principal components of scheduled Installment Payments required to be paid by the District pursuant to the Installment Sale Agreement with respect to each such prepayment date (subject to abatement, as set forth in the Installment Sale Agreement), at a prepayment price equal to the principal amount thereof to be prepaid, together with accrued interest to the date fixed for prepayment, without premium, as follows:

Date	Principal Amount of Certificates to be Redeemed

†Maturity.

The Certificates maturing on _______ 15, 20___, are subject to mandatory prepayment in part on March 15 and September 15 in each year on and after _______ 15, 20___, to and including _______ 15, 20___, from the principal components of scheduled Installment Payments required to be paid by the District pursuant to the Installment Sale Agreement with respect to each such prepayment date (subject to abatement, as set forth in the Installment Sale Agreement), at a prepayment price equal to the principal amount thereof to be prepaid, together with accrued interest to the date fixed for prepayment, without premium, as follows:

Date	Principal Amount of Certificates to be Redeemed

†Maturity.

EXHIBIT B

FORM OF ISSUE PRICE CERTIFICATE

$____________
CERTIFICATES OF PARTICIPATION
(2026 Financing Program, Series A)
Evidencing the Direct, Undivided Fractional Interests of the Owners Thereof in Installment Payments to be Made by the
CITY OF ALAMEDA HEALTH CARE DISTRICT
(Alameda County, California)
As the Purchase Price for Certain Property Pursuant to an Installment Sale Agreement with the
CSDA FINANCE CORPORATION

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Piper Sandler & Co. ("Piper") and Hilltop Securities Inc., as underwriters (the "Underwriters"), based on the information available to it, hereby certifies as set forth below with respect to the sale and issuance of the above-captioned certificates of participation (the "Certificates").

I. General

1. The Underwriters and the City of Alameda Health Care District (the "District") have executed a certificate purchase agreement in connection with the Certificates on the Sale Date. The Underwriters have not modified the certificate purchase agreement since its execution on the Sale Date.

II. Price

1. The Underwriters offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule I (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Certificates is attached to this certificate as Schedule II.

2. As set forth in the certificate purchase agreement, the Underwriters have agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, they would neither offer nor sell any of the Certificates of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement would contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement would contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule.

3. No Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity during the Holding Period.

III. Defined Terms

1. *General Rule Maturities* means those Maturities of the Certificates not listed in Schedule I hereto as the "Hold-the-Offering-Price Maturities."

2. *Hold-the-Offering-Price Maturities* means those Maturities of the Certificates listed in Schedule I hereto as the "Hold-the-Offering-Price Maturities."

3. *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriters has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

4. *Maturity* means Certificates with the same credit and payment terms. Certificates with different maturity dates, or Certificates with the same maturity date but different stated interest rates, are treated as separate maturities.

5. *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriters or a Related Party to an Underwriters.

6. A person is a *"Related Party"* to an Underwriters if the Underwriters and the person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

7. *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Certificates. The Sale Date of the Certificates was _________, 2026.

8. *Underwriters* means (i) any person that agrees pursuant to a written contract with the District (or with Piper to form an underwriting syndicate) to participate in the initial sale of the Certificates to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Certificates to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Certificates to the Public).

All terms not defined herein shall have the same meanings as in the Tax Certificate and Agreement with respect to the Certificates, to which this Certificate is attached. The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Piper's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the District with respect to certain of the representations set forth in its documents and with respect to compliance with the federal income tax rules affecting the Certificates, and by Stradling

Yocca Carlson & Rauth LLP in connection with rendering its opinion that the interest on the Certificates is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the District from time to time relating to the Certificates.

Dated: __________, 2026

PIPER SANDLER & CO. and
HILLTOP SECURITIES INC., as Underwriters

By PIPER SANDLER & CO., as Representative

By ____
Managing Director

SCHEDULE I TO ISSUE PRICE CERTIFICATE

$____________
CERTIFICATES OF PARTICIPATION
(2026 Financing Program, Series A)
Evidencing the Direct, Undivided Fractional Interests of the
Owners Thereof in Installment Payments to be Made by the
CITY OF ALAMEDA HEALTH CARE DISTRICT
(Alameda County, California)
As the Purchase Price for Certain Property Pursuant to an
Installment Sale Agreement with the
CSDA FINANCE CORPORATION

Hold-the-Offering Price Maturities (if Marked)	General Rule Maturities (if Marked)	Maturity Date	Principal Amount	Interest Rate	Price
X					
X					
X					
X					

c Priced to the optional redemption date of _________ 15, 20__, at par.
T Term Certificates.

SCHEDULE II TO ISSUE PRICE CERTIFICATE

$____________
CERTIFICATES OF PARTICIPATION
(2026 Financing Program, Series A)
Evidencing the Direct, Undivided Fractional Interests of the
Owners Thereof in Installment Payments to be Made by the
CITY OF ALAMEDA HEALTH CARE DISTRICT
(Alameda County, California)
As the Purchase Price for Certain Property Pursuant to an
Installment Sale Agreement with the
CSDA FINANCE CORPORATION

PRICING WIRE OR EQUIVALENT COMMUNICATION

INSTALLMENT SALE AGREEMENT

Dated as of October 1, 2026

by and between the

CSDA FINANCE CORPORATION, as Seller

and the

CITY OF ALAMEDA HEALTH CARE DISTRICT, as Purchaser

(2026 Financing Program, Series A)

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INSTALLMENT SALE AGREEMENT

THIS INSTALLMENT SALE AGREEMENT, dated as of October 1, 2026 (this "Installment Sale Agreement"), is entered into by and between the CSDA FINANCE CORPORATION, a nonprofit public benefit corporation, organized and existing under the laws of the State of California, as seller (the "Corporation"), and the CITY OF ALAMEDA HEALTH CARE DISTRICT, a health care district, organized and existing under the Constitution and laws of the State of California, as purchaser (the "District");

W I T N E S S E T H:

WHEREAS, the District presently owns Alameda Hospital, a duly licensed general acute care hospital ("Alameda Hospital"), and owns and/or leases other separately located facilities and hospital distinct part units, all located in Alameda, California;

WHEREAS, the District and Alameda County Medical Center a public hospital authority created by the Alameda County (the "County") Board of Supervisors pursuant to section 101850 of the California Health and Safety Code, doing business as Alameda Health System ("AHS"), have entered into a joint powers agreement, dated November 26, 2013, as amended, to, among other things, (1) facilitate the preservation of Alameda Hospital as a health care resource in the County, and (2) provide for the continuing operation of Alameda Hospital through the delegation to AHS of the possession and control, and the ongoing operation, management and oversight, of Alameda Hospital, including, but not be limited to, responsibilities for licensure, governance, operation, administration, financial management and maintenance (including, but not limited to, compliance with ongoing regulatory and seismic requirements) of Alameda Hospital, all for the benefit of the communities that both parties serve;

WHEREAS, to satisfy the State of California's 2030 seismic retrofit requirements pursuant to the Alfred E. Alquist Hospital Facilities Seismic Safety Act, being sections 130000 through 130070 of the California Health and Safety Code (the "2030 Seismic Requirements"), the District and AHS have agreed to a plan whereby the District will finance the planning, design and construction of improvements to Alameda Hospital in order to make it compliant with the 2030 Seismic Requirements and to make other improvements to Alameda Hospital as determined by the District and AHS (collectively, the "Project");

WHEREAS, in order to finance the initial planning and design and Phase 1 of the Project (the "2024 Financing Project"), the Corporation and the District entered into that certain Acquisition Agreement dated as of August 1, 2024, pursuant to which the Corporation acquired Alameda Hospital from the District and the Corporation and the District entered into that certain Installment Sale Agreement dated as of August 1, 2024 [and amended as of October 1, 2026] (collectively, the "2024 Installment Sale Agreement"), pursuant to which the District acquired Alameda Hospital back from the Corporation and agreed to make certain installment payments to the Trustee (defined below), as assignee of the Corporation pursuant to that certain Assignment Agreement dated as of August 1, 2024, by and between the Trustee and the Corporation (the "2024 Assignment Agreement");

WHEREAS, to finance the 2024 Financing Project, the District caused the execution and delivery of certificates of participation (the "2024 Certificates") pursuant to that certain Trust Agreement dated as of August 1, 2024, by and among the District, the Corporation, and U.S. Bank Trust Company, National Association (the "Trustee");

WHEREAS, the District now desires to finance additional improvements to Alameda Hospital, including improvements to make Alameda Hospital compliant with the 2030 Seismic Requirements not financed as part of the 2024 Financing Project and to make other improvements to Alameda Hospital (the "2026 Financing Project");

WHEREAS, the District, working together with the Corporation, proposes to finance the 2026 Financing Project through the execution, sale and delivery of certificates of participation in one or more series;

WHEREAS, the Board of Directors of the District has determined that in order to accomplish such financing it is necessary and desirable to sell the 2026 Financing Project to the Corporation and to purchase the 2026 Financing Project back from the Corporation;

WHEREAS, pursuant to that certain Acquisition Agreement, dated as of October 1, 2026, by and between the District and the Corporation, the District has sold the 2026 Financing Project to the Corporation;

WHEREAS, the Corporation proposes to sell the 2026 Financing Project back to the District pursuant to this Installment Sale Agreement and to assign its right to receive installment payments (the "Installment Payments") hereunder to the Trustee, pursuant to that certain Assignment Agreement, dated as of October 1, 2026, by and between the Corporation and the Trustee;

WHEREAS, pursuant to that certain Trust Agreement, dated as of October 1, 2026, by and among the District, the Corporation and the Trustee (the "Trust Agreement"), the Trustee will execute and deliver $__________ principal amount of certificates of participation evidencing direct, undivided fractional interests in the Installment Payments (the "Certificates") to finance a portion of the costs of construction of the 2026 Financing Project;

WHEREAS, the principal and interest due with respect to the Certificates will be paid from the Installment Payments under the Installment Sale Agreement and, pursuant to Government Code section 5451.8 the District's obligations to pay Installment Payments is secured by and payable from parcel tax revenues approved by registered voters residing in the City of Alameda on April 9, 2002 (the "Parcel Tax"), on a parity with the installment payments to be made by the District pursuant to the 2024 Installment Sale Agreement;

The District's obligation to pay Installment Payments pursuant to this Installment Sale Agreement constitutes Parity Debt incurred in accordance with Section 4.07(b) of the 2024 Installment Sale Agreement;

WHEREAS, the District agrees to make the Installment Payments in order to purchase the 2026 Financing Project from the Corporation;

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND EXHIBITS

Section 1.01 Definitions. In addition to the words and terms defined elsewhere in this Installment Sale Agreement, the words and terms used in this Installment Sale Agreement shall have the meanings set forth in the Trust Agreement.

Section 1.02 Content of Written Certificates. Every certificate provided for in this Installment Sale Agreement with respect to compliance with any provision hereof shall include (a) a statement that the person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the certificate is based; (c) a statement that, in the opinion of such person, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion with respect to the subject matter referred to in the instrument to which their signature is affixed; (d) a statement of the assumptions upon which such certificate is based, and that such assumptions are reasonable; and (e) a statement as to whether, in the opinion of such person, such provision has been complied with.

Any such certificate made or given by a District Representative may be based, insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation by counsel or an accountant, unless such District Representative knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel or an accountant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the District, as the case may be) upon a certificate or opinion of or representation by a District Representative, unless such counsel or accountant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such person's certificate or opinion or representation may be based, as aforesaid, is erroneous. The same District Representative, or the same counsel or accountant, as the case may be, need not certify to all of the matters required to be certified under any provision of this Installment Sale Agreement, but different officers, counsel or accountants may certify to different matters, respectively.

Section 1.03 Exhibits. The following Exhibits are attached to, and by this reference are made a part of, this Installment Sale Agreement:

Exhibit A: Description of Alameda Hospital, the Project, and the 2026 Financing Project

Exhibit B: The schedule of Installment Payments to be paid by the District to the Corporation, showing the Installment Payment Date and amount of each Installment Payment.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.01 Representations, Covenants and Warranties of the District. The District represents, covenants and warrants to the Corporation as follows:

(a) The District is a health care district, duly organized and existing under the laws of the State.

(b) The laws of the State authorize the District to enter into the Acquisition Agreement, this Installment Sale Agreement, the Continuing Disclosure Certificate and the Trust Agreement and to levy the Parcel Tax, pledge the Parcel Tax Revenues, as herein provided, and enter into the transactions contemplated by and to carry out its obligations under each of the aforesaid agreements, have been complied with, and the District has duly authorized and executed each of the aforesaid agreements or certificate.

(c) Neither the execution and delivery of the Acquisition Agreement, this Installment Sale Agreement, the Continuing Disclosure Certificate or the Trust Agreement, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a material breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the District is now a party or by which the District is bound or constitutes a default under any of the foregoing.

(d) The District has duly authorized and executed this Installment Sale Agreement in accordance with the laws of the State.

Section 2.02 Representations, Covenants and Warranties of the Corporation. The Corporation represents, covenants and warrants to the District as follows:

(a) The Corporation is a nonprofit public benefit corporation, organized, existing and in good standing under and by virtue of the laws of the State; has power to enter into the Acquisition Agreement, this Installment Sale Agreement, the Assignment Agreement and the Trust Agreement; is possessed of full power to own and hold real and personal property, and to sell the same; and has duly authorized the execution and delivery of all of the aforesaid agreements.

(b) The Corporation will not pledge the Installment Payments or other amounts derived from Alameda Hospital and from its other rights under this Installment Sale Agreement, and will not mortgage or encumber Alameda Hospital, except as provided under the terms of this Installment Sale Agreement, the Assignment Agreement, the Trust Agreement, the 2024 Installment Sale Agreement, the 2024 Assignment Agreement and the 2024 Trust Agreement.

(c) Neither the execution and delivery of the Acquisition Agreement, this Installment Sale Agreement, the Assignment Agreement or the Trust Agreement, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a material breach of the terms, conditions or provisions of any restriction or any agreement, instrument, regulation or law to which the Corporation is now a party or by which the Corporation is bound, or constitutes a default under any of the foregoing.

(d) Except as provided herein, the Corporation will not assign this Installment Sale Agreement, its right to receive Installment Payments from the District or its duties and obligations hereunder to any other person, firm or corporation so as to impair or violate the representations, covenants and warranties contained in this Section 2.02.

ARTICLE III

DEPOSIT OF MONEYS

Section 3.01 Deposit of Moneys. On the Closing Date, the Corporation shall cause to be deposited with the Trustee, the sum of $__________, derived from Certificate proceeds. Pursuant to the Trust Agreement, the Trustee shall deposit the following amounts in the following respective funds: (a) an amount equal to $__________shall be deposited in the Delivery Costs Fund; and (b) the remaining balance of $__________ shall be deposited in the Project Fund.

Section 3.02 Payment of Project Costs and Delivery Costs. Payment of the Project Costs shall be made from the moneys deposited with the Trustee in the Project Fund, which moneys shall be disbursed for such purpose in accordance and upon compliance with Section 3.02 of the Trust Agreement. Payment of Delivery Costs shall be made from the moneys deposited with the Trustee in the Delivery Costs Fund, which moneys shall be disbursed for such purpose in accordance and upon compliance with Section 3.04 of the Trust Agreement. The District hereby covenants to pay necessary Project Costs and Delivery Costs in excess of amounts available from Certificate proceeds from any legally available source of funds.

Section 3.03 Unexpended Proceeds. In accordance with Section 3.05 of the Trust Agreement, all excess moneys remaining in the Project Fund and not required for payment of Project Costs shall be transferred to the Installment Payment Fund for application to payment of the Installment Payments as the same become due and payable.

ARTICLE IV

SALE OF THE 2026 FINANCING PROJECT; TITLE TO THE FACILITIES; TERM OF THE INSTALLMENT SALE AGREEMENT; INSTALLMENT PAYMENTS

Section 4.01 Sale. The Corporation hereby sells, bargains and conveys the 2026 Financing Project to the District, and the District hereby purchases the 2026 Financing Project from the Corporation upon the terms and conditions set forth in this Installment Sale Agreement.

Section 4.02 Title. The District and the Corporation agree that title to the 2026 Financing Project shall be deemed conveyed to and vested in the District on the Closing Date, subject only to Permitted Encumbrances. The Corporation and its officers shall take all actions necessary to vest in the District all of the Corporation's rights in and title to the 2026 Financing Project.

Section 4.03 Term of the Installment Sale Agreement. The Term of this Installment Sale Agreement shall commence as of the date hereof and shall end on September 15, 20__, unless such term is extended or sooner terminated as hereinafter provided. If on September 15, 20__, the Trust Agreement shall not be discharged by its terms, then the Term of this Installment Sale Agreement shall be extended until ten (10) days after the date on which the Trust Agreement shall be discharged by its terms. If prior to September 15, 20__, the Trust Agreement shall be discharged by its terms, the Term of this Installment Sale Agreement shall end ten (10) days after the date of such discharge.

Section 4.04 Installment Payments.

(a) Obligation to Pay. The District agrees to pay, or caused to be paid, to the Corporation, its successors and assigns, as the purchase price of the 2026 Financing Project, the Installment Payments, consisting of components of principal and interest, on or before each Installment Payment Date and in the amounts specified in Section 4.06(b) hereof, except such amounts shall be reduced by moneys on deposit in the Installment Payment Fund (as indicated by the Trustee to the District) and credited to the payment of Installment Payments next due. The Installment Payments shall be payable from Parcel Tax Revenues. The first Installment Payment shall be paid on or before [March 1, 2027], and shall relate to the Certificate Payment Date of [March 15, 2027].

(b) Reduction Upon Partial Prepayment. In the event the District prepays less than all of the remaining principal components of the Installment Payments pursuant to Sections 9.02 and 9.03 hereof, the amount of such prepayment shall be applied to reduce the principal component of the subsequent remaining Installment Payments in inverse order of Certificate Payment Date and the interest component of each subsequent remaining Installment Payment shall be reduced by the aggregate corresponding amount of interest which would otherwise be payable with respect to the Certificates redeemed as a result of such prepayment.

(c) Rate on Overdue Payments. In the event the District should fail to make any of the payments required in this Section 4.04 so that there are insufficient moneys on hand in the Installment Payment Fund to pay any Installment Payment in full on a Certificate Payment Date, the Installment Payment in default shall continue as an obligation of the District until the amount in default shall have been fully paid and the District agrees to pay the same with interest thereon, to the extent permitted by law, from the date thereof at the rate of interest payable with respect to the Certificates plus a penalty of 2%.

(d) Assignment. The District understands and agrees that the Corporation has assigned its right, title and interest (but not its duties or obligations) in this Installment Sale Agreement to the Trustee pursuant to the Assignment Agreement for the benefit of the Owners and the District assents to such assignment. The Corporation hereby directs the District, and the District hereby agrees, to pay, or caused to be paid, to the Trustee at the Trustee's principal corporate trust office or at such other place as the Trustee shall direct in writing, all payments payable by the District pursuant to this Section 4.04 and all amounts payable by the District pursuant to Article IX hereof.

Section 4.05 Obligation of the District. The District's obligation to pay the Installment Payments shall be an obligation payable from Parcel Tax Revenues.

The obligation of the District to make the Installment Payments from Parcel Tax Revenues, to apply Parcel Tax Revenues and to perform and observe the other agreements contained herein and the District's pledge of Parcel Tax Revenues as herein provided shall be absolute and unconditional and shall not be subject to any defense or any right of set-off, counterclaim or recoupment arising out of any breach of the District, the Corporation or the Trustee of any obligation to the District or otherwise with respect to Alameda Hospital, whether hereunder or otherwise, or out of indebtedness or liability at any time owing to the District by the Corporation or the Trustee. Until such time as all of the Installment Payments shall have been fully paid or prepaid, the District (a) will not suspend, abate, or discontinue any payments provided for in Section 4.04 hereof, (b) will perform and observe all other agreements contained in this Installment Sale Agreement, and (c) will not terminate the Term of this Installment Sale Agreement for any cause, including, without limiting the generality of the foregoing, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to Alameda Hospital, termination of the joint powers agreement between the District and the County dated November 26, 2013 relating to the Alameda Hospital, the taking by eminent domain of title to or temporary use of any or all of Alameda Hospital, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either thereof, any failure of the Corporation or the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Trust Agreement, the Assignment Agreement or this Installment Sale Agreement or on account of the sale, lease or closure of Alameda Hospital or change in healthcare service provided at Alameda Hospital.

Nothing contained in this Section 4.05 shall be construed to release the Corporation from the performance of any of the agreements on its part herein contained, and in the event the Corporation shall fail to perform any such agreements on its part, the District may institute such action against the Corporation as the District may deem necessary to compel performance so long as such action does not abrogate the obligations of the District contained in the first sentence of the preceding paragraph. The District may, however, at the District's own cost and expense and in the District's own name or in the name of the Corporation prosecute or defend any action or proceeding or take any other action involving third persons which the District deems reasonably necessary in order to secure or protect the District's right of possession, occupancy and use hereunder, and in such event the Corporation hereby agrees to cooperate fully with the District and to take such action necessary to effect the substitution of the District for the Corporation in such action or proceeding if the District shall so request.

Section 4.06 Pledge of Parcel Tax Revenues; Transfer to Pay Installment Payments; Release from Lien.

(a) Pledge of Parcel Tax Revenues. The District hereby agrees that the payment of the Installment Payments shall be secured by a pledge, charge and first and prior lien upon Parcel Tax Revenues and the right of the District to receive Parcel Tax Revenues sufficient to pay the Installment Payments as they become due and payable, and the Parcel Tax Revenues are hereby pledged, charged, assigned, transferred and set over by the District to the Corporation and its assigns for the purpose of securing payment of the Installment Payments. The Parcel Tax Revenues shall constitute the security and source of payment of the Installment Payments. The pledge of and lien on Parcel Tax Revenues set forth in this Section is on a parity with any Parity Debt, including the pledge of and lien on Parcel Tax Revenues set forth in the 2024 Installment Sale Agreement. The District covenants to take all action as may be necessary to oppose any voter initiative to repeal or reduce the Parcel Tax in order to protect the pledge and lien thereon set forth herein.

(b) Transfer to Pay Installment Payments. In order to provide for the payment of Installment Payments when due, the District shall direct the County, so long as the Certificates are Outstanding to transfer all Parcel Tax Revenues collected by the County to the Trustee. The Trustee shall deposit all Parcel Tax Revenues into the Installment Payment Fund to pay the Installment Payments due on the next occurring Certificate Payment Dates, as shown on Exhibit B attached hereto. Notwithstanding Exhibit B attached hereto, the District shall be obligated to make Installment Payments sufficient to pay all principal and interest due with respect to the Certificates (whether at a scheduled payment date, redemption, acceleration or otherwise). Any Parcel Tax Revenues received by the District from the County shall be held by the District in trust for the Owners of the Certificates and the District shall immediately transfer such Parcel Tax Revenues to the Trustee.

(c) Release from Lien. Upon receipt by the Trustee of Parcel Tax Revenues sufficient for the payment of Installment Payments and payments with respect to any Parity Debt due on the Certificate Payment Dates in each Year, all excess Parcel Tax Revenues shall be released from the lien of this Installment Sale Agreement and shall be available for any lawful purpose of the District.

Section 4.07 Limitations on Future Obligations Secured by Parcel Tax Revenues.

(a) No Obligations Superior to Installment Payments. In order to protect further the availability of the Parcel Tax Revenues and the security for the Installment Payments and any Parity Debt, the District hereby agrees that the District shall not, so long as any Certificates are outstanding, issue or incur any obligations payable from Parcel Tax Revenues superior to the Installment Payments or such Parity Debt.

(b) Parity Debt. The District further covenants that, except for obligations issued or incurred to prepay the Installment Payments in full pursuant to Section 9.02 hereof, the District shall not issue or incur any Parity Debt unless:

(i) The District is not in default under the terms of this Installment Sale Agreement or any agreement relating to Parity Debt;

(ii) Parcel Tax Revenues, calculated pursuant to generally accepted accounting principles, as shown by the audited financial statements of the District for the latest Fiscal Year, shall have amounted to at least 1.25 times the sum of the maximum Installment Payments and the maximum annual debt service on all Parity Debt coming due and payable in that current and any future Fiscal Year to be outstanding immediately subsequent to the incurring of such additional obligations.

(iii) Principal and interest with respect to such Parity Debt shall be paid on [March 1 and September 1.]

(c) Subordinate Debt. The District further covenants that the District shall not issue or incur any Subordinate Debt unless:

(i) The District is not in default under the terms of this Installment Sale Agreement or any agreement relating to Parity Debt;

(ii) Parcel Tax Revenues, calculated pursuant to generally accepted accounting principles, as shown by the audited financial statements of the District for the latest Fiscal Year, shall have amounted to at least 1.10 times the sum of the maximum Installment Payments, the maximum annual debt service on all Parity Debt and the maximum annual debt service on all Subordinate Debt coming due and payable in that current and any future Fiscal Year to be outstanding immediately subsequent to the incurring of such additional obligations.

(iii) Principal and interest with respect to such Subordinate Debt shall be paid on [March 1 and September 1.]

(d) Calculating Debt Service on Variable Rate Debt. For all purposes, variable rate indebtedness shall be assumed to bear interest at the highest of: (i) the actual rate on the date of calculation, or if the indebtedness is not yet outstanding, the initial rate (if established and binding), (ii) if the indebtedness has been outstanding for at least twelve months, the average rate over the twelve months immediately preceding the date of calculation, and (iii) (A) if interest on the indebtedness is excludable from gross income under the applicable provisions of the Code, the most recently published Bond Buyer "Revenue Bond Index" (or comparable index if no longer published) plus 50 basis points, or (B) if interest is not so excludable, the interest rate on direct U.S. Treasury Obligations with comparable maturities plus 50 basis points.

(e) No Limitation on Obligations Secured by Revenues Other Than Parcel Tax Revenues. Nothing herein shall limit the District from issuing or incurring obligations payable from revenues or other moneys of the District other than Parcel Tax Revenues.

Section 4.08 Additional Payments. In addition to the Installment Payments, the District shall pay when due, from Parcel Tax Revenues, all costs and expenses incurred by the Corporation to comply with the provisions of the Trust Agreement and this Installment Sale Agreement, including, without limitation, compensation due to the Trustee for its fees, costs and expenses incurred under the Trust Agreement and the Assignment Agreement and all costs and expenses of attorneys, auditors and accountants.

ARTICLE V

MAINTENANCE; TAXES; INSURANCE; AND OTHER MATTERS

Section 5.01 Maintenance, Utilities, Taxes and Assessments. The District covenants to operate, or cause ACH to operate, Alameda Hospital in an efficient and economical manner and operate, maintain and preserve Alameda Hospital in good repair and working order.

The District shall also pay or cause to be paid all taxes and assessments of any type or nature charged to the Corporation or the District or levied, assessed or charged against Alameda Hospital or the respective interests or estates therein due directly to the delivery of the Certificates; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the District shall be obligated to pay only such installments as are required to be paid during the Term of this Installment Sale Agreement as and when the same become due. The District shall not be required to pay any federal, state or local income, inheritance, estate, succession, transfer, gift, franchise, gross receipts, profit, excess profit, capital stock, corporate, or other similar tax payable by the Corporation, its successors or assigns.

The District may, at the District's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Corporation or the Trustee shall notify the District that, in the opinion of Independent Counsel, by nonpayment of any such items, Alameda Hospital or any part thereof will be subject to loss or forfeiture, in which event the District shall promptly pay such taxes, assessments or charges or provide the Corporation with full security against any loss which may result from nonpayment, in form satisfactory to the Corporation and the Trustee.

Section 5.02 Modification of Facilities. The District shall, at its own expense, have the right to remodel Alameda Hospital or to make additions, modifications and improvements thereto. All such additions, modifications and improvements shall thereafter comprise part of Alameda Hospital and be subject to the provisions of this Installment Sale Agreement. Such additions, modifications and improvements shall not in any way damage Alameda Hospital or cause it to be used for purposes other than those authorized under the provisions of state and federal law; and Alameda Hospital, upon completion of any additions, modifications and improvements made pursuant to this Section 5.02, shall be of a value which is not substantially less than the value of Alameda Hospital immediately prior to the making of such additions, modifications and improvements.

Section 5.03 Insurance. The District shall maintain or cause to be maintained, throughout the Term of this Installment Sale Agreement, but only if and to the extent available at reasonable cost from reputable insurers, liability and casualty insurance in such amounts and against such risks as shall be appropriate for health care facilities of like size and with similar facilities as Alameda Hospital. Such insurance may be maintained as part of or in conjunction with any other insurance carried by the District and may be maintained in whole or in part in the form of self-insurance by the District or in the form of the participation by the District in a joint powers agency or other program providing pooled insurance. All amounts collected from insurance against accident to or destruction of any portion of Alameda Hospital shall be transferred to the Trustee for deposit in the Insurance and Condemnation Fund applied as set forth in Section 6.01 of the Trust Agreement. The proceeds of liability insurance shall be applied toward the extinguishment or satisfaction of the liability with respect to which such proceeds shall have been paid.

Section 5.04 Advances. If the District shall fail to perform any of its obligations under this Article V, the Corporation may, but shall not be obligated to, take such action as may be necessary to cure such failure, including the advancement of money, and the District shall be obligated to repay all such advances as soon as possible, with interest at the rate of interest with respect to the Certificates from the date of the advance to the date of repayment.

Section 5.05 Installation of District's Equipment. The District may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed other items of equipment or other personal property in or upon Alameda Hospital. All such items shall remain the sole property of the District, in which neither the Corporation nor the Trustee shall have any interest, and may be modified or removed by the District at any time provided that the District shall repair and restore any and all damage to Alameda Hospital resulting from the installation, modification or removal of any such items. Nothing in this Installment Sale Agreement shall prevent the District from purchasing items to be installed pursuant to this Section 5.05 under a conditional sale or lease purchase contract, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof.

Section 5.06 Operation of Alameda Hospital. The District covenants, so long as it is economically feasible, to operate, or cause to be operated, Alameda Hospital in accordance with customary standards and practices applicable to similar facilities located in the San Francisco Bay area.

Section 5.07 Maintenance of Levy and Collection of Parcel Tax. The District shall take all actions required by law or by the County in order to have the Parcel Tax levied and collected each tax year and to take all actions to enforce collection of the Parcel Tax.

Section 5.08 Private Activity Bond Limitation. The District shall assure that proceeds of the Certificates are not so used as to cause the Certificates or this Installment Sale Agreement to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

Section 5.09 Federal Guarantee Prohibition. The District shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Certificates or this Installment Sale Agreement to be "federally guaranteed" within the meaning of section 149(b) of the Code.

Section 5.10 Rebate Requirement. The District shall 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 Certificates and this Installment Sale Agreement.

Section 5.11 No Arbitrage. The District shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Certificates which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Certificates or this Installment Sale Agreement to be "arbitrage bonds" within the meaning of section 148 of the Code.

Section 5.12 Maintenance of Tax-Exemption. The District shall take all actions required by the Tax Certificate and as otherwise necessary to assure the exclusion of interest with respect to the Certificates from the gross income of the Owners of the Certificates to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the Closing Date.

ARTICLE VI

DISCLAIMER OF WARRANTIES; ACCESS

Section 6.01 Disclaimer of Warranties. THE CORPORATION MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTIBILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE DISTRICT FOR ALAMEDA HOSPITAL OR ANY ITEM THEREOF, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE FACILITIES OR ANY ITEM THEREOF. IN NO EVENT SHALL THE CORPORATION BE LIABLE FOR INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, IN CONNECTION WITH OR ARISING OUT OF THIS INSTALLMENT SALE AGREEMENT OR THE TRUST AGREEMENT FOR THE EXISTENCE, FURNISHING, FUNCTIONING OR DISTRICT'S USE OF ALAMEDA HOSPITAL.

Section 6.02 Access to Alameda Hospital and Records. To the extent permitted by law, the District agrees that the Corporation, any Corporation Representative, and the Corporation's successors or assigns, shall have the right at all reasonable times to enter upon and to examine and inspect Alameda Hospital. The District further agrees that the Corporation, any Corporation Representative, and the Corporation's successors or assigns, shall have such rights of access to Alameda Hospital as may be reasonably necessary to cause the proper maintenance of Alameda Hospital in the event of failure by the District to perform its obligations hereunder. In addition, the District agrees that the Corporation, any Corporation Representative, and the Corporation's successors or assigns, shall have the right at all reasonable times to inspect and examine all books, papers and records of the Corporation and the District pertaining to Alameda Hospital and the Certificates, to make copies thereof and to take non-privileged memoranda therefrom or with respect thereto as may be desired.

Section 6.03 Release and Indemnification Covenants. The District shall and hereby agrees to indemnify and save the Corporation and its successors and assigns harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of (a) the use, maintenance, condition or management of, or from any work or thing done on Alameda Hospital by the District, (b) any breach or default on the part of the District in the performance of any of its obligations under this Installment Sale Agreement, (c) any act or negligence of the District or of any of its agents, contractors, servants, employees or licensees with respect to Alameda Hospital, or (d) any act or negligence of any assignee or sublessee of the District with respect to Alameda Hospital. No indemnification is made under this Section 6.03, in Section 8.04 or elsewhere in this Installment Sale Agreement for willful misconduct, negligence, or breach of duty under this Installment Sale Agreement by the Corporation, its officers, agents, employees, successors or assigns.

ARTICLE VII

ASSIGNMENT, SALE AND AMENDMENT

Section 7.01 Assignment by the Corporation. The Corporation's right, title and interest in this Installment Sale Agreement, including the right to receive and enforce payment of the Installment Payments to be made by the District under this Installment Sale Agreement, have been assigned to the Trustee, subject to certain exceptions, pursuant to the Assignment Agreement, to which assignment the District hereby consents.

Section 7.02 Assignment, Sale and Disposition by the District. This Installment Sale Agreement may not be assigned by the District, and Alameda Hospital may not be sold by the District during the Term of this Installment Sale Agreement.

The District may lease Alameda Hospital, or any portion thereof, subject to all of the following conditions:

(a) This Installment Sale Agreement and the obligation of the District to make Installment Payments hereunder shall remain obligations of the District;

(b) The District shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to the Corporation and the Trustee a true and complete copy of the documents accomplishing such lease; and

(c) No such lease by the District shall cause Alameda Hospital to be used for a purpose other than a governmental or proprietary function authorized under the provisions of the Constitution and laws of the State.

Section 7.03 Amendment of Installment Sale Agreement. Without the written consent of the Trustee, the District will not alter, modify or cancel or agree or consent to alter, modify or cancel this Installment Sale Agreement; excepting only as such alteration or modification may be permitted by Article IX of the Trust Agreement.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.01 Events of Default Defined. The following shall be "events of default" under this Installment Sale Agreement and the terms "events of default" and "default" shall mean, whenever they are used in this Installment Sale Agreement, any one or more of the following events:

(a) Failure by the District to pay any Installment Payment by the Certificate Payment Date or failure to make any other payment required to be paid hereunder at the time specified herein; or

(b) failure by the District to deposit, or cause the County to deposit, Parcel Tax Revenues with the Trustee as required by Section 4.06(b);

(c) Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed in this Installment Sale Agreement or the Trust Agreement, other than as referred to in clauses (a) and (b) of this Section 8.01, for a period of sixty (60) days after written notice specifying such failure and requesting that it be remedied has been given to the District by the Corporation, the Trustee or the Owners of not less than twenty-five percent (25%) in aggregate principal amount of Certificates then Outstanding; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Corporation, the Trustee or such Owners, as applicable, shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the District within the applicable period and diligently pursued until the default is corrected; or

(d) The filing by the District of a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or the approval by a court of competent jurisdiction of a petition filed with or without the consent of the District seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction assumes custody or control of the District or of the whole or any substantial part of its property; or

(e) An event of default shall have occurred and be continuing with respect to any Parity Debt.

Section 8.02 Remedies on Default. Whenever any event of default referred to in Section 8.01 hereof shall have happened and be continuing, the Corporation shall have the right, at its option and without any further demand or notice, to:

(a) declare all principal components of the unpaid Installment Payments, together with accrued interest at the rate or rates specified in the respective Outstanding Certificates from the immediately preceding Certificate Payment Date on which payment was made, to be immediately due and payable, whereupon the same shall become due and payable; and

(b) take whatever action at law or in equity may appear necessary or desirable to collect the Installment Payments then due or thereafter to become due during the Term of this

Installment Sale Agreement, or enforce performance and observance of any obligation, agreement or covenant of the District under this Installment Sale Agreement.

Section 8.03 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Corporation is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Installment Sale Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Corporation to exercise any remedy reserved to it in this Article VIII it shall not be necessary to give any notice, other than such notice as may be required in this Article VIII or by law.

Section 8.04 Prosecution and Defense of Suits.

(a) The District shall promptly, upon request of the Corporation or its assignee, from time to time take or cause to be taken such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to Alameda Hospital whether now existing or hereafter developing and shall prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and, to the extent permitted by law, shall indemnify or cause to be indemnified the Corporation and its assignee for all loss, cost, damage and expense, including attorneys' fees, which they or any of them may incur by reason of any such defect, cloud, suit, action or proceedings.

(b) To the extent permitted by law, the District shall defend, or cause to be defended, against every suit, action or proceeding at any time brought against the Corporation or its assignee upon any claim arising out of the receipt, application or disbursement of any of the Parcel Tax Revenues or involving the rights or duties of the Corporation or its assignee under this Installment Sale Agreement or the Trust Agreement; provided, that the Corporation and its assignee at their election may appear in and defend any such suit, action or proceeding. The District shall indemnify or cause to be indemnified the Corporation and its assignee against any and all liability claimed or asserted by any person, arising out of such receipt, application or disbursement. Notwithstanding any contrary provision hereof, this covenant shall remain in full force and effect, even though all Installment Payments have been fully paid and satisfied, until a date which is three (3) years following the payment of the last of said Installment Payments.

Section 8.05 No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Installment Sale Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 8.06 Application of the Proceeds. The Trustee, as assignee of the Corporation, shall apply all amounts received under this Article VIII as set forth in Section 12.03 of the Trust Agreement.

Section 8.07 Trustee and Certificate Owners to Exercise Rights. Such rights and remedies as are given to the Corporation under this Article VIII have been assigned by the Corporation to the Trustee under the Assignment Agreement, to which assignment the District hereby consents. Such rights and remedies shall be exercised by the Trustee and the Owners of the Certificates as provided in the Trust Agreement.

Section 8.08 ***Pro Rata* Application of Parcel Tax Revenues**. If, at any time, there is a deficiency in Parcel Tax Revenues available to pay the Installment Payments and any amounts due with respect to Parity Debt, available Parcel Tax Revenues shall be applied on a pro rata basis to the payment of such Installment Payments and to the payment of amounts due with respect to such Parity Debt then due.

ARTICLE IX

PREPAYMENT OF INSTALLMENT PAYMENTS

Section 9.01 **Prepayment**. The District shall have the right to prepay the Installment Payments, but only in the manner, at the times and in all respects in accordance with the provisions of this Article IX.

Section 9.02 **Optional Prepayment**. Subject to the terms and conditions of this Section 9.02, the Corporation hereby grants an option to the District to prepay the Installment Payments in full, by paying all or a portion of the unpaid principal component of the Installment Payments as set forth in Exhibit B, in an amount not less than $5,000 or any integral multiple thereof, at any one time, in either case, without a prepayment premium. Said option may be exercised with respect to Installment Payments due on and after March 1, 20__, in whole or in part on any date on or after September 1, 20__. Said option shall be exercised by the District by giving written notice to the Corporation and the Trustee of the exercise of such option at least forty-five (45) days prior to said date. Such option shall be exercised in the event of prepayment in full, by depositing by the applicable date of prepayment cash in the amount sufficient to pay the total unpaid principal component of the Installment Payments as set forth in Exhibit B on said date, together with any Installment Payments then due but unpaid, or, in the event of prepayment in part, by depositing by the applicable date of prepayment, an amount divisible by $5,000 equal to the amount desired to be prepaid together with any Installment Payments then due but unpaid.

In the event of prepayment in part, the partial prepayment shall be applied by the Corporation or its assignee against Installment Payments in such order as the District shall direct and, in lieu of such direction, pro rata among Certificate Payment Dates, and the District shall prepare (or cause to be prepared) and provide to the Trustee a revised schedule of Installment Payments reflecting said partial prepayment.

Section 9.03 **Credit for Amounts on Deposit**. In the event the District elects or is required to prepay the Installment Payments in full under this Article IX, such that the Trust Agreement shall be discharged by its terms as a result of such prepayment, all amounts then on deposit in the Installment Payment Fund or the Project Fund shall be credited towards the amounts required to be so prepaid.

Section 9.04 **Security Deposit**. Notwithstanding any other provision of this Installment Sale Agreement, the District may, on any date, secure the payment of Installment Payments by a deposit with the Trustee, as escrow holder under an escrow deposit and trust agreement as referenced in Section 13.01(d) of the Trust Agreement of:

(a) in the case of a security deposit relating to all Installment Payments, either (i) an amount that, together with amounts on deposit in the Installment Payment Fund, is fully sufficient, or (ii) Federal Securities that, together with cash, if required, in such amount as will, in the opinion of nationally-recognized bond counsel and of an independent certified public accountant or other firm of recognized experts in such matters, together with interest to accrue thereon and, if required, all or a portion of moneys or Federal Securities then on deposit in the Installment Payment Fund, without reinvestment, is fully sufficient to pay all unpaid Installment Payments, including the principal and interest components thereof, in accordance with the Installment Payment schedule set forth in Exhibit B attached hereto through maturity of the Certificates or to the first optional prepayment date pursuant to Section 9.02 hereof; or

(b) in the case of a security deposit relating to a portion of the Installment Payments both (i) a certificate executed by a District Representative designating the portion of the Installment Payments to which the deposit pertains, and (ii) cash or Federal Securities, or a combination thereof, in such amount as will, together with interest to be received thereon, if any, and an allocable portion of amounts on deposit in the Installment Payment Fund, without reinvestment, be fully sufficient in the opinion of an independent certified public accountant or other firm of recognized experts in such matters, to pay the portion of the Installment Payments designated in the aforesaid District Representative's certificate.

In the event of a deposit pursuant to this Section 9.04, all obligations of the District under this Installment Sale Agreement pertaining to the portion of Alameda Hospital for which the deposit has been made shall cease and terminate, excepting only the obligation of the District to make, or cause to be made, all Installment Payments, or the portion of Installment Payments to which the deposit pertains, from the deposit made by District pursuant to this Section 9.04. Said deposit shall be deemed to be and shall constitute a special fund for the payment of Installment Payments in accordance with the provisions of this Installment Sale Agreement; and further provided that any security deposit relating to Alameda Hospital shall not affect the covenant of the District contained in Section 4.06 hereof in the event such security deposit is insufficient to pay or prepay all Installment Payments relating to Alameda Hospital when and as the same become due and payable. Upon said deposit, the Corporation will execute or cause to be executed any and all documents as may be necessary to release the security provided hereby to the extent of such deposit.

ARTICLE X

MISCELLANEOUS

Section 10.01 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed to have been received upon actual receipt after deposit in the United States mail with postage fully prepaid:

If to the District: City of Alameda Health Care District
1402 Park Street, Suite A/B
Alameda, CA 94501
Attention: Executive Director

If to the Corporation: CSDA Finance Corporation
1112 I Street, Suite 200
Sacramento, CA 95814
Attention: Chief Executive Officer

If to the Trustee: U.S. Bank Trust Company, National Association
One California Street, Suite 1000
San Francisco, CA 94111
Attention: Global Corporate Trust

The Corporation, the District and the Trustee, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

Section 10.02 Binding Effect. This Installment Sale Agreement shall inure to the benefit of and shall be binding upon the Corporation and the District and their respective successors and assigns.

Section 10.03 Severability. In the event any provision of this Installment Sale Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 10.04 Amendments, Changes and Modifications. Subject to the provisions of Section 7.03 hereof, this Installment Sale Agreement may be amended or any of its terms modified with the written consent of the District and the Corporation.

Section 10.05 Net Contract. This Installment Sale Agreement shall be deemed and construed to be a "net contract" and the District hereby agrees that the Installment Payments shall be an absolute net return to the Corporation, free and clear of any expenses, charges or set offs whatsoever.

Section 10.06 Further Assurances and Corrective Instruments. The Corporation and the District agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the 2026 Financing Project hereby sold or intended so to be or for carrying out the expressed intention of this Installment Sale Agreement.

Section 10.07 Execution in Counterparts. This Installment Sale Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.08 Applicable Law. This Installment Sale Agreement shall be governed by and construed in accordance with the laws of the State.

Section 10.09 Corporation and District Representatives. Whenever under the provisions of this Installment Sale Agreement the approval of the Corporation or the District is required, or the Corporation or the District is required to take some action at the request of the other, such approval or such request shall be given for the Corporation by a Corporation Representative and for the District by a District Representative, and any party hereto shall be authorized to rely upon any such approval or request.

Section 10.10 Captions. The captions or headings in this Installment Sale Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provision, Article or Section of this Installment Sale Agreement.

IN WITNESS WHEREOF, the Corporation has caused this Installment Sale Agreement to be executed in its corporate name by its duly authorized officers; and the District has caused this Installment Sale Agreement to be executed in its name by its duly authorized officers, as of the date first above written.

CSDA FINANCE CORPORATION, as Seller

By: ____
Neil McCormick
Chief Executive Officer

CITY OF ALAMEDA HEALTH CARE DISTRICT, as Purchaser

By: ____
Jeffrey Cambra
President

EXHIBIT A

DESCRIPTION OF ALAMEDA HOSPITAL,
THE PROJECT, AND THE 2026 FINANCING PROJECT

[District to confirm]

Alameda Hospital. Alameda Hospital is a general hospital, with 66 general acute care beds and 35 distinct part sub-acute skilled nursing beds, located at 2070 Clinton Avenue in the City of Alameda, California. The 2026 Financing Project consists of various improvements to Alameda Hospital, including improvements to make Alameda Hospital compliant with the State of California's 2030 seismic retrofit requirements pursuant to the Alfred E. Alquist Hospital Facilities Seismic Safety Act, being sections 130000 through 130070 of the California Health and Safety Code and to make other improvements to Alameda Hospital.

The Project. The Project consists of four phases:

Phase 1 consists of above-ceiling construction work to anchor equipment, ducts of a certain size, ceiling, lighting or sprinklers that are not already anchored, in critical areas of the hospital to comply with Senate Bill 1953 (Stats. 1994, ch. 740). This Phase I of the project will make required non-structural performance category ("NPC") 4 seismic upgrades to Alameda Hospital.

Phase 2 involves the installation of domestic water tank, sewer tank, and an enlarged fuel storage tank. This work is needed to meet Senate Bill 1953 seismic requirements to allow the hospital to function if potable and non-potable water as well as electricity is out of service for 4 days. This Phase 2 of the project will make required NPC 5 seismic upgrades to Alameda Hospital.

Phase 3A and 3B involves increasing seismic strength of Stephens Wing and the West Wing to comply with Senate Bill 1953. This Phase 3 of the project will make required structural performance category ("SPC") 4D seismic upgrades to Alameda Hospital.

Phase 4 consists of converting a vacated partial floor of the South Wing to a distinct part Skilled Nursing Unit (Medi-SNF beds) to provide operational upgrades in response to market demand and to maintain financial viability of Alameda Hospital.

2026 Financing Project. The proceeds of the Certificates will be used to finance pre-construction costs associated with all four phases of the Project and construction costs associated with Phase 1, to the extent not paid with proceeds of the District's Certificates of Participation (2024 Financing Program, Series A), and to finance construction costs associated with Phases 2, 3A, 3B, and 4 of the Project (the "2026 Financing Project"). The 2026 Financing Project may also include additional capital improvements at and relating to District facilities.

EXHIBIT B

SCHEDULE OF INSTALLMENT PAYMENTS

Installment Payment Date	*Principal Component*	*Interest Component*	*Total*
3/1/27	$	$	$
9/1/27			
3/1/28			
9/1/28			
3/1/29			
9/1/29			
3/1/30			
9/1/30			
3/1/31			
9/1/31			
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9/1/46			
3/1/47			
9/1/47			
3/1/48			
9/1/48			
3/1/49			
9/1/49			
3/1/50			
9/1/50			
3/1/51			
9/1/51			
Total	$	$	$

ASSIGNMENT AGREEMENT

by and between the

CSDA FINANCE CORPORATION, as Assignor

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

Dated as of October 1, 2026

(2026 Financing Program, Series A)

ASSIGNMENT AGREEMENT

This ASSIGNMENT AGREEMENT, made and entered into as of October 1, 2026, is entered into by and between the CSDA FINANCE CORPORATION, a nonprofit public benefit corporation, organized and existing under the laws of the State of California (the "Corporation"), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as trustee under the hereinafter defined Trust Agreement (the "Trustee");

WITNESSETH:

In consideration of the mutual covenants herein contained, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto recite and agree as follows:

Section 1. Recitals.

(a) The Corporation and the City of Alameda Health Care District (the "District"), have entered into an installment sale agreement, by and between the Corporation and the District, dated as of October 1, 2026 (together with any amendments or supplements thereto, the "Installment Sale Agreement"), whereby the Corporation has agreed to sell to the District, and the District has agreed to purchase from the Corporation, certain health care facilities, as more particularly described in the Installment Sale Agreement (as amended or modified from time to time, the "Facilities"), in the manner and on the terms set forth in the Installment Sale Agreement.

(b) Under the Installment Sale Agreement, the Corporation is required to deposit or cause to be deposited with the Trustee certain moneys to be credited, held and applied in accordance with a trust agreement by and among the Trustee, the Corporation and the District, dated as of October 1, 2026 (together with any amendments or supplements thereto, the "Trust Agreement").

(c) Upon delivery of the Installment Sale Agreement and the deposit of moneys by the Corporation with respect thereto, the District is obligated to pay certain installment payments to the Corporation or its assignee. For the purpose of obtaining the moneys required to be deposited with the Trustee, the Corporation is willing to assign and transfer its right, title and interest under the Installment Sale Agreement to the Trustee for the benefit of the owners of the certificates of participation (the "Certificates") to be executed and delivered under the Trust Agreement, and in consideration of such assignment, the Trustee is executing and delivering the Certificates to the initial purchasers thereof, the proceeds of which sale are anticipated by the Corporation to be sufficient to provide the moneys required to be deposited by the Corporation pursuant to the Installment Sale Agreement.Each of the parties hereto has authority to enter into this Assignment Agreement and has taken all actions necessary to authorize its officers to enter into it.The capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Installment Sale Agreement and the Trust Agreement.

Section 2. Assignment. The Corporation, for good and valuable consideration, does hereby irrevocably assign and transfer to the Trustee, for the benefit of the Owners of the Certificates, all of its rights and interest in the Installment Sale Agreement (excepting only its rights under Sections 6.03 and 8.04(b) thereof), including, without limitation, its rights to receive and collect Installment

Payments from the District under the Installment Sale Agreement, its rights to the pledge of Parcel Tax Revenues, the right to receive Parcel Tax Revenues, the right to receive and collect any proceeds of any insurance maintained thereunder, or of any condemnation award rendered with respect to the Facilities and the right to exercise such rights and remedies as are conferred on the Corporation by the Installment Sale Agreement as may be necessary to enforce payment of the Installment Payments when due or otherwise to protect its interests in the event of a default by the District. The Installment Payments shall be applied, and the rights so assigned shall be exercised, by the Trustee as provided in the Trust Agreement for the benefit of the Owners of the Certificates.

Section 3. Acceptance. The Trustee hereby accepts such assignment in trust for the purpose of securing, equally and proportionately, such payments and rights to the Owners of the Certificates delivered pursuant to the Trust Agreement, all subject to the provisions of the Trust Agreement.

Section 4. Conditions. This Assignment Agreement shall confer no rights and impose no duties upon the Trustee beyond those expressly provided in the Trust Agreement. The Trustee does not warrant the accuracy of the recitals in Section 1 hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment Agreement by their duly authorized officers as of the day and year first written above.

CSDA FINANCE CORPORATION, as Assignor

By: ____

Neil McCormick
Chief Executive Officer

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

By: ____

David Jason
Vice President

ACQUISITION AGREEMENT

Dated as of October 1, 2026

by and between the

CITY OF ALAMEDA HEALTH CARE DISTRICT, as Seller

and the

CSDA FINANCE CORPORATION, as Purchaser

(2026 Financing Program, Series A)

ACQUISITION AGREEMENT

THIS ACQUISITION AGREEMENT, dated as of October 1, 2026 (this "Acquisition Agreement"), is entered into by and between the CITY OF ALAMEDA HEALTH CARE DISTRICT, a health care district organized and existing under and by virtue of the laws of the State of California (the "District"), as seller, and the CSDA FINANCE CORPORATION, a nonprofit public benefit corporation, organized and existing under and by virtue of the laws of the State of California (the "Corporation"), as purchaser;

WITNESSETH:

WHEREAS, the District presently owns Alameda Hospital, a duly licensed general acute care hospital ("Alameda Hospital"), and owns and/or leases other separately located facilities and hospital distinct part units, all located in Alameda, California;

WHEREAS, the District and Alameda County Medical Center a public hospital authority created by the Alameda County (the "County") Board of Supervisors pursuant to section 101850 of the California Health and Safety Code, doing business as Alameda Health System ("AHS"), have entered into a joint powers agreement, dated November 26, 2013, as amended, to, among other things, (1) facilitate the preservation of Alameda Hospital as a health care resource in the County, and (2) provide for the continuing operation of Alameda Hospital through the delegation to AHS of the possession and control, and the ongoing operation, management and oversight, of Alameda Hospital, including, but not be limited to, responsibilities for licensure, governance, operation, administration, financial management and maintenance (including, but not limited to, compliance with ongoing regulatory and seismic requirements) of Alameda Hospital, all for the benefit of the communities that both parties serve;

WHEREAS, to satisfy the State of California's 2030 seismic retrofit requirements pursuant to the Alfred E. Alquist Hospital Facilities Seismic Safety Act, being sections 130000 through 130070 of the California Health and Safety Code (the "2030 Seismic Requirements"), the District and AHS have agreed to a plan whereby the District will finance the planning, design and construction of improvements to Alameda Hospital in order to make it compliant with the 2030 Seismic Requirements and to make other improvements to Alameda Hospital as determined by the District and AHS (collectively, the "Project");

WHEREAS, in order to finance the initial planning and design and Phase 1 of the Project (the "2024 Financing Project"), the Corporation and the District entered into that certain Acquisition Agreement dated as of August 1, 2024, pursuant to which the Corporation acquired Alameda Hospital from the District and the Corporation and the District entered into that certain Installment Sale Agreement dated as of August 1, 2024 [and amended as of October 1, 2026] (collectively, the "2024 Installment Sale Agreement"), pursuant to which the District acquired Alameda Hospital back from the Corporation and agreed to make certain installment payments to the Trustee (defined below), as assignee of the Corporation pursuant to that certain Assignment Agreement dated as of August 1, 2024, by and between the Trustee and the Corporation (the "2024 Assignment Agreement");

WHEREAS, the District now desires to finance additional improvements to Alameda Hospital, including improvements to make Alameda Hospital compliant with the 2030 Seismic Requirements not financed as part of the 2024 Financing Project and to make other improvements to Alameda Hospital (the "2026 Financing Project");

WHEREAS, the Corporation proposes to acquire the 2026 Financing Project from the District pursuant to this Acquisition Agreement and to sell the 2026 Financing Project back to the District pursuant to an Installment Sale Agreement, dated as of October 1, 2026, by and between the Corporation and the District (the "Installment Sale Agreement"), and to assign its right to receive installment payments (the "Installment Payments") under the Installment Sale Agreement to U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), pursuant to that certain Assignment Agreement, dated as of October 1, 2026, by and between the Corporation and the Trustee; and

WHEREAS, pursuant to that certain Trust Agreement, dated as of October 1, 2026, by and among the District, the Corporation and the Trustee, the Trustee will execute and deliver $__________ principal amount of certificates of participation evidencing direct, undivided fractional interests in the Installment Payments (the "Certificates");

NOW, THEREFORE, IT IS HEREBY MUTUALLY AGREED, as follows:

Section 1. Acquisition of the 2026 Financing Project. The District hereby grants, conveys and sells to the Corporation all right, title and interest of the District in and to the 2026 Financing Project and the Corporation hereby acquires all of the right, title and interest of the District in the 2026 Financing Project.

Section 2. Acquisition Price. In consideration of the acquisition by the Corporation of the District's right, title and interest in the 2026 Financing Project pursuant to Section 1, the Corporation hereby agrees to pay to the District the amount of $1.00. Said purchase price shall be paid by the Corporation to the District on the date of execution and delivery of this Acquisition Agreement.

Section 3. Amendment. This Acquisition Agreement may be amended by the parties hereto at any time during the Term of the Installment Sale Agreement (as such term is defined in the Installment Sale Agreement).

Section 4. Waiver of Personal Liability. All liabilities under this Acquisition Agreement on the part of the Corporation are solely liabilities of the Corporation and the District hereby releases each and every member, director, officer, employee and agent of the Corporation of and from any personal or individual liability under this Acquisition Agreement. No member, director, officer, employee or agent of the Corporation shall at any time or under any circumstances be individually or personally liable under this Acquisition Agreement for anything done or omitted to be done by the Corporation hereunder.

Section 5. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Acquisition Agreement.

Section 6. Execution. This Acquisition Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original but all together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the District and the Corporation have caused this Acquisition Agreement to be executed by their respective duly authorized officers, all as of the day and year first above written.

CITY OF ALAMEDA HEALTH CARE DISTRICT, as Seller

By: ______________________________

Jeffrey Cambra
President

CSDA FINANCE CORPORATION, as Purchaser

By: ______________________________

Neil McCormick
Chief Executive Office

EXHIBIT A

DESCRIPTION OF ALAMEDA HOSPITAL, THE PROJECT, AND THE 2026 FINANCING PROJECT

[District to confirm]

Alameda Hospital. Alameda Hospital is a general hospital, with 66 general acute care beds and 35 distinct part sub-acute skilled nursing beds, located at 2070 Clinton Avenue in the City of Alameda, California. The 2026 Financing Project consists of various improvements to Alameda Hospital, including improvements to make Alameda Hospital compliant with the State of California's 2030 seismic retrofit requirements pursuant to the Alfred E. Alquist Hospital Facilities Seismic Safety Act, being sections 130000 through 130070 of the California Health and Safety Code and to make other improvements to Alameda Hospital.

The Project. The Project consists of four phases:

Phase 1 consists of above-ceiling construction work to anchor equipment, ducts of a certain size, ceiling, lighting or sprinklers that are not already anchored, in critical areas of the hospital to comply with Senate Bill 1953 (Stats. 1993, ch. 740). This Phase I of the project will make required non-structural performance category ("NPC") 4 seismic upgrades to Alameda Hospital.

Phase 2 involves the installation of domestic water tank, sewer tank, and an enlarged fuel storage tank. This work is needed to meet Senate Bill 1953 seismic requirements to allow the hospital to function if potable and non-potable water as well as electricity is out of service for 4 days. This Phase 2 of the project will make required NPC 5 seismic upgrades to Alameda Hospital.

Phase 3A and 3B involves increasing seismic strength of Stephens Wing and the West Wing to comply with Senate Bill 1953. This Phase 3 of the project will make required structural performance category ("SPC") 4D seismic upgrades to Alameda Hospital.

Phase 4 consists of converting a vacated partial floor of the South Wing to a distinct part Skilled Nursing Unit (Medi-SNF beds) to provide operational upgrades in response to market demand and to maintain financial viability of Alameda Hospital.

2026 Financing Project. The proceeds of the Certificates will be used to finance pre-construction costs associated with all four phases of the Project and construction costs associated with Phase 1, to the extent not paid with proceeds of the District's Certificates of Participation (2024 Financing Program, Series A), and to finance construction costs associated with Phases 2, 3A, 3B, and 4 of the Project (the "2026 Financing Project"). The 2026 Financing Project may also include additional capital improvements at and relating to District facilities.

FIRST AMENDMENT TO INSTALLMENT SALE AGREEMENT

This FIRST AMENDMENT TO INSTALLMENT SALE AGREEMENT (this "First Amendment") made and entered into as of _______ 1, 2026, by and between the CSDA FINANCE CORPORATION, a nonprofit public benefit corporation, organized and existing under the laws of the State of California, as seller (the "Corporation"), and the CITY OF ALAMEDA HEALTH CARE DISTRICT, a health care district, organized and existing under the Constitution and laws of the State of California, as purchaser (the "District"), amends, in part, the Installment Sale Agreement dated as of August 1, 2024 by and between the Corporation and the District (the "Original Installment Sale Agreement");

W I T N E S S E T H:

WHEREAS, the District presently owns Alameda Hospital, a duly licensed general acute care hospital ("Alameda Hospital"), and owns and/or leases other separately located facilities and hospital distinct part units, all located in Alameda, California;

WHEREAS, to finance certain improvements to the Alameda Hospital (defined in the Original Installment Sale Agreement as the "Project"), the District caused the execution and delivery of certificates of participation (the "2024 Certificates") pursuant to that certain Trust Agreement dated as of August 1, 2024 (the "Trust Agreement"), by and among the District, the Corporation, and U.S. Bank Trust Company, National Association (the "Trustee");

WHEREAS, Section 9.01 of the Trust Agreement permits the District and the Corporation to amend, without the consent of the owners of the 2024 Certificates (the "Owners"), the Original Installment Sale Agreement to cure, correct or supplement any ambiguous or defective provisions contained in the Original Installment Sale Agreement, provided that such an amendment does not adversely affect the interest of the Owners in the opinion of a nationally recognized bond counsel;

WHEREAS, pursuant to Section 9.01 of the Trust Agreement and Section 7.03 of the Original Installment Sale Agreement, the Corporation and the District desire to amend certain provisions of the Original Installment Sale Agreement to cure certain ambiguous provisions of the Original Installment Sale Agreement relating to defined terms and the issuance of Parity Debt and Subordinate Debt;

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Amendment to Section 1.01 of the Original Installment Sale Agreement. Section 1.01 of the Original Installment Sale Agreement is hereby amended, replaced, and superseded in its entirety to read as follows:

"In addition to the terms defined elsewhere in this Installment Sale Agreement, the terms used in this Installment Sale Agreement shall have the meanings set forth in the Trust Agreement, dated as of August 1, 2024, by and among the District, the Corporation and the Trustee"

Section 2. Amendments to Section 4.07 of the Original Installment Sale Agreement.

(a) Section 4.07(b)(iii) of the Original Installment Sale Agreement is hereby amended, replaced and superseded in its entirety to read as follows:

"Principal and interest with respect to such Parity Debt shall be paid on March 1 and September 1."

(b) Section 4.07(c)(iii) of the Original Installment Sale Agreement is hereby amended, replaced and superseded in its entirety to read as follows:

"Principal and interest with respect to such Subordinate Debt shall be paid on March 1 and September 1."

Section 3. Execution in Counterparts. This First Amendment may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 4. Governing Law. This First Amendment shall be construed and governed in accordance with the laws of the State of California.

Section 5. No Other Amendments. Except as amended by Sections 1 and 2 above, all other provisions of the Original Installment Sale Agreement shall remain in full force and effect.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Corporation has caused this First Amendment to be executed in its corporate name by its duly authorized officers; and the District has caused this First Amendment to be executed in its name by its duly authorized officers, as of the date first above written.

CSDA FINANCE CORPORATION, as Seller

By: ______________________________________

Neil McCormick
Chief Executive Officer

CITY OF ALAMEDA HEALTH CARE DISTRICT, as Purchaser

By: ______________________________________

Jeffrey Cambra
President

Alameda Hospital Seismic and Operational Upgrade Project

2026 Series B Certificate of Participation (COP) Request

Not to Exceed Amount of $58.0 million

Request

Alameda Health System Board of Trustee approval of a 2026 Series B Certificate of Participation amount not to exceed $58.0 million. The combined COP amount for Series A and Series B for the District would be $71.5 million, which is the maximum amount that can be borrowed utilizing parcel taxes as collateral.

Background

At the AHS Finance Committee meeting on May 1, 2024, the Committee reviewed and approved a proposed amendment to the Joint Powers Agreement between AHS and the City of Alameda Health Care District Alameda along with projected costs associated with the seismic and operational upgrade projects at Alameda Hospital. The projects were to be funded by Series A and Series B COPs with parcel taxes used as collateral and the source of repayment. Below are the financial projections that were presented to the finance committee at their May 1, 2024 meeting:

	Per 5/24 Finance Committee Mtg.
Annual Parcel Tax	6,036,813
Total Series A and Series B Annual Debt Service	3,640,540
Amount Available for District Exp. & Hospital Operations	2,396,273
Project Cost Estimate Used	54,100,000
Interest Rate Used	5.30%

After the effective date of the amended JPA approved by the AHS Finance Committee and Board of Trustees and prior to closing of the 2024 Series A COPs, project costs were revised with a new total cost estimated at that time to be $56.42 million, an increase of $2.32 million. This updated project budget is the budget the project team used as their starting point. Below is a comparison of the project cost estimates approved at the May 2024 Finance Committee meeting with this revised budget used as the starting point by the project team. The revised estimates are based on interest rate and other estimates used as part of the 2026 Series B offering:

	Per 5/24 Finance Committee Mtg.	Series B Revised Initial Estimate
Annual Parcel Tax	6,036,813	6,111,000
Total Series A and Series B Annual Debt Service	3,640,540	3,377,679
Amount Available for District Exp. & Hospital Operations	2,396,273	2,733,321
Project Cost Estimate Used	54,100,000	56,420,000
Interest Rate Used	5.30%	4.86%

Reforecast of Project Costs

As the seismic team worked through the details of the project over the last two years, more information became available and additional required scope was identified. Cost projections were updated to incorporate requirements that had not been budgeted (or had been underbudgeted) in the original projections and to incorporate new project scope that had not been previously contemplated. The table below identifies the cost impact of these changes:

($Millions)		Unbudgeted	Under Budgeted	New Scope		
Project	**Original Funding**	**SNF Make Ready**	**Budget Increased**	**Offsite Parking**	**Moment Frame**	**Revised Budget**
Seismic Project	$29.67		$3.26	$1.99	$2.37	$37.29
SNF Operational Upgrade	$25.75	$4.82				$30.57
Cost of Issuance	$1.00					$1.00
Total	$56.42	$4.82	$3.26	$1.99	$2.37	$68.85

The revised estimated project cost increased by $12.43 million and is now estimated to be $68.85 million. Below is a comparison of the project budget approved by the AHS Finance Committee and the revised estimate associated with the 2026 Series B offering:

	Per 5/24 Finance Committee Mtg.	Series B Revised Initial Estimate	Unbudgeted/ New Scope	Revised Estimate Subtotal
Annual Parcel Tax	6,036,813	6,111,000	0	6,111,000
Total Series A and Series B Annual Debt Service	3,640,540	3,377,679	702,208	4,079,887
Amount Available for District Exp. & Hospital Operations	2,396,273	2,733,321		2,031,113
Project Cost Estimate Used	54,100,000	56,420,000	12,430,000	68,850,000
Interest Rate Used	5.30%	4.86%	4.86%	4.86%

Alameda Hospital Water Intrusion Issue

Alameda hospital suffers from recurring water intrusion observed in multiple areas of the South Wing and Radiology Addition. RDH, a specialized consultant, was engaged to perform a targeted investigation into the causes which included evaluation of EIFS walls, windows, roof areas, decks, and transitions. They also conducted field observations and targeted water testing. This evaluation identified deficiencies in face-sealed EIFS wall systems and vulnerabilities at windows, roof transitions, and deck-to-wall connections.

RDH presented several options to resolve the issues – a short-term targeted rehabilitation of impacted areas with a life span of 3-5 years or a full façade replacement with a life span of 30-40 years. AHS in consultation with the District and the Seismic project team believes the best solution for the water intrusion issue is the full façade replacement option. The estimated cost for the full replacement is $8.75 million.

Because a full façade replacement would occur at the same time as the seismic and operational upgrade projects and intersect these projects at numerous points, it was concluded the best choice would be to incorporate this additional project into the seismic and operational upgrade projects. Adding this project increases the overall project budget from $68.85 million to $77.60 million.

According to the JPA, capital projects like the façade replacement are the responsibility of AHS and not the District. Including the cost of the replacement in the 2026 Series B COP funding request presents potential risk to the District in the event project funds are not sufficient to complete the seismic project. As a result, the District Board requires assurances from AHS through a memorialized agreement that in the event the project does not have funds available to complete the project, AHS will contribute the funds necessary for project completion up to a maximum of the amount the project spent on the full façade replacement.

Below is a table that factors in the financial impact of including the water intrusion project with the seismic and operational upgrade projects:

	Per 5/24 Finance Committee Mtg.	Series B Revised Initial Estimate	Unbudgeted/ New Scope	Water Intrusion Project	Revised Estimate Subtotal
Annual Parcel Tax	6,036,813	6,111,000	0	0	6,111,000
Total Series A and Series B Annual Debt Service	3,640,540	3,377,679	702,208	494,314	4,574,201
Amount Available for District Exp. & Hospital Operations	2,396,273	2,733,321	2,031,113		1,536,799
Project Cost Estimate Used	54,100,000	56,420,000	12,430,000	8,750,000	77,600,000
Interest Rate Used	5.30%	4.86%	4.86%	4.86%	4.86%

2026 Series B COP Request

The District requests a 2026 Series B COP amount not to exceed $58.00 million. The table below displays three alternatives based on total project costs, the $58.00 million not to exceed amount, and factoring in the impact of the 2024 Series A funding. The first alternative is labeled base case and makes no changes or reductions to the $77.60 million total project cost. Alternative 1 reduces the project's total budget through a $1.50 million reduction in the contingency budget and Alternative 2 reduces the project's contingency budget by $2.50 million.

The project budget currently has an owner contingency of $9.40 million which is approximately 25% of the hard construction costs. This amount has not changed since the original budget estimate. However, as projects become more refined and detailed, cost projections become less uncertain and there is an opportunity to reduce the level of contingency.

($millions)	Base	Alt. 1	Alt. 2
Total Project Costs	$77.60	$77.60	$77.60
Cost Reduction Options			
- HCAI Grant Opportunity	$0.00	$0.00	$0.00
- Reduce Contingency Budget	$0.00	$1.50	$2.50
Subtotal Project Costs	$77.60	$76.10	$75.10
2024 Series A COP Funding			
- 2024 Par Amount	$13.50	$13.50	$13.50
- 2024 Premium (Net)	$0.94	$0.94	$0.94
- 2024 COP Interest Income	$0.80	$0.80	$0.80
Subtotal Series A Funding	$15.24	$15.24	$15.24
Remaining Project Costs	$62.36	$60.86	$59.86
2026 Series B COP Funding			
- 2026 COP Amount	$58.00	$58.00	$58.00
- 2026 COP Interest Income	$3.00	$3.00	$3.00
Subtotal Series B Funding	$61.00	$61.00	$61.00
Project Surplus (Deficit)	**($1.36)**	**$0.14**	**$1.14**

Outlook for Parcel Tax Growth
The annual parcel tax is $298 per parcel and annual parcel taxes are included in the County of Alameda Teeter plan – ensuring the parcel tax is fully funded to the District regardless of collections. In the last 10 years, the number of parcels subject to the tax have grown by approximately 1,000 parcels or an average of 100 per year. The 2026 population of the city of Alameda is 80,023 and is projected to grow to 90,560 by 2030 and 92,465 in 2040 based on City of Alameda projections. The implication is the number of parcels subject to the tax will also continue to grow.

Disposition of any Remaining Project Funds After Project Completion
The 2026 Series B COP offering has been constructed in a way that any funds remaining after project completion can be used for any of the following purposes:

1. Pay debt service on 2026 COPs
2. Fund additional capital projects at Alameda Hospital
3. Fund costs associated with the HVAC project

Surplus project funds cannot be used to offset AHS operational expenses.

Northern Region Monthly Operating Report

August 2026

Salma Adin, Chief Administrative Officer & Associate Chief Nursing Officer,
Alameda Hospital & Wilma Chan Highland Hospital Campuses

FY26 Year End

			Worse than FY25	Better than FY25	Improvement Goal	Benchmark Goal *	

Safe Care - Caring, Healing, Teaching All			Performance FYTD			FY26 Goals	
OBJECTIVES	KEY RESULTS	Detailed KPIs	SLH	HGH	ALH	Improvement	Benchmark
Provide safe care	Eliminate Patient Harms	Total Patient Harms					
		CLABSI # Events/SIR	*	*	*	NHSN 25th %tile	NHSN 10th %tile
		CAUTI # Events/SIR	*	*	*	NHSN 50th %tile	NHSN 25th %tile
		MRSA # Events/SIR	*	*	*	NHSN 50th %tile	NHSN 25th %tile
		C. Difficile # Events/SIR	*	*	*	NHSN 75th %tile	NHSN 50th %tile
		SSI # Events/SIR	*	*	*	NHSN 75th %tile	NHSN 50th %tile
		Falls with Injury/% Per 1000 Days				10% reduction	NDNQI 25th %tile
		Reportable HAPI #/% per 1000 Discharges				10% reduction	20% reduction
		Behavior Events with Physical Injury				10% reduction	20% reduction
		HAPI all Stages #/% per 1000 Discharges				10% reduction	20% reduction
		Serious Safety Events (F or Greater)				Na	Na
	Reduce Mortality from Sepsis	Sepsis Mortality Observed: Expected			*	Observed= Predicted	Vizient 50th %tile
		Bundle Compliance Sepsis Early Management				CMS 75th %tile	CMS 95 %tile
	Embed Critical Behaviors	Hand Hygiene Compliance					95%

Fiscal Year Starts in July 1 and Ends June 30

FY26 YTD is results from July 2025 to SLH

FY26 Year End

Worse than FY25	Better than FY25	Improvement Goal	Benchmark Goal *

Timely, Effective, and Efficient Care			Performance			FY26 Goals	
OBJECTIVES	KEY RESULTS	Detailed KPIs	SLH	HGH	ALH	Improvement	Benchmark
Promote wellbeing	Provide the right care at the right time	All Cause 30-Day Readmission Rate				50% gap reduction to CMS 50th %tile	CMS 50th %tile
Provide accessible care	Minimize Time Spent Waiting for our Patients	ED Boarding Time for Admitted Patients				50% gap ↓ to: SLH/AH: Prepandemic Highland TJC max	SLH/AH: Prepandemic HGH: TJC Max Board
Equitable Care			**Performance**			**FY26 Goals**	
OBJECTIVES	KEY RESULTS	Detailed KPIs	SLH	HGH	ALH	Improvement	Benchmark
Serving all: Deliver equitable care	Health-related social needs recognized and addressed	Health-related social needs assessment completed on inpatients	*			10% improvement	20% improvement
		% of patients that screened positive for at least 1 Health-related social needs	NA	NA	NA		
Patient-Centered Care			**Performance**			**FY26 Goals**	
OBJECTIVES	KEY RESULTS	Detailed KPIs	SLH	HGH	ALH	Improvement	Benchmark
	Optimize performance regarding patient experience	Likelihood to recommend Acute	*	*	*	1% absolute improvement	SLH/AH: 50%tile HGH: 75%tile
		Likelihood to recommend ED			*		50th %tile
		Likelihood to recommend Amb Surg	*				50th %tile
		Communication with Nurses					50th %tile
		Communication with Providers					SLH/AH: 50th %tile HGH:90th %tile

Fiscal Year Starts in July 1 and Ends June 30

FY26 YTD is results from July 2025 to SLH

Objective and Key Results FY27 Proposal: Quality

				Improvement Goal		Benchmark Goal	
Objective	**OKR Metric**	**Status**	FY 26	**Goal**	**Rationale**	**Goal**	**Rationale**
Safety							
Safety by Choice - Not Chance	Hospital Acquired Infections	New	25	21 Events	NHSN 50^{th} Percentile Or if better improve by 5 Percentile	14 Events	NHSN 25^{th} Percentile Or if better than O Events
	Safety Alert Reported Harms	New	289	249	Behavior 15% ↑ Reportable HAPI 10%↓ Falls w/Injury NDNQI 50^{th} %tile	232	Behavior 10% ↑ Reportable HAPI 20%↓ Falls w/Injury 10% ↓ NDNQI 50^{th} %tile
	Bundle Compliance Sepsis Early Management	Keep	71.26%	76.61%	Midas National 50^{th} Percentile or if better than 75^{th} Percentile	81.36%	Midas National 75^{th} Percentile or if better than 80^{th} Percentile
	Composite 30-day Death Rate	New	100%	50%	50% of metrics at or better than 5 STAR per Vizient	80%	80% of metrics at or better than 5 STAR per Vizient
Effective/Efficient Care							
	Composite Readmission metrics	New	29%	50%	50% of metrics at or better than 3 STAR per Vizient	80%	80% of metrics at or better than 3 STAR per Vizient

Included in CMS Star Rating

Objective and Key Results FY27 Proposal: Quality

Objective	OKR Metric	Status	FY26	Improvement Goal		Benchmark Goal	
				Goal	Rationale	Goal	Rationale
Timely							
Right Care, Right Time, Right Place	ED Boarding Time for Patients needing an Inpt bed Community Hospital	Revise	1:38	1:34	50% gap closure to benchmark	1:30	Pre-pandemic Performance
	ED Boarding Time for Patients needing an Inpt bed Highland		8:02	7:38		4:00	TJC guidance for max boarding time
	Time patients spent in the ED before being sent home Community Hospital	New	2:39	2:24	50% gap closure to benchmark	2:10	CMS National Rate Low Volume
	Time patients spent in the ED before being sent home Highland	New	4:07	3:47		3:27	CMS National Rate High Volume
Equitable Care							
Serving all: Deliver equitable care	Childhood Immunization Status Black/African American children	New	31.73%	32.79%	10% gap closure to the 90th Percentile	34.79%	90th Percentile
Patient Centered Care							
Be the most welcoming system to receive care	Likelihood to recommend care composite	Keep	76.14%	77.14%	1% absolute improvement	77.23%	National 75th Percentile or if better than Improve by 5 percentiles

LTR Baseline (FY26)	LTR 1% improvement from FY26	LTR FYTD27
65.53	66.53	72.73

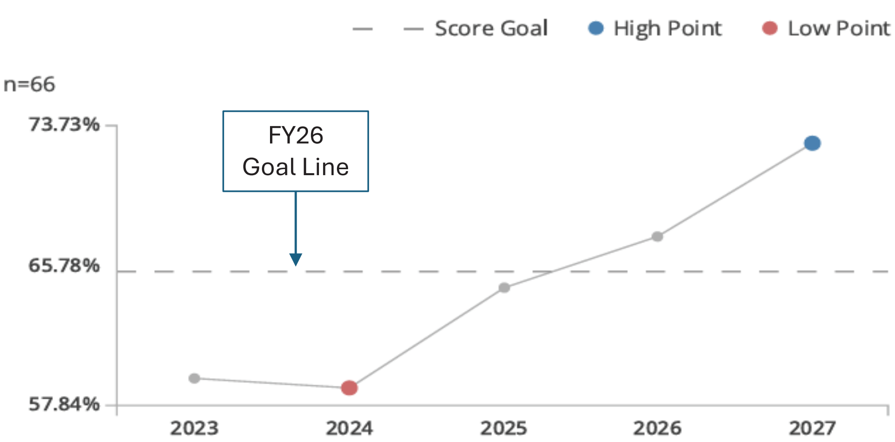
AH - ED Patient Experience (PX)

Likelihood to Recommend (LTR)

Top Box Score (% “Very Good” Response)

Top Box Score 72.73%

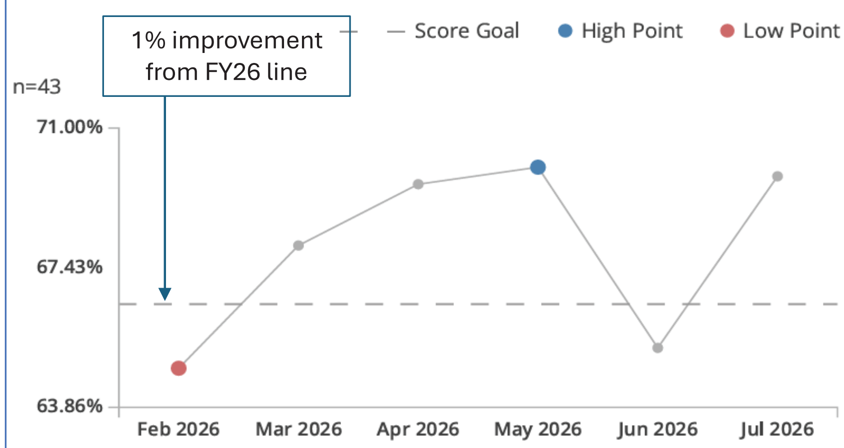
Likelihood of recommending



Time Period	2023	2024	2025	2026	2027
n	778	707	561	568	66
Top Box Score	59.38%	58.84%	64.53%	67.43%	72.73%
Percentile Rank	22	18	27	35	53

Top Box Score 69.77%

Likelihood of recommending



Time Period	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026	Jul 2026
n	37	50	46	50	52	43
Top Box Score	64.86%	68.00%	69.57%	70.00%	65.38%	69.77%
Percentile Rank	31	41	45	45	29	44

Alameda Hospital – ED

Patient Experience FY26 Performance & FY27 Goal Recommendations

Measure	FY26 Goal	FY26 % Top Box Score	FY26 Percentile Rank	YoY Change % Top Box (FY25 to FY26)	FY27 Goal Setting		
					1% Top Box Improvement	Next Quartile	Stretch Goal
Likelihood Recommend	65.53	***67.2***	***35th***	***2.9***	***68.2 (39th)***	***71.6 (50th)***	***72.8 (55th)***
Arrival Overall	48.67	52.62	36th	5.01	53.6 (39th)	57.8 (50th)	59.7 (55th)
Nurses Overall	68.26	72.41	35th	5.16	73.4 (40th)	75.8 (50th)	76.9 (55th)
Doctors Overall	68.15	72.01	47th	4.86	73.0 (53rd)	72.4 (50th)	73.5 (55th)

Legend
Met Goal
Above Baseline
Did Not Meet Goal

LTR Baseline (FY26)	LTR 1% improvement from FY26	LTR FYTD27
63.96	64.96	60.61

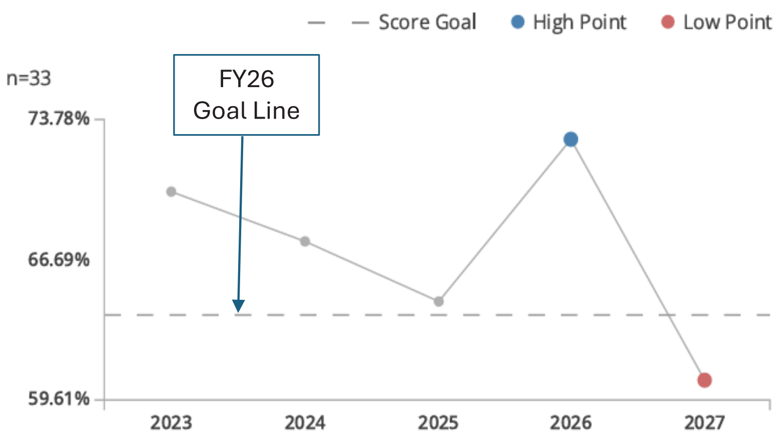
AH- Inpatient Patient Experience (PX)

Inpatient Likelihood to Recommend (LTR)

Top Box Score % (“Definitely” Response)

Top Box Score 60.61%

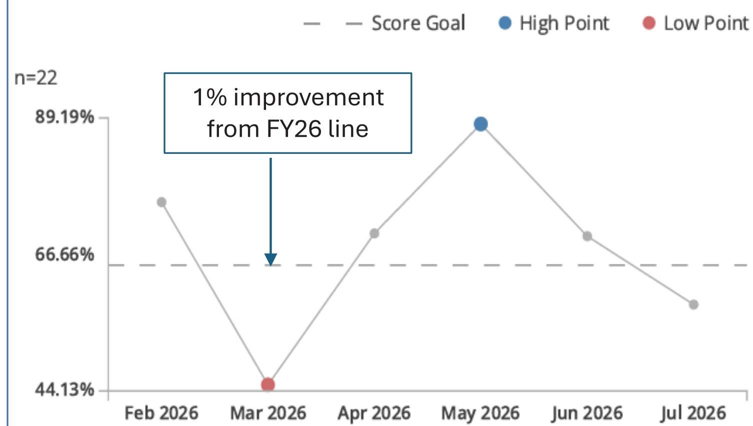
Recommend the hospital



Time Period	2023	2024	2025	2026	2027
n	375	315	384	349	33
Top Box Score	70.13%	67.62%	64.58%	72.78%	60.61%
Percentile Rank	51	40	27	56	17

Top Box Score 58.39%

Recommend the hospital



Time Period	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026	Jul 2026
n	25	24	24	18	27	22
Top Box Score	75.30%	45.13%	70.13%	88.19%	69.67%	58.39%
Percentile Rank	65	2	47	95	45	12

Alameda Hospital – Inpatient / HCAHPs

Patient Experience FY26 Performance & FY27 Goal Recommendations

Measure	FY26 Goal	FY26 % Top Box Score	FY26 Percentile Rank	YoY Change % Top Box (FY25 to FY26)	FY27 Goal Setting		
					1% Top Box Improvement	Next Quartile	Stretch Goal
Recommend hospital	63.96	***72.03***	***54th***	***9.12***	***73.0 (57^{th})***	***78 (75th)***	***84.2 (90th)***
Rate hospital 0-10	65.71	69.32	45th	5.17	70.3 (51^{st})	70.2 (50th)	76.4 (75th)
Comm w/ Nurses	70.59	75.26	21st	5.87	76.3 (27^{th})	79.5 (50th)	83 (75th)
Response of Staff	63.02	61.34	44th	-0.58	62.3 (48^{th})	62.6 (50th)	68.4 (75th)
Comm w/ Doctors	76.43	79.12	50th	3.62	80.1 (58^{th})	82.6 (75th)	86.4 (90th)
Cleanliness	73.45	73.29	48th	1.26	74.3 (54^{th})	73.4 (50th)	78.8 (75th)
Comm About Medicines	54.55	56.68	21st	3.71	57.7 (28^{th})	61.2 (50th)	65 (75th)
Discharge Information	86.16	81.97	11th	-3.01	83 (17^{th})	87 (50th)	89.4 (75th)
Restful Environment	50.42	54.56	35th	5.4	55.6 (42^{nd})	56.9 (50th)	61.9 (75th)
Care Coordination	68.16	64.87	10th	-1.91	65.9 (13^{th})	72.9 (50th)	77.1 (75th)
Info About Symptoms	68.31	65.11	14th	-2.3	66.1 (18^{th})	71.6 (50th)	75.7 (75th)

Legend
Met Goal
Above Baseline
Did Not Meet Goal

Alameda Entity Financials – July 2026

In Thousands	MTD ACTUAL	MTD BUDGET	MTD VARIANCE
Operating Revenue ------------------			
Net Patient Revenue	$10,899	$10,598	$300
Capitation Revenue	204	199	5
Other Government Programs	3,216	3,295	(79)
Other Revenues	899	99	800
Total Revenue - All Sources	**$15,217**	**$14,192**	**$1,025**
Collection %	***15.6%***	***16.0%***	***-0.4%***
Operating Expenses -----------------			
Salaries & Benefits	10,551	10,371	(180)
Purchased Services	580	616	35
Contracted and Allocated Provider	782	741	(42)
Materials and Supplies	876	934	58
Facilities	763	506	(257)
Depreciation	361	393	32
General & Administration	134	38	(97)
Total Operating Expenses	**$14,049**	**$13,599**	**($450)**
Contribution Margin	**$1,169**	**$593**	**$576**
Total FTEs	632	618	(14)
Total Acute Adj Patient Days	1,927	1,519	(408)

Alameda MOR Financials – July 2026

ROLLUP: Alameda excluding PB and SS

	MONTH					ACTION PLAN
	MTD Actual	MTD Budget	Var	%Var	|	Action Plan to include plan to reach 100% of goal to budget. Include strategies/tactics to address barriers and estimated
OR Cases	25	14	11	78.6%		IP: 4 cases, OP: 7 higher than budget
OR Minutes	2,288	1,318	970	73.6%		due to more cases than budget
OR Minutes per Case	92	94	(3)	-2.8%		
ED/PES Visits	1,784	1,734	50	2.9%		IP 14 cases; OP 36 cases
Clinic Visits	1,467	1,420	47	3.3%		Ortho Clinic 50 visits; Wound Care -3 visits
Nursing Unit Days (incl Obs excl L&D)	1,222	1,049	173	16.5%		
Acute Days (incl ED, Surg, CCL L&D)	1,028	842	186	22.1%		Med/Surg 113; Tele 81 offset by CCU -9
Observation Days	223	235	(11)	-4.9%		Tele -18 offset by Med/Surg 6
Acute Discharges	221	230	(9)	-3.9%		CCU -10; Tele -8
Observation Discharges	0	63	(63)	-100.0%		
Average Daily Census (ADC)	33.2	27.1	6.0	22.1%		
Observation ADC	7.2	7.6	(0.4)	-4.9%		
Average Length of Stay (ALOS)	4.7	3.7	(1.0)	-27.1%		CMI at 1.624 to budget of 1.610 Var
Paid FTE	385.8	372.6	(13.2)	-3.5%		Tele -8 FTEs; Med/Surg -8 offset by Ortho Clinic 3
Paid FTE per ADC	11.6	13.7	2.1	15.2%		
Productive FTE	310.5	318.6	8.2	2.6%		
Non-Productive FTE	75.3	54.0	(21.4)	-39.6%		
Training Hours	2,420	1,402	(1,018)	-72.6%		Med/Surg -345; Lab -328; CCU -202; Nrsg Admin -130; ED -120 offset by Tele 185
Training % of Productive Hours	4.4%	2.5%	(1.9%)	-77.2%		

Alameda MOR Financials – July 2026

ROLLUP: Alameda excluding PB and SS

	MONTH					ACTION PLAN
	MTD Actual	MTD Budget	Var	%Var		Action Plan to include plan to reach 100% of goal to budget. Include strategies/tactics to address barriers and estimated
Missed Meals and Breaks Hours	617	574	(43)	-7.5%	red	Med/Surg -62; Nrsg Admin -51; CCU -33; Tele -26; Comm -26 offset by ED 99 & Diag Imaging 40
Missed Meals and Breaks $	54,616	51,202	(3,414)	-6.7%	red	
Rest Between Shifts Hours	759	482	(277)	-57.4%	red	Tele -215; Med/Surg -58
Rest Between Shifts $	83,186	56,368	(26,818)	-47.6%	red	
PERFORMANCE INITIATIVES						
Overtime (OT) Hours	5,743	3,393	(2,350)	-69.3%	red	Tele -780; Med/Surg -766; ED -417; CCU -293; Nrsg Admin -108; Plant Maint -103 offset by Adminttng 80 and OT 60
Overtime (OT) FTE	32.4	19.2	(13.3)	-69.3%	red	
Overtime (OT) Average Hourly Rate	116.62	134.73	18.10	13.4%	green	
OT Hours as % of Productive Hours	10.4%	6.0%	(4.4%)	-73.7%	red	
Registry Hours	2,778	1,971	(807)	-40.9%	red	CCU -533; PT -289; Tele -200; EKG -120 offset by 259 Med/Surg; 222 RT; UM 82
Registry FTE	15.7	11.1	(4.6)	-40.9%	red	
Registry Average Hourly Rate	100.26	119.88	19.63	16.4%	green	
Registry Hours as % of Productive Hours	5.1%	3.5%	(1.6%)	-44.6%	red	

Alameda MOR Financials – July 2026

ROLLUP: Alameda excluding PB and SS

	MONTH				ACTION PLAN
	MTD Actual	MTD Budget	Var	%Var	Action Plan to include plan to reach 100% of goal to budget. Include strategies/tactics to address barriers and estimated
LABOR COSTS					
Salaries and wages	5,609,577	5,466,849	(142,728)	-2.6%	Mainly due to OT. RN OT over budget by $189k from Nursing Units & ED
Salaries and wages (physicians)	123,431	186,288	62,858	33.7%	Ortho Clinic 63k - no actual, has budget. Need to PAR employees to new cost centers
Registry	278,556	236,330	(42,225)	-17.9%	
Employee benefits (Notes Not Required)	1,659,074	1,559,964	(99,111)	-6.4%	
Labor Costs	7,670,638	7,449,431	(221,207)	-3.0%	
NON-LABOR COSTS					
Physician contract services	454,514	382,224	(72,290)	-18.9%	PACU -38k; Neuro -14k; Specialty -11; Nephrology -6; Pulmonologists -5
Purchased services	465,824	511,909	46,085	9.0%	Wound Care 43k
Pharmaceuticals	86,227	125,607	39,380	31.4%	Ortho +56 offset byPharmacy 12k
Supplies	546,669	562,154	15,485	2.8%	Lab reagents 47k offset by other Medical Surgical supplies -27
Facilities	717,792	501,874	(215,918)	-43.0%	Plant Maintenance-218k, Core Construction; Local 39; Smith Karng
Depreciation (Notes Not Required)	274,656	307,376	32,720	10.6%	
General and administrative	9,558	31,178	21,620	69.3%	
Non-Labor Costs	2,555,239	2,422,322	(132,917)	-5.5%	
OTHER METRICS					
Supply Costs per Patient Day	532	668	136	20.4%	
Supply Costs per Case	2,474	2,444	(29)	-1.2%	

HPPD – July 2026

	MTD Actual	MTD Budget	Var	%Var	YTD Actual	YTD Budget	Var	% Var
Facility	13.55	13.98	0.44	3.1%	13.55	13.98	0.44	3.1%
Alameda	11.86	11.26	(0.60)	-5.3%	11.86	11.26	(0.60)	-5.3%
Highland	13.53	14.23	0.70	4.9%	13.53	14.23	0.70	4.9%
John George	17.00	18.20	1.20	6.6%	17.00	18.20	1.20	6.6%
San Leandro (excl Rehab Days)	1.69	1.70	0.01	0.6%	1.69	1.70	0.01	0.6%
BY CAMPUS, BY UNIT								
ALAMEDA BY UNIT --------------------								
CCU	25.90	19.07	(6.84)	-35.8%	25.90	19.07	(6.84)	-35.8%
Telemetry	11.95	10.25	(1.71)	-16.6%	11.95	10.25	(1.71)	-16.6%
Med/Surg	8.68	10.05	1.37	13.6%	8.68	10.05	1.37	13.6%
HIGHLAND BY UNIT --------------------								
ICU	23.37	25.65	2.29	8.9%	23.37	25.65	2.29	8.9%
NICU	23.04	21.89	(1.15)	-5.2%	23.04	21.89	(1.15)	-5.2%
Step Down	14.70	15.60	0.90	5.8%	14.70	15.60	0.90	5.8%
7th Floor	11.76	12.23	0.47	3.8%	11.76	12.23	0.47	3.8%
8th Floor	10.99	11.56	0.56	4.9%	10.99	11.56	0.56	4.9%
9th Floor	10.52	10.98	0.45	4.1%	10.52	10.98	0.45	4.1%
OB	10.71	11.95	1.24	10.4%	10.71	11.95	1.24	10.4%
SAN LEANDRO BY UNIT --------------------								
ICU	21.01	21.17	0.16	0.8%	21.01	21.17	0.16	0.8%
2nd & 3rd Floor	8.94	8.11	(0.84)	-10.3%	8.94	8.11	(0.84)	-10.3%

July report: ALAMEDA HOSPITAL – Emergency Department

Falls With Injury

Last Fall	Days since last fall	FY25	FY26
12/1/2024	633	2	0

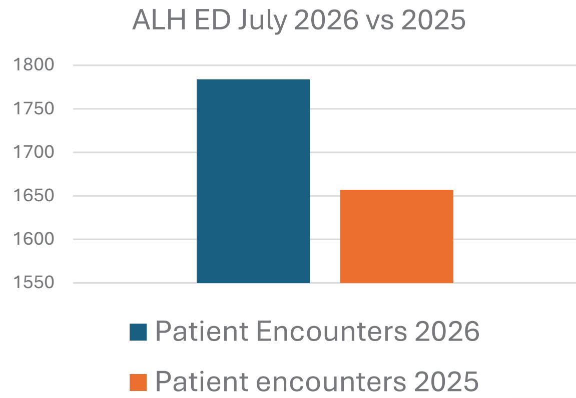
Falls without injury

Last Fall	Days since last fall	FY25	FY26
7/20/26	37	9	1

AH ED PX Metric/Domain	FY25	FY26 Goal	May	June	July (prelim)	FY27TD	FY27TD %tile
Arrival	47.67	48.67	57.27	49.04	50.00	55.65	43rd
Nursing	67.26	68.26	81.39	71.91	81.11	80.07	67th
Doctor	67.15	68.15	75.37	69.83	75.34	74.50	57th
Likelihood to Recommend	64.53	65.53	70.00	65.38	69.05	68.97	41st
Environment Cleanliness			54.00	50.98	50.00	54.55	14th
Staff Cared about You			72.00	70.59	65.85	66.07	27th
Staff Worked Together			70.00	68.00	67.50	67.86	32nd

Behavior Events With Harm

Last Event	Days since last event	FY25	FY26
05/31/26	52	6	3



Successes

•APOT 90th percentile at 17.1 minutes
•Lowest in area x CHO
•MMP and MMM penalty @ 58
•Skills Fair with vendors for devices used in dept.
•Restraint task force with review of hard restraint models.
•MMP and MBP continue with improvements

Opportunities

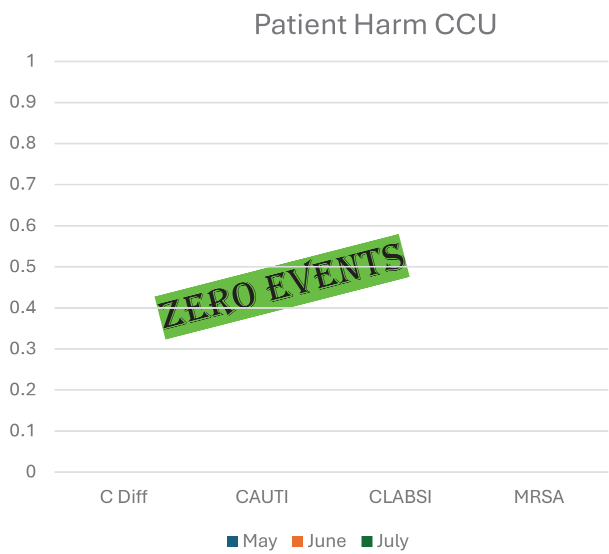
- Staffed Cared about you as person needs improvement
    - Work with Patient Experience
- ED boarding at 2hr 3min. Identified 1500-1600 longest delay correlates with 31% of discharges before 1400
- PIT/Triage area workflow with increase census
- Falls education/signage for patients
- Staff coverage: LOAs : 5 LOAs in July 2 Travelers RN, 1 ED tech

Action Plan

- Overtime review with travel RNs covering LOAs, last minute extensions
- Falls Education (Falls pending in August)
- Cost reduction/efficiency:
- Working with charge RN to ensure no missed meals/breaks for Unit Clerks
    - Individual meeting with employees
    - Educate regarding offering and time constraints.
- Sick time evaluation, counseling when appropriate

Vision: Alameda Health System will be recognized as a world-class patient and family centered system of care that promotes wellness, eliminates disparities and optimizes health of our diverse communities. Not just healthcare. People care. Caring, healing, teaching, serving all.

July Report: ALAMEDA HOSPITAL – Critical Care Department



Falls With Injury

Last Fall	Days since last fall	FY25	FY26
4/8/26	140	0	2

Falls Without Injury

Last Fall	Days since last fall	FY25	FY26
7/24/2025	398	3	1

Behavior Events With Harm

Last Event	Days since last event	FY25	FY26
07/15/25	407	1	1

HAPI

Last Event	Days since last event	FY25	FY26
5/4/2026	114	26	20 (1 reportable)

Successes

- Leap Frog Score of A
- Skills Fair vendors for CCU devices
- Increase staff engagement with Super User requests. (DKA, Bladder scanner, Audits)
- Multiple staff assisted with educating peers.
- Focus on improving debrief process with codes

Opportunities

- Midas communication with staff
- 6 LOA & 1 open charge position
  - 3 Travelers present
  - Charge RN 0.6 interviews offer extended
- Consistent communication of successes
- Completion of SDOH assessments for in-patient is

Action Plan

- Work with Transfer Center, Nsg Sups and Intensivists to increase interfacility transfers to ALH CCU
- ABCDEF Liberation Bundle education
  - Modules
  - 1:1 Education
  - RT collaboration
- Cost reduction/efficiency:
- Sick time evaluation, counseling when appropriate
- Continue to monitor OT and avoiding prebooking OT when possible.

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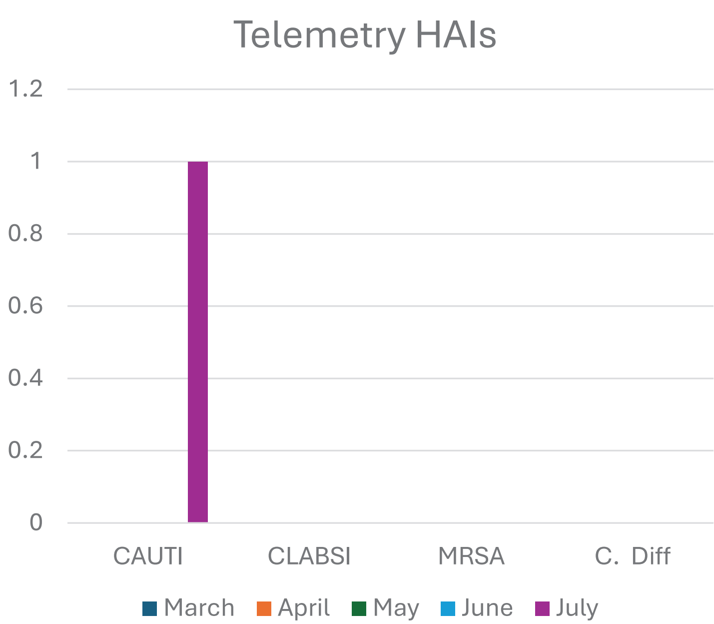
ALAMEDA HOSPITAL – Telemetry Department



Falls With Injury

Last Event	Days since last event	FY26	FY27
6/27/26	59	3	0

Falls Without Injury

Last Event	Days since last event	FY26	FY27
7/3/26	53	24	1

Behavior Events With Harm

Last Event	Days since last event	FY26	FY27
6/23/2026	63	1	0

HAPIs

Last Event	Days since last event	FY26	FY27
7/16/26	40	20	1

Successes

- More consistent use of assignment wizard
- Engaging charge nurses for more admin tasks
- Staff engagement, staff RN III involvement
- Patient admission handbook
- Patient experience scores above goal
- Fully hired for RNs!

Opportunities

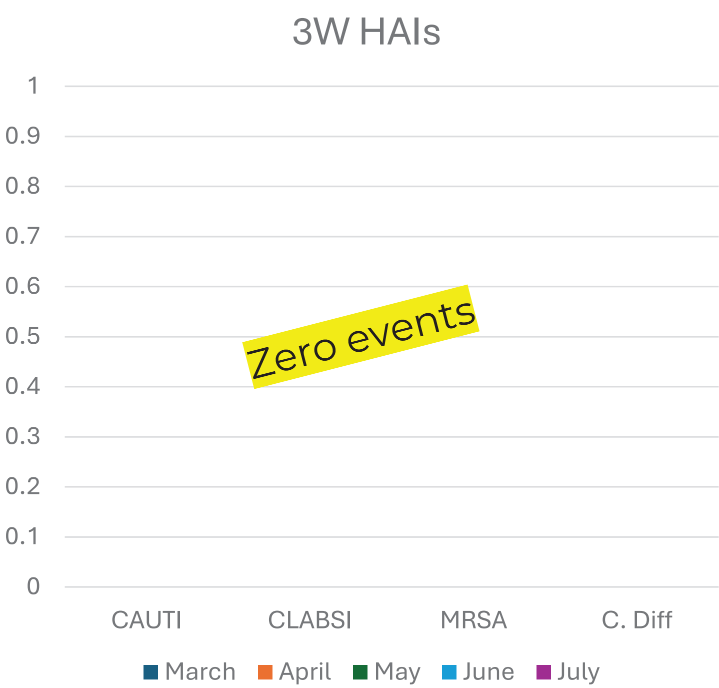
- SDOH-67.47 down from previous month
- Hand hygiene-73.7% decreased from previous month
- HAPI-role playing different ways to approach patients refusing assessments; Rover inservice with wound RN to improve documentation
- Discharge communication
- Falls-1 fall in July

Action Plan

- Continue HAPI audits and education with wound champions
- CAUTI prevention
- Mobility champion utilization, Expanding BMAT champions in Tele
- Calling management for all fall huddles and worker injuries
- Utilizing Epic dashboards for real time reminders, educated charge nurses on dashboards
- Purposeful staff rounding- to audit with primary RN what is missing (SDOH, q2hrturns, 2 RN skin, etc)

Vision: Alameda Health System will be recognized as a world-class patient and family centered system of care that promotes wellness, eliminates disparities and optimizes health of our diverse communities. Not just healthcare. People care. Caring, healing, teaching, serving all.

ALAMEDA HOSPITAL – Medical/Surgical Department



Falls With Injury

Last Event	Days since last event	FY26	FY27
5/28/26	89	4	0

Falls Without Injury

Last Event	Days since last event	FY26	FY27
8/6/26	19	9	3

Behavior Events With Harm

Last Event	Days since last event	FY26	FY27
7/26/26	30	4	1

HAPIs

Last Event	Days since last event	FY26	FY27
8/18/25	372	5	0

Successes

- No Falls in July!
- More consistent use of assignment wizard
- Staff engagement, staff RN involvement
- No HAPIs-over 1 year with no HAPI
- No HAIs
- Patient admission handbook
- Patient experience scores
- Fully hired for RNs and CNAs

Opportunities

- SDOH – 82.61
- OT-meeting with scheduler weekly to discuss OT approval
- Hand hygiene-78%
- Discharge instructions

Action Plan

- Continue HAPI audits and education with wound champions
- Purposeful staff rounding- to audit with primary RN what is missing (SDOH, q2hr turns, 2 RN skin, etc)
- Utilizing Epic dashboards for real time reminders, educated charge nurses on dashboards
- Collaborate with Care Coordination for difficult placements

Vision: Alameda Health System will be recognized as a world-class patient and family centered system of care that promotes wellness, eliminates disparities and optimizes health of our diverse communities. Not just healthcare. People care. Caring, healing, teaching, serving all.

ALAMEDA HEALTH SYSTEM

Thank You Northern Region!

Alameda District Board Presentation

Financials July 2026

September 14, 2026

Financial Report July 2026
Alameda District Hospital Financial Statement

In Thousands	MTD ACTUAL	MTD BUDGET	MTD VARIANCE
Operating Revenue ------------------			
Net Patient Revenue	$10,899	$10,598	$300
Capitation Revenue	204	199	5
Other Government Programs	3,216	3,295	(79)
Other Revenues	899	99	800
Total Revenue - All Sources	**$15,217**	**$14,192**	**$1,025**
Collection %	***15.6%***	***16.0%***	***-0.4%***
Operating Expenses -----------------			
Salaries & Benefits	10,551	10,371	(180)
Purchased Services	580	616	35
Contracted and Allocated Provider	782	741	(42)
Materials and Supplies	876	934	58
Facilities	763	506	(257)
Depreciation	361	393	32
General & Administration	134	38	(97)
Total Operating Expenses	**$14,049**	**$13,599**	**($450)**
Contribution Margin	**$1,169**	**$593**	**$576**
Total FTEs	632	618	(14)
Total Acute Adj Patient Days	1,857	1,656	(201)

Financial Report July 2026
Volume Highlights – Alameda Acute

	MONTH				YEAR-TO-DATE				PRIOR YEAR-TO-DATE		
	MTD Actual	MTD Budget	Var	% Var	YTD Actual	YTD Budget	Var	% Var	YTD PY Actual	Var	% Var
Campus: ALAMEDA											
Total Patient Days	1,028	842	186	22.1%	1,028	842	186	22.1%	867	161	18.6%
Total Discharges	221	230	(9)	-3.9%	221	230	(9)	-3.9%	230	(9)	-3.9%
Total Adjusted Patient Days	1,541	1,309	232	17.7%	1,541	1,309	232	17.7%	1,319	222	16.8%
Total Adjusted Discharges	331	311	20	6.5%	331	311	20	6.5%	350	(19)	-5.3%
GENERAL ACUTE											
Patient Days	1,028	842	186	22.1%	1,028	842	186	22.1%	867	161	18.6%
Discharges	221	200	21	10.5%	221	200	21	10.5%	230	(9)	-3.9%
Average Daily Census	33.2	27.1	6.0	22.1%	33.2	27.1	6.0	22.1%	28.0	5.2	18.6%
Average Length of Stay	4.7	4.2	-0.4	10.6%	4.7	4.2	-0.4	10.6%	3.8	(0.9)	-23.4%
Adjusted Patient Days	1,857	1,656	201	12.1%	1,857	1,656	201	12.1%	1,653	204	12.4%
Adjusted Discharges	399	453	(53)	-11.8%	399	453	(53)	-11.8%	438	(39)	-8.9%
Occupancy %	50%	41%	9%	22.1%	50%	41%	9%	22.1%	42%	8%	18.6%
Emergency Visits	1,784	1,734	50	2.9%	1,784	1,734	50	2.9%	1,734	50	2.9%
Left Without Being Seen (LWBS)	3	62	59	1966.7%	3	62	59	1966.7%	62	59	1966.7
Observation Equivalent Days	223	235	(11)	-4.9%	223	235	(11)	-4.9%	216	7	3.2%
IP Surgeries	17	13	4	30.8%	17	13	4	30.8%	13	4	30.8%
OP Surgeries	8	1	7	700.0%	8	1	7	700.0%	1	7	700.0%
Total Surgeries	25	14	11	78.6%	25	14	11	78.6%	14	11	78.6%
Paid FTE	414	401	-14	-3.4%	414	401	-14	-3.4%	409	-5	-1.2%
Productive FTE	336	344	8	2.4%	336	344	8	2.4%	349	13	3.8%
Paid FTE per AOB	6.92	7.50	0.58	7.8%	6.92	7.50	0.58	7.8%	7.68	0.76	9.9%
Worked Hours per APD	32.0	36.8	4.8	13.0%	32.0	36.8	4.8	13.0%	37.4	5.4	14.4%
Worked Hours per AD	149	155	6	3.8%	149	155	6	3.8%	141	-8	-5.6%

Financial Report July 2026
Volume Highlights – Alameda Skilled Nursing

	MONTH				YEAR-TO-DATE				PRIOR YEAR-TO-DATE		
	MTD Actual	MTD Budget	Var	% Var	YTD Actual	YTD Budget	Var	% Var	YTD PY Actual	Var	% Var
Campus: ALAMEDA											
SNF with Sub-Acute											
SNF Patient Days	5,118	5,252	(134)	-2.5%	5,118	5,252	(134)	-2.5%	5,408	(290)	-5.4%
SNF Discharges	11	11	0	2.0%	11	11	0	2.0%	7	4	57.1%
Average Daily Census	165.1	169.4	(4.3)	-2.5%	165.1	169.4	(4.3)	-2.5%	174.5	(9.4)	-5.4%
Average Length of Stay	465.3	487.2	21.9	4.5%	465.3	487.2	21.9	4.5%	772.6	307.3	39.8%
Adjusted Patient Days	5,128	5,284	(156)	-2.9%	5,128	5,284	(156)	-2.9%	5,463	(335)	-6.1%
Adjusted Discharges	11	11	0	1.6%	11	11	0	1.6%	7	4	55.9%
Occupancy %	91%	94%	0%	0.0%	91%	94%	0%	0.0%	96%	0%	0.0%
Bed Holds	84	49	35	69.9%	84	49	35	69.9%	(49)	133	-271.4%
Paid FTE	218	217	(1)	-0.3%	218	217	(1)	-0.3%	208	(9)	-4.5%
Productive FTE	171	191	20	10.4%	171	191	20	10.4%	184	13	7.3%
Paid FTE per AOB	1.32	1.28	(0.04)	-3.3%	1.32	1.28	(0.04)	-3.3%	1.18	(0.13)	-11.4%
Worked Hours per APD	5.9	6.4	0.5	7.7%	5.9	6.4	0.5	7.7%	6.0	0.1	1.2%
Worked Hours per AD	2747	3115	368	11.8%	2747	3115	368	11.8%	4617	1870	40.5%

Financial Report July MTD 2026
Volume Highlights

- Alameda District Hospital acute average daily census was 33.2 in the month of July which is 50% occupancy
- Acute Volume Highlights:
  - Case Mix Index (CMI) is at 1.453, slightly above budget of 1.360.
  - LOS for the month at 4.7 was above budget of 4.2. which was higher than PY at 3.8, driven by slightly higher case mix.
  - Surgeries were at 25 for the month, which is higher than budget of 14.
    - OP Surgery was above budget by 7.
    - IP Surgery was above budget by 4.

- Skilled Nursing :
  - Patient days were below budget by 2.5%.
  - Daily Census was below budget by 2.5%.
  - Discharges were at budget of 11.
  - Occupancy is at 91%

Appendix I

AHS Finance Committee Presentation

ALAMEDA HEALTH SYSTEM

July 2026 Financial Report

Kimberly Miranda, Chief Financial Officer
Finance Committee
September 2, 2026

July 2026 Financial Report
Finance Dashboard

	Metric	FY2027 Goal YTD	Actual YTD	YTD	Trend Lines
Volume					
	Total Adjusted Discharges	2,614	2,769		
	Total Adjusted Patient Days	15,537	16,224		
Revenue Cycle					
	Collection Ratio	19.4%	19.5%		
	Cash as % of Net Revenue	100.0%	112.0%		
	Gross Days in Patient Receivables	60.0	59.4		
Labor					
	Productivity %	100.0%	99.2%		
	Registry as % of Total FTEs	2.9%	3.4%		
	Overtime % excl Company 30	5.3%	6.9%		
	Total FTEs	5,061	4,987		
	FTE per Adjusted Discharge	1.94	1.80		
	*Labor Cost/FTE w/o GASB	$267,148	$270,430		
Profitability					
	Total Cost per Adjusted Discharge	$55,413	$51,938		
	Total Cost per Adjusted Patient Days	$9,323	$8,864		
	Net Income	($864)	$734		
	EBIDA Margin	1.4%	2.6%		
	NNB (Net Negative Balance)	<$95M	-$13,600		
	Net Position	>$0	$117,702		
Capital					
	Capital Spent	$1,708	$925		
	% of Capital Spent	54.2%			

*Labor costs excludes contracted physicians; Includes Registry travel & housing costs

July 2026 Financial Report
Balance Sheet Key Metrics

- Days in Cash are 1.7 days and higher than year-end; typically, below 5.0 days.
- Gross AR Days decreased 2.4 and Net AR Days decreased 3.2 from strong cash collections.
- Net Position is $117.7M. In June 2026, the Net Position transitioned from a deficit to a positive balance for the first time since FY2003 primarily due to the Highland FQHC settlement.
- Net Negative Balance is a payable of $13.6M and is expected to be below the June 30, 2027 credit ceiling of $100.0M at the end of the fiscal year.

	Jul-26	Jun-26
Days in cash	1.7	0.5
Gross days in patient receivable	59.4	61.8
Net days in patient receivable	26.2	29.2
Due from/(to) third-party payors	$ 381,262	$ 326,049
Due from/(to) County	$ (11,832)	$ 21,414
Days in accounts payable	35.8	35.7
% of AP over 60 days	4.1%	4.1%
Net position - fund balance/(deficit)	$ 117,702	$ 116,674
Net negative balance - receivable/(payable)	$ (13,604)	$ 18,188

July 2026 Financial Report
Patient collections are growing year over year

PATIENT COLLECTIONS
(in thousands)

	Behavioral Health	Epic	Total FY 2027	FY 2026	FY 2025	FY 2024	FY 2023
Jul	5,303	89,035	94,338	79,811	72,694	79,592	74,260
Aug	-	-	-	110,787	79,768	69,313	58,590
Sep	-	-	-	66,819	69,741	63,322	76,063
Oct	-	-	-	83,191	76,783	63,122	59,796
Nov	-	-	-	82,939	78,747	57,781	56,939
Dec	-	-	-	72,516	94,631	63,867	67,018
Jan	-	-	-	69,320	89,014	68,757	71,452
Feb	-	-	-	94,562	68,511	75,852	57,886
Mar	-	-	-	87,643	91,851	54,720	65,320
Apr	-	-	-	87,798	74,892	61,895	55,307
May	-	-	-	86,038	74,339	102,015	63,795
Jun	-	-	-	75,477	72,211	71,208	70,027
Total	**5,303**	**89,035**	**94,338**	**996,901**	**943,182**	**831,444**	**776,453**
% change between fiscal years			18.2%	5.7%	13.4%	7.1%	

- Cash in July 2027 was one of the highest months in the past year.
- Behavioral Health representing payments from Alameda County for JGP. The FY27 contract in process for \$82.8M and FY26 contract was executed at \$81.2M. The maximum contract have been paid for prior years.

July 2026 Financial Report Highlights

- Favorable July 2026 revenue variance of $0.5M.
  - Net patient revenue below budget by $0.7M, lower charges/volumes partially offset by collection percentage 15.5% that was 0.1% above budget.
  - Other government programs at budget.
  - Other operating income above budget by $1.2M due to higher retail pharmacy ($1.4M).

- Favorable July 2026 expense variance of $1.1M.
  - Labor costs favorable by $0.3M due to lower FTEs and wage rates.
  - Non-labor cost favorable by $0.8M from favorable timing variances in insurance and legal.

	FY 2027 - July 2026				FY 2026	
	Actual	Budget	Variance	% Var	July 2025	% Var
Operating revenue	$ 144,806	$ 144,307	$ 499	0.3%	$ 137,440	5.4%
Operating expense	143,736	144,851	1,115	0.8%	138,091	(4.1)%
Operating income (loss)	**1,070**	**(544)**	**1,614**	**296.7%**	**(651)**	**264.4%**
Other non-operating activity	(334)	(321)	(13)	(4.0)%	(321)	(4.1)%
Net Income (loss)	**$ 736**	**$ (865)**	**$ 1,601**	**185.1%**	**$ (972)**	**175.7%**
EBIDA adjustments	3,002	2,952	50		2,621	
EBIDA	**$ 3,738**	**$ 2,087**	**$ 1,651**		**$ 1,649**	
Operating Margin	0.7%	(0.4)%	1.1%		(0.5)%	
EBIDA Margin	2.6%	1.4%	1.2%		1.2%	
Total FTEs	4,989	5,061	72	1.4%	5,093	

July 2026 Financial Report
Expense Highlights excluding Labor – greater than $0.5M or 5.0%

- General and administrative favorable from timing of expenditures in insurance ($0.4M) and legal ($0.2M).

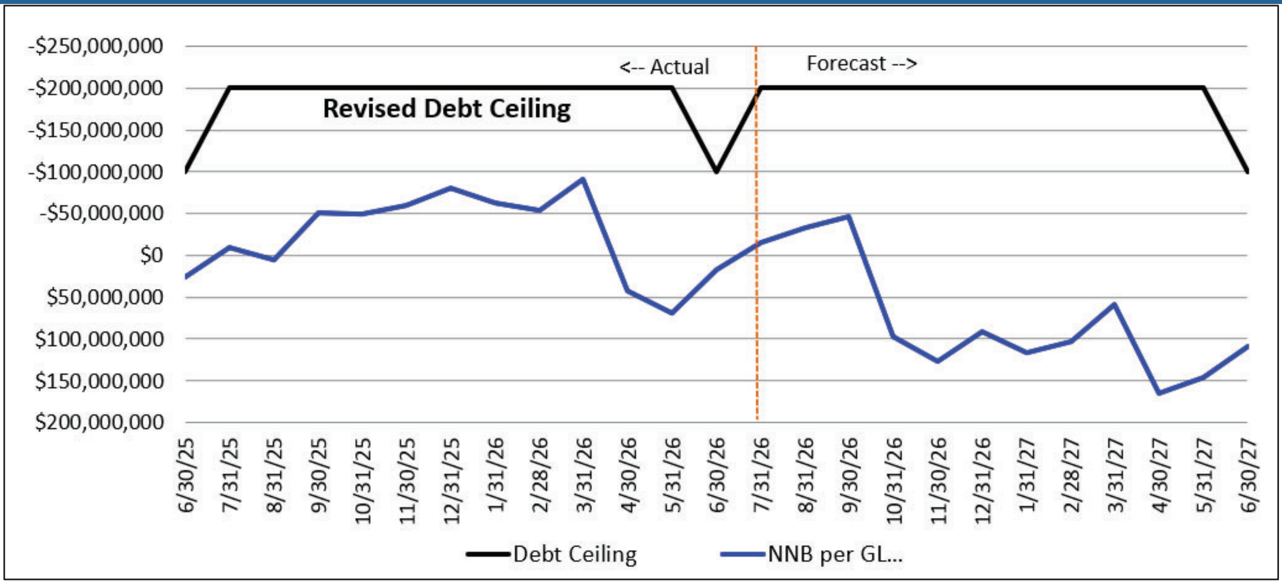
	July 2026				FY 2026	
	Actual	Budget	Variance	% Var	YTD	% Var
Labor costs	$ 112,386	$ 112,670	$ 284	0.3%	$ 107,889	(4.2)%
Purchased services	8,510	8,673	163	1.9%	8,685	2.0%
Materials and supplies	14,009	14,192	183	1.3%	13,145	(6.6)%
Facilities	3,793	3,793	-	0.0%	3,710	(2.2)%
Depreciation and amortization	2,658	2,630	(28)	(1.1)%	2,290	(16.1)%
General and administrative	2,380	2,893	513	17.7%	2,372	(0.3)%
Total operating expense	**$ 143,736**	**$ 144,851**	**$ 1,115**	**0.8%**	**$ 138,091**	**(4.1)%**

July 2026 Financial Report
Expense Highlights – Labor

- Staff and registry favorable ($0.3M) or 0.2%.
  - Staff salaries and registry favorable driven lower FTEs (67 FTEs/$1.0M) offset by higher rate ($0.7M).
- Provider salaries and contracts at budget with offsetting variances.
  - Provider salaries favorable from lower FTEs (5 FTEs/$0.2M) and lower rate ($0.5M).
  - Physician contract services unfavorable for month ($0.8M) with the largest variance in surgeons ($0.4M) and the remainder spread across many cost centers.

	July 2026				FY 2026	
	Actual	Budget	Variance	% Var	YTD	% Var
Salaries and wages (staff)	$ 63,699	$ 64,140	$ 441	0.7%	$ 61,520	(3.5)%
Salaries and wages (providers)	13,075	13,814	739	5.3%	12,793	(2.2)%
Registry	2,895	2,708	(187)	(6.9)%	3,835	24.5%
Physician contract services	4,163	3,395	(768)	(22.6)%	3,827	(8.8)%
Employee benefits (taxes, insurance)	19,555	19,720	165	0.8%	17,174	(13.9)%
Retirement	8,999	8,893	(106)	(1.2)%	8,741	(3.0)%
Total labor costs	**$ 112,386**	**$ 112,670**	**$ 284**	**0.3%**	**$ 107,889**	**(4.2)%**
Compensation ratio	77.6%	78.1%	0.5%		78.5%	
Paid FTEs - staff	4,446	4,539	93	2.0%	4,696	5.3%
Paid FTEs - providers	371	376	5	1.3%	284	(30.5)%
Paid FTEs - registry	172	146	(26)	(17.8)%	217	20.7%
Total FTEs	4,989	5,061	72	1.4%	5,197	4.0%

July 2026 Financial Report
NNB Debt Forecast



One-time cash items	(in millions)
FQHC (settlement, first payment)	$ 30.2
Old Waiver (fy11)	19.8
FY26 impact	**50.0**
AB85 Realignment (fy24)	49.5
EPP (payment acceleration)	42.4
DP-NF (cy25, final payment)	26.0
FQHC (settlement, subsequent payments)	21.6
County funding	19.3
HPAC Amendment	19.6
MCO Tax (cy25)	10.0
FY27 impact	**188.4**
TOTAL	**$ 238.4**

NNB Modification Terms
(in thousands)

	2026	2027	2028
NNB limit at June 30th	100,000	100,000	85,000
NNB intra period limit	200,000	200,000	135,000

- The NNB projections have improved due to the one-time cash items and the temporary modification to the NNB Permanent Agreement for FY2026 and FY2027.
- The NNB is projected to meet the NNB limit in FY2027.
- Incorporated proposed FY2027 budget.
- Assume the St. Rose IGT will be resolved, and the line of credit and management fees will be paid in full by 6/30/27.

July 2026 Financial Report
NNB Debt Forecast – Material Items

Material Items Included in NNB Forecast
(in thousands)

	Aug-26	Sep-26	FY27 Q2	FY27 Q3	FY27 Q4
GPP (quarterly)	$ 26,771	$ -	$ 21,381	$ 21,381	$ 19,938
EPP (semi-annual)	-	-	79,347	-	47,227
QIP	-	-	65,407	-	56,842
Medi-Cal Rate Range	-	-	-	45,831	-
BHCS (JGP/Alameda County) - fy26	-	12,167	-	-	-
BHCS (JGP/Alameda County) - fy27	-	-	18,900	18,900	25,200
HPAC (block grant)	-	-	21,600	10,800	10,800
HPAC amendment / AB85 Realignment	-	-	49,478	19,636	-
SNF DP-NF (final pmt Jan-27)	-	-	-	23,447	-
St. Rose Hospital LOC	-	-	(5,000)	(5,000)	25,000
Donation to St. Rose Hospital	-	-	(9,250)	(9,250)	-
County funding (RIF, one-time)	-	19,300	-	-	-
	$ 26,771	$ 31,467	$ 241,863	$ 125,745	$ 185,007

Prior Year Reimbursement Settlements

AB915 (fy14-fy20)	(17,000)	TBD
Physician SPA (fy08 - fy13)	(25,100)	TBD
	$ (42,100)	

- Added County funding related RIF elimination, $19.3M.
- St. Rose IGT remains delayed. Assumed both IGTs resolve by FY27 Q4 with repayment of LOC
- The IGT local share funding commitments confirmed for FY26 and FY27 with exception Eden District.

  AHS - $9.3M
  Measure A - $7.0M
  Supervisor Marquez - $1.0M
  Eden District - $750k

City of Alameda
Health Care District

September 14, 2026

TO: Board of Directors – City of Alameda Healthcare District (District)

FROM: Jeff Cambra – Communications Committee

RE: 4th of July Entry

The District participated in the Downtown Alameda Business Association's Art and Wine Festival on July 25 &b 26, 2026. In addition to staff setting up and staffing the booth, board members Dr. Deutsch, Codiga, Sayen, and Cambra manned the booth and engaged the community. Over 100 quizzes were filled out during the two days of the event.

Date: September 14, 2026

To: City of Alameda Health Care District Board of Directors

From: Peter Hohl, Executive Director

Subject: Executive Director Report – September 2026

1. ***District Board Elections***
   The three District Board members with expiring terms in 2026 are the only individuals running in the upcoming election. As a result, their names will not be on the ballot and they will continue to be on the District Board for another four-year term. Congratulations to Gayle Codiga, David Sayen, and Robert Deutsch, M.D.!!

2. ***Complaints to City of Alameda Code Enforcement***
   The city of Alameda Code Enforcement Office received complaints/concerns from a resident(s) near the hospital about the upcoming seismic project. The Code Enforcement Office reach out to AHS (and by extension the District) regarding these concerns.

   The concerns cited by the Code Enforcement Office relate to the anticipated noise the project would generate. The resident also raised a separate concern regarding the noise and timing associated with filling the oxygen tank and the testing requirements for backup generators.

   Rather than respond back and forth via email, we have reached out to the Code Enforcement Office to request a face-to-face meeting between enforcement staff (and any other city officials it would make sense to meet with), seismic project staff, District staff, and AHS representatives.

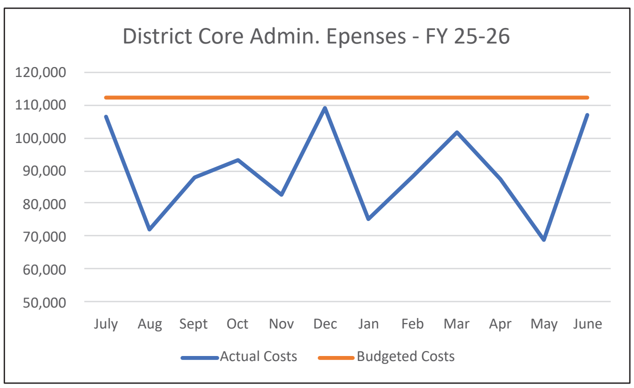
3. ***Alameda Chamber of Commerce Leadership Program***
   Peter Hohl has enrolled in the Leadership Alameda program sponsored by the chamber of commerce at the suggestion of Directors Cambra and Sayen. The time

commitment will be one full day each month beginning in September and running through June 2027. The program connects Alameda business leaders and introduces them to leadership topics, community groups, and city of Alameda leaders.

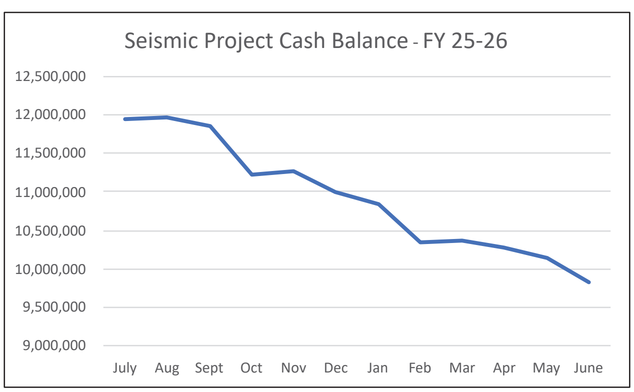
4. ***Upcoming ACHD Annual Conference***
   The Association of California Healthcare Districts is hosting its annual conference October 7-9 in Monterey, California. District attendees will be Directors Codiga and Sayen, Peter Hohl, and Alix Williams.

5. ***Fiscal Year 2025 – 2026 Audit***
   The annual audit for fiscal year 2025-2026 is underway and is targeted to be presented at the November 9th Board meeting.

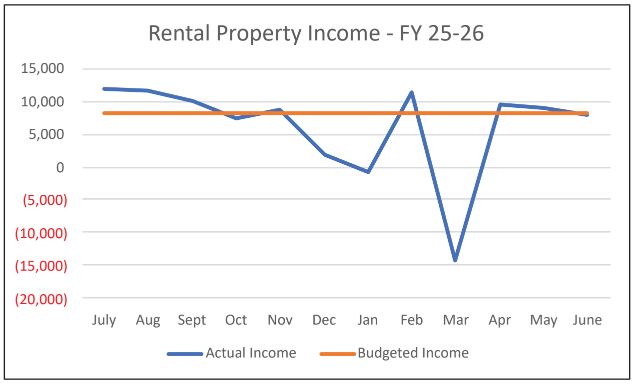
6. ***June 2026 Financial Results***



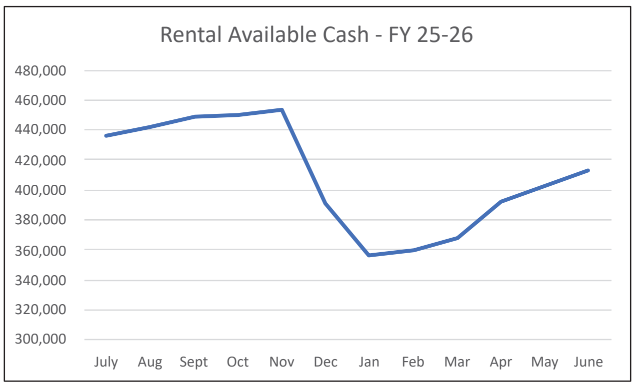
- District CORE administrative expenses were $5K below budget for the month of June and $266K below budget for the fiscal year



- The seismic project spent $338K in the month of June
- The 6/30/26 fiscal year end cash balance was $9.8 M



- The rental properties earned $7.8K in the month of June, slightly less than budget
- The rental properties earned $74.3 for the fiscal year ending 6/30/26. This was approximately $23K below budget



- Net rental cash available for repairs and improvements as of 6/30/26 was $413K

7. *October 13 Special Board Meeting Overview*

A special Board meeting is scheduled for October 13th beginning at 4:30 pm and will focus on two topics – a detailed review and discussion of the fiscal year 2026 – 2027 budget and Board governance - the intended topic for the cancelled Board retreat.

The facilitator from the retreat will be at the October 13th meeting to lead the governance discussion and has asked Board members to review the attached materials (that would have been presented at the retreat) and identify the top topics they would like to discuss at the October meeting. In order to give to the facilitator time to prepare materials, please submit your top topics to Peter Hohl by September 29th.

City of Alameda Health Care District

2025 Board of Directors Self-Assessment Review

July 10, 2026

City of Alameda
Health Care District

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Why Conduct a Governance Self-Assessment?

- Consider what you govern and what you want to govern
- Identify "leadership gaps," areas where the Board may have opportunities for change or improvement
- Facilitate development and implementation of governance initiatives to improve leadership performance
- Through an effective, well-developed self-assessment process:
  - Governance growth opportunities can be realized
  - Governance knowledge-building can be pinpointed to unique governance needs
  - Orientation of new Directors can be undertaken with added rigor
  - Long-range planning can be conducted with a consensus-based framework driven by governance clarity at every level of leadership responsibility

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Key Outcomes of a Successful Self-Assessment

- Define the Board's most critical governance success factors
- Secure anonymous, broad-based and insightful Director input on the critical fundamentals of successful governing leadership
- Create an opportunity to address major issues and ideas in a collaborative manner
- Demonstrate where the Board is both in and out of alignment on leadership fundamentals and issues
- Objectively assess the degree of common Director understanding, expectations and direction for the Board
- Assess deficiencies that may impact the Board's ability to fulfill its fiduciary responsibilities
- Identify opportunities for meaningful leadership improvement
- Help administration better understand and respond to the Board's leadership education and development needs

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Today's Agenda…

- Overview and discussion of the 2025 City of Alameda Health Care District board self-assessments results
- Identify your Board's potential "governance gaps"
- Explore potential opportunities for Board "governance gain"
- Discussion of the Board's "Return on Governance Impact (RoGI)
- Consensus on needed areas of governance action moving forward
- Wrap-up and next steps

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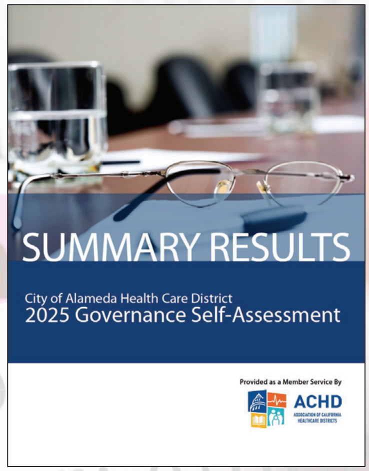
Self-Assessment Summary Report

- Assessment of 81 criteria in eight areas
- Suggestions for governance improvement
- Issues and priorities
  - Single highest priority in the next year
  - Strengths and weaknesses
  - Key issues for the board in the next year
  - Trends the board must be ready to deal with in the next year
  - Factors most critical to be addressed for the District to achieve its goals



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Rating City of Alameda Health Care District's Level of Governing Excellence

High Performance

A GREAT BOARD

Low Performance

A POOR BOARD

Level 5: I ***strongly agree*** with this statement. We ***always*** practice this as a part of our governance. Our performance in this area is ***outstanding.***

Level 4: I ***generally agree*** with this statement. We ***usually*** practice this as a part of our governance, but not always. We perform ***well*** in this area.

Level 3: I ***somewhat agree*** with this statement. We ***often*** practice this in our governance, but we are not consistent. We perform ***fairly well*** in this area.

Level 2: I ***somewhat disagree*** with this statement. We ***inconsistently*** practice this as a part of our governance. We ***do not perform well*** in this area.

Level 1: I ***disagree*** with this statement. We ***never*** practice this as a part of our governance. We perform ***very poorly*** in this area.

Not sure. I do not have enough information to make a determination about our performance in this area.

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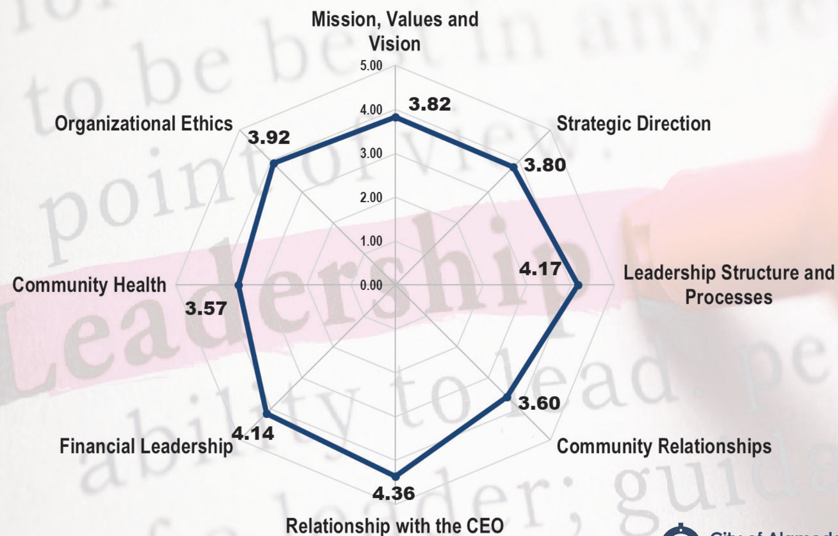
Performance Overview



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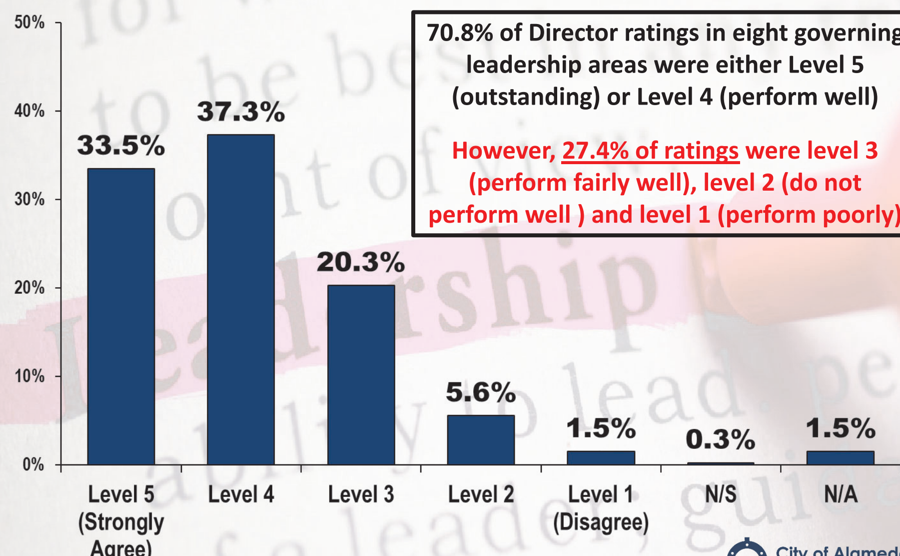
Room for Improvement



70.8% of Director ratings in eight governing leadership areas were either Level 5 (outstanding) or Level 4 (perform well)

However, 27.4% of ratings were level 3 (perform fairly well), level 2 (do not perform well) and level 1 (perform poorly)

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The Board's Overall "Effectiveness Performance Factor"

79%

The board's rating of its performance overall (overall mean score ÷ 5)

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Effectiveness Performance Factor of Leadership Areas

Mission, Values and Vision	76%
Strategic Direction	76%
Leadership Structure and Processes	83%
Community Relationships	72%
Relationship with the CEO	87%
Financial Leadership	83%
Community Health	71%
Organizational Ethics	78%

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Five Most Highly Rated Performance Criteria

1. Board meetings comply with the Ralph M. Brown Act (5.00) - *Leadership Structure and Processes*
2. There is a board-wide understanding of and commitment to building a healthier community (5.00) – *Community Health*
3. Directors' and officers' liability insurance provides the protection needed to reassure trustees that a "safe" governance environment exists (4.80) - *Leadership Structure and Processes*
4. Board members are comfortable asking questions about financial issues during board meetings (4.75) – *Financial Leadership*
5. The board ensures that the CEO's compensation package stimulates and rewards excellent performance (4.60) - *Relationship with the CEO*

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Five Lowest Rated Performance Criteria

1. Our organization conducts a periodic community needs assessment that defines and measures the community's health (2.50) – *Community Health*
2. The board has an education development plan that assures board member understanding of issues essential to effective governance, including education and orientation at every board meeting, and annually at the board retreat (3.00) – *Leadership Structure and Processes*
3. Our organization has a process to secure and evaluate community feedback on the value of our programs and services (3.00) – *Community Health*
4. The board regularly monitors progress toward the achievement of our strategic objectives, using board-approved key performance indicators that define organizational success (3.00) – *Strategic Direction*
5. Our organization uses feedback from the community to enhance responsiveness to its community health improvement opportunities (3.20) – *Community Health*

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Issues and Priorities: What Stands Out

- Successfully complete $28.9 million seismic retrofit
- Improve community outreach and engagement
- Successful completion of capital improvements
- Continuing to ensure the viability of hospital operations
- Adapting to funding and policy uncertainties

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Taking a Deeper Look

Lowest rated criteria (mean score)

Criteria that lack consensus*

Criteria where ratings were lower than 4.00

- Analysis of results in all three key areas
- Focus on criteria that appear to be "governance gaps"
- Outline opportunities for "governance gain"

Definition: Individual assessment criteria with more than two ratings of 3, 2 or 1

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Governance Issues for Discussion

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Community Health Improvement through Community Partnerships and Feedback

Governance Gap # 1: Weak Community Listening Infrastructure

The lowest-rated *Community Relationships* criteria were:

- Process for eliciting community input and viewpoints about future service needs (3.2)
- Board members acting as community ambassadors (3.2)
- Communication of plans and priorities to stakeholders (3.4)

In *Community Health*, the Board also rated:

- Process to secure and evaluate community feedback (3.0)
- Use of community feedback to improve responsiveness (3.2)

Board member comment: "Lack of community outreach and engagement" is a significant Board weakness

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Community Health Improvement through Community Partnerships and Feedback

Governance Gain Opportunities

The Board could establish a “Community Intelligence System” that includes:

- Annual community listening sessions
- Stakeholder roundtables
- Community surveys
- Neighborhood forums
- Public reporting of findings

The Board could receive a quarterly “Community Voice” report summarizing:

- Community concerns
- Emerging health needs
- Public perceptions

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Community Health Improvement through Community Partnerships and Feedback

Governance Gap # 2: Partnership Leadership is Not Yet Strategic

The Board rated:

- Collaborative partnerships to build a healthier community (3.8)
- Partnerships to leverage resources for community benefit (3.6)
- Joint assessment of health improvement efforts (3.4)

Do these scores suggest that while partnerships exist, they may be operational or opportunistic rather than strategic?

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Community Health Improvement through Community Partnerships and Feedback

Governance Gain Opportunities

The Board should move from partnering with organizations to **leading a community health improvement coalition**. Potential partners may include:

Alameda Hospital	Park Bridge Nursing Home
Creedon Wound Care Center	Southshore Skilled Nursing Facility
Alameda County Public Health	Schools
Behavioral Health Providers	Housing Organizations
Faith Communities	Senior Services Organizations

Board expectations should include:

- Defined partnership goals
- Shared community health metrics
- Annual partnership evaluation
- Joint accountability for outcomes

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Community Health Improvement through Community Partnerships and Feedback

Governance Gap # 3: Limited Use of Health Outcome Data

The lowest score in the entire Community Health section was:

- Periodic community needs assessment that defines and measures community health (2.5)

Without a reliable periodic community health assessment…

- Priorities are unclear
- Investment in community health are often reactive
- Impact becomes difficult to measure

Governance Gain Opportunity

Work with AHS/Alameda Hospital to create a periodic community health improvement assessment with measures, improvement targets, outcome benefits, and a consistent evaluation process.

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Strategic Direction and Focus

Governance Gap # 4: Strategy is Not Yet KPI-Driven

- Regular monitoring of strategic objectives using Board-approved KPIs: 3.0

Indication: The Board may have goals but may lack an effective strategic accountability framework.

Governance Gain Opportunity

Establish a Strategic Governance Dashboard." Each strategic objective should have:

- Outcome measure
- Target
- Timeline
- Responsible individual
- Status indicator

The Board should less time reviewing activities and more time reviewing strategic outcomes.

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Strategic Direction and Focus

Governance Gap # 5: Community Input is Weakly Integrated Into Strategy

The Board rated "Stakeholder needs and viewpoints assessed in developing goals and strategies" 3.4, a score that aligns closely with the community engagement weaknesses.

Question: Is strategic planning internally driven rather than community informed?

Governance Gain Opportunity

Require strategic planning cycles to include:

- Community listening data
- Partner input
- Community health assessment findings

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Strategic Direction and Focus

Governance Gap # 6: Strategic Focus Appears Dominated by Infrastructure

When asked about priorities, Directors overwhelming identified:

- Seismic retrofit
- Capital projects
- Earthquake preparedness
- Infrastructure improvements

Almost no responses referenced:

- Community health outcomes
- Population health
- Community partnerships
- Access to care
- Behavioral health
- Social determinants of health

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Strategic Direction and Focus

Governance Gain Opportunities

Strategic attention may be overly concentrated on facilities, without enough attention to mission impact.

Board agendas should consistently address both:

- Facilities viability and infrastructure
- Community health improvement

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Governance Development and Leadership Improvement

Governance Gap #7: Governance Education is Underdeveloped

Governance development was one of the weakest assessment sections. Scores included:

- Board orientation broadens future perspectives: 3.4
- Education development plan: 3.0

Governance knowledge building may exist, but does not appear to be systematic. **A highly competent board develops governance capability consistently.**

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Governance Development and Leadership Improvement

Governance Gain Opportunities

Create a governance "knowledge works" learning system. Topics may include areas such as:

- Population health
- Health care finance
- Community engagement processes and techniques
- Public policy issues
- Brown Act updates
- Local, state and national health care trends
- AI and health care transformation

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Q: How well do these observations and recommendations reflect your views on governance today, and what's required for your future governance success?

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Return on Governance Impact (RoGI) is the measurable improvement in organizational performance, community outcomes, and institutional integrity that results directly from the actions, decisions and effectiveness of the governing board.

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Three Core Components of Return on Governance Impact

- Organizational Impact (Internal Value)
- Community and Mission Impact (External Value)
- Governance System Impact (Structural Value)

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Organizational Impact
(Internal Value)

The Board's influence on how effectively the City of Alameda Health Care District operates. Includes improvements in…

- Strategic clarity and execution
- Fiscal stewardship
- Organizational resilience
- Executive Director performance and leadership stability
- Operational efficiency driven by Board direction

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Return on City of Alameda Health District
Organizational Impact
(Internal Value)

- This is the area in the evaluation where the Board appears strongest.
  - Financial leadership scores generally between 4.0 and 4.75
  - Strong Board-Executive Director relationship scores
  - Strong evidence of effective Board meetings
  - Appearance of clarity in governance roles and responsibilities
  - Strong Brown Act compliance

Conclusion: The Board is generating strong value as a steward of public assets.

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Community and Mission Impact (External Value)

The Board's influence on health outcomes, equity, service expansion and other mission-driven impacts. Includes improvements in:

- Community health indicators
- Reach and accessibility of services
- Public trust and accountability
- Partnerships and organizational influence

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Return on City of Alameda Health District

Community and Mission Impact (External Value)

One of the clearest themes: insufficient community engagement

- Community needs assessment: 2.5
- Community feedback process: 3.0
- Community partnerships: 3.6
- Community input process: 3.2
- Community ambassadors: 3.2
- Communication of plans and priorities: 3.4
- Public perception measurement: 3.8

Interestingly the Board scored itself 5.0 on Board-wide commitment to building a healthier community.

Conclusion: The Board has high commitment, but limited measurement. The intent is strong, but the impact is unclear.

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Governance System Impact (Structural Value)

How the Board strengthens is own systems, culture, and long-term leadership capacity. Includes improvements in:

- Quality of governance processes
- Goal alignment and follow-through
- Board culture (trust, integrity, professionalism)
- Board learning and evaluation

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Return on City of Alameda Health District

Governance System Impact (Structural Value)

The Board understands strategic issues and challenges, and has a responsive planning process. However:

- Stakeholder input into strategy scored 3.4
- Corrective action when objectives are missed scored 3.6
- KPI monitoring scored 3.0

Governance development scores were among the lowest:

- Board education broadens perspective: 3.4
- Governance education plan: 3.0

Conclusions: 1) strategy is not yet governed through a rigorous performance framework; and 2) the Board lacks a deliberate knowledge-building system for ongoing governing excellence.

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Q:

How would you characterize the Board's present Return on Governance Impact?

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July 10, 2026

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Date:	September 2, 2026
To:	City of Alameda Health Care District Board of Directors
From:	Peter Hohl, Executive Director Kristen Thorson, Project manager Porter Consulting LLC
Subject:	September 2026 Update – Seismic and Operational Upgrade Projects

Summary Updates - Seismic and Operational Upgrade Projects

Project 1 – SNF Make Ready.

The Project Team is preparing permit applications and required documentation for submission to HCAI in advance of construction. The team continues to target a late September construction start, although the start date remains dependent on HCAI-related activities, documentation, and approvals. The construction schedule is being finalized with Overaa Construction and will be used to guide coordination, sequencing, and next steps with Hospital departments and key stakeholders.

The SNF Make Ready Project consists of work in three separate areas:

1. *Imaging Department / Cardiovascular Services*
   Renovation of two rooms within the Imaging Department and relocation of Cardiovascular Services from 2 South to the renovated area.

2. *Disaster Supply Storage Area*
   Renovation and optimization of the Disaster Supply Area on 1 West. Connected to NPC 4 and NPC 5 scope and requirements for Hospitals to meet emergency management requirements.

3. *Occupational Therapy and Speech Therapy*
   Renovation of the former Nuclear Medicine space and relocation of Occupational Therapy and Speech Therapy from 2 South into the renovated area.

Construction in each area will be phased to maintain continuous Hospital operations. Some temporary impacts to workflows and departmental locations will be necessary during construction. Porter Consulting and AHS have reviewed the planned work, phasing, and anticipated operational impacts with Hospital personnel to prepare affected departments for construction and temporary workflow changes. Coordination with Hospital stakeholders will continue as the construction schedule is finalized and the project moves toward the anticipated late September start.

The SNF Make Ready project is re necessary enabling activities to support hospital operations while allowing the planned SNF and related seismic improvement projects to advance.

Project 2/3 – SMRF Joint Evaluation.

The Project Team is also preparing permit applications and required documentation for submission to HCAI in advance of construction. The team continues to target a late September construction start, although the start date remains dependent on HCAI-related activities, documentation, and approvals. The construction schedule is being finalized with Overaa Construction and will be used to guide coordination, sequencing, and next steps with Hospital departments and key stakeholders.

The testing locations for Phase 1 include:

- South Building / Emergency Room Addition - 1st Floor
    - Patient Access, old Nuclear Medicine, Imaging/Bone Density Room, and Pharmacy and Emergency Room
- South Building – 2nd Floor
    - Laboratory, Hallway to Conference Room A, 2 South vacant spaces, Cardiovascular Services Department and Occupational Therapy Department.

Project 4/5 – Materials Testing and Condition Assessment (MTCAP)

The Project Team is also preparing permit applications and required documentation for submission to HCAI in advance of construction. The team continues to target a late September construction start, although the start date remains dependent on HCAI-related activities, documentation, and approvals. The construction schedule is being finalized with Overaa Construction and will be used to guide coordination, sequencing, and next steps with Hospital departments and key stakeholders.

The testing locations for Phase 1 include:

- Stephen / West Wing
    - 1st Floor: IDF/Telecom Room, Breezeway, Stairwell, EVS, Sterile Supply/SPD), Engineering, Compactor Driveway, Surgery Stairwell, Generator / ATS Enclosure
    - 2nd Floor: 2 Subacute Rooms, Subacute Rehab / Admin Space, Surgery
    - 3rd Floor: Med / Surg Rooms, Roof Penthouse

Materials testing includes collecting and testing samples from various building components, including concrete foundation and slab cores, wall reinforcing steel (rebar), and other structural materials. Condition assessments involve selectively exposing existing building assemblies to verify existing conditions and construction details, including wall-to-foundation connections, column-to-foundation connections, wall reinforcing, seismic joints, and other structural elements.

Project 6 – NPC 4

The NPC 4 Project addresses the bracing and anchoring of non-structural elements throughout the Hospital, including furniture, equipment, piping, ductwork, and other building components required to meet seismic compliance standards.

The project is currently in Back Check #2, representing the second round of HCAI review. Comments have been received from HCAI, and the Design and Engineering teams are preparing responses and revisions with a goal of resubmitting the plans to HCAI by mid-September. The project schedule included in the construction bid package issued in April anticipated plan approval in early September 2026. Based on the current status of HCAI review, plan approval is now projected for early November 2026, assuming the next submission does not result in an additional back check. This change in the anticipated approval date will shift subsequent project activities and milestones that are being closely monitored.

Project 7 – Skilled Nursing Unit

The renovation of the 2nd Floor South Building for the new 18-bed Skilled Nursing Facility (SNF) is currently in Back Check #3 with HCAI. HCAI has noted a target date of September 30, 2026, where we can expect either additional comments or plan approval.

An additional back check was not originally anticipated, as the Design Team developed a thorough and well-coordinated set of plan documents and addressed comments in the initial 2 reviews. However, Back Check #3 was required primarily to address a proposed alternate means of compliance, along with several additional HCAI comments that are considered minor in nature.

In parallel, AHS coordination and operational planning for the new SNF unit continue through regular planning meetings. These activities are expected to increase as the project approaches HCAI plan approval and the start of construction. Planning efforts will continue to focus on key operational readiness requirements, including equipment, Information Technology (IT), Biomedical Engineering (Biomed), Supply Chain, departmental workflows, and other operational and transition-related needs necessary to support the new unit.

Project 8 – NPC 5

The NPC 5 Project Team continues to refine the plan documents and design details associated with the Water, Wastewater, and Fuel Tank systems in response to HCAI Back Check #2 comments issued on July 6, 2026.

Additional coordination is required as the SPC 4D retrofit scope has developed, creating constructability considerations that affect portions of the NPC 5 design. The Project Team is coordinating the related scopes now to resolve these interfaces and reduce the potential for conflicts, rework, and additional costs during construction. The team is targeting resubmittal to HCAI in September 2026.

Project 9 – SPC4D Retrofit

The SPC 4D Evaluation remains under review with the HCAI Seismic Compliance Unit (SCU). The Evaluation is a required precursor to the SPC 4D retrofit and is closely linked to the MTCAP Project. Completion and approval of the Evaluation cannot occur until the MTCAP work and test results are incorporated.

Through ongoing coordination with SCU, the Evaluation process has identified the primary retrofit requirements necessary to achieve seismic compliance. To maintain the aggressive compliance schedule, the Design and Engineering teams are advancing the retrofit construction documents concurrently with the Evaluation and MTCAP work. This approach carries some risk of redesign depending on the MTCAP results and final approval of the Evaluation; however, the schedule does not allow for a fully sequential process, and HCAI has been supportive of this coordinated approach.

The planned retrofit scope for the Stephens and West Wings includes shear walls, thickened foundations, ground improvements similar to those completed as part of the 2020 Seismic Compliance work, reinforced beams, and structural work associated with the mechanical penthouse on the West Wing roof.

The Design and Engineering teams are also coordinating the architectural, mechanical, electrical, and plumbing requirements necessary to integrate and construct the structural upgrades.

Compliance Plan & AB 869 Delay in Seismic Compliance

The Compliance Plan and AB 869 Delay in Seismic Compliance Request were approved by HCAI on September 2, 2026.

The Project Team will work diligently to achieve the milestones established in the approved Compliance Plan, as AB 869 provides for penalties when established milestones are not met. Porter Consulting will closely monitor project schedules and compliance milestones and maintain regular communication with HCAI regarding progress, emerging risks, and potential delays.

As the projects advance, the team will focus on identifying schedule impacts early and implementing appropriate mitigation measures to maintain progress toward the approved milestones and ultimately achieve seismic compliance.

Small Rural Hospital Relief Program (SRHRP)

Porter Consulting continues to work with HCAI on the Hospital's grant application under the Small Rural Hospital Relief Program (SRHRP). Eligible costs associated with work already completed and currently in progress have been identified and validated with HCAI.

The next step is to complete and submit the grant application. Following submission, the application will undergo HCAI review to determine the Hospital/District's final eligibility and potential funding opportunity under the program. Porter remains encouraged by the progress to date and will continue working closely with HCAI through the process.

<u>Other Project Updates</u>

Off-Site Parking and Shuttle Program

AHS, Porter Consulting, and ALZ Parking met on August 31 to begin implementation planning for an October 1, 2026 go-live of the parking program.

The initial rollout is anticipated to be a soft launch, with the program primarily utilized by the general contractor and subcontractors. In coordination with AHS, the team is developing talking points, FAQs, and other communications to support broader communication and awareness across the hospital and health system.

Communications

With construction approaching, Porter Consulting has discussed with District leadership the opportunity to hold a formal groundbreaking ceremony recognizing this significant milestone and the collective effort to maintain acute care and emergency services on the island of Alameda. The work undertaken by the District, AHS, the Project Team, and numerous stakeholders represents a substantial commitment to the future of health care access in the community. Porter will work closely with the District to coordinate the event and engage key project stakeholders.

In parallel, while many department leaders and frontline staff are generally aware of the projects and the anticipated start of construction in late September, Porter is working with AHS to develop a broader construction communication. The communication will provide an overview of the seismic program and compliance requirements, anticipated construction activities and timing, and potential operational impacts as work gets underway.

The District, AHS and Porter are also coordinating closely on other broader communication efforts to external stakeholders.

HVAC Infrastructure Upgrades

Porter and the Design Team continue to coordinate closely with AHS on the HVAC Infrastructure Projects, including schedules, scope, sequencing, and interfaces with the seismic and operational upgrade projects occurring concurrently in shared work areas. Given the complexity and interdependencies among these projects, continued and timely coordination will remain important as the work progresses into construction.

Identifying and resolving scope, sequencing, and constructability issues early will help minimize the potential for field conflicts, operational impacts, schedule delays, rework, and additional costs. The HVAC Infrastructure Projects are multifaceted and complex, with significant coordination requirements similar to those of the seismic projects. Porter and the Design Team will continue to provide coordination and support as needed to help ensure all projects advance in an integrated and timely manner.

Financials

With Overaa Construction now engaged, additional contracts and change orders moving through the approval process, and ongoing discussions related to Tranche 2 / Series B funding, the project management platform is being updated to incorporate the latest commitments, the General Contractor's Schedule of Values, budget adjustments, and forecast information. As these updates are being incorporated and reconciled, a complete updated financial report is not available for this Board meeting.

Cash outlays have remained relatively consistent in recent months. As reflected in the Executive Director's report, approximately $338,000 was paid in June and $105,000 was paid in August. Beginning in September, accounts payable and overall project expenditures are expected to increase as construction activities begin and additional contracts are executed.

Cash flow and projected expenditures continue to be tracked and reviewed monthly, particularly as the District advances Tranche 2 / Series B funding.

HCAi

Department of Health Care Access and Information

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September 02, 2026

Aemal Aminy
11210 - ALAMEDA HEALTH SYSTEM
15400 Foothill BLVD., BLDG A
San Leandro, CA 94875

RE: HCAI eSP - Your Compliance Plan Application is now Approved and final payment is due - CP-11210-TEMP01 is now CP-11210.

Alameda Hospital - 11210
2070 Clinton Ave
Alameda, CA 94501

Dear Applicant,

This letter is to acknowledge that on Friday, June 12, 2026, the Department received the facility's Compliance Plan under the application number listed above in fulfillment of the 2025 California Administrative Code (CAC) Chapter 6, Section 1.4. We have completed our review of your Compliance Plan and have provided comments below and assigned it the following status: **Approved**

"Approved" indicates that the submitted Compliance Plan has been reviewed and the Office takes no exception to the submitted Compliance Plan, the facility has reported that they will meet all regulatory NPC deadlines. The Compliance Plan indicates that the facility will not be seismically compliant by the January 1, 2030 deadline and needs additional time. This Compliance Plan has been reviewed in conjunction with an AB 869 delay application with a request to delay the facility's final seismic compliance up to July 30, 2030.

This Compliance Plan, our comments, and the Compliance Plan status will be posted on our Facility Detail website: https://hcai.ca.gov/facilities/building-safety/facility-detail/.

To view any balance due and submit payment, open your application in the eServices Portal Client Access (eSP-eCA); then click on the Payments/Fees menu.

Permanent App. Number: CP-11210

If there is any scope change to the compliance plan, change in the anticipated completion dates, or a change in ownership, please submit an amended application. Per PIN 80 the status of the milestones shall be updated at least once per year.

Sincerely,

Gina Sandoval,
District Structural Engineer
Seismic Compliance Unit

Compliance Method

Bld Nbr	Building Name	Current SPC Rating	Current NPC Rating	Compliance Type	Narrative	Seismic Compliance Related Project Numbers	HCAI Note
BLD-01279	Stephens Wing	2	2	SPC and NPC Retrofit	Building is planned to be upgraded to NPC4, NPC5 and SPC4D.	G250293-01-00; SRU-2024-00152; SER-2025-00059; SRU-2025-0034; SRU-2023-01699	
BLD-01280	West Wing	2	2	SPC and NPC Retrofit	Building is planned to be upgraded to NPC 4, NPC5 and SPC4D	G250293-01-00; SRU-2024-00152; SER-2025-00060; SRU-2025-0035; SRU-2023-01700	
BLD-01281	South Wing	3s	2	NPC Retrofit	The building is planned to be upgraded to NPC 4 and NPC 5. The existing SPC-3s rating will be addressed with the SMRF Project.	G250293-01-00; SRU-2024-00152; SER-2024-00094; S251310-01-00; SRU-2023-01701	
BLD-01282	Radiology Addition	4	2	NPC Retrofit	The building is planned to be upgraded to NPC 4 and NPC 5.	G250293-01-00; SRU-2024-00152; SRU-2023-01702	
BLD-01283	Medical Gas Storage	3	2	NPC Retrofit	The building is planned to be upgraded to NPC 4 and NPC 5.	G250293-01-00; SRU-2024-00152; SRU-2023-01703	
BLD-02630	Compactor Shed	4	2	NPC Retrofit	The building is planned to be upgraded to NPC 4 and NPC 5.	G250293-01-00; SRU-2024-00152; SRU-2023-01704	
BLD-03120	Emergency Room Relocation	3s	2	NPC Retrofit	The building is planned to be upgraded to NPC 4 and NPC 5. The existing SPC3s rating to be addressed with the SMRF Project.	G250293-01-00; SRU-2024-00152; SER-2024-00095; S251310-01-00; SRU-2023-01705	

BLD-05597	LOX Tank	-1	4	NPC Retrofit	The building is planned to be upgraded to NPC5.	G250293-01-00; SRU-2024-00152	

Building Milestones

Bld Nbr	Milestone Type	Description	Completion Date	Status	Related Project Numbers	HCAI Note	HCAI Determination
BLD-01279	Evaluation Report Submittal	SPC 4D SCU Evaluation Submittal	04/07/2025	Completed	SRU-2025-00034		Met
BLD-01279	SPC/Demo/RACs Permit Issuance	Obtain Materials Testing Building Permit	11/03/2026	In Progress			
BLD-01279	SPC/Demo/RACs Construction Project Submittal	SPC 4D Upgrade Construction Document Regional Project Submittal	09/15/2027	In Progress			
BLD-01279	Construction Milestone	Construction milestone for the SPC 4D 50% Completion Milestone	09/10/2029	Not Started			
BLD-01279	Construction Milestone	SPC 4D Upgrade Construction Project 20% Completion Milestone	03/29/2029	Not Started			
BLD-01279	Construction Final	SPC 4D Upgrade Construction Project - Construction Final	07/30/2030	Not Started			
BLD-01279	NPC 4/4D Construction Document Submittal	NPC 4/4D Upgrade Regional Major Projects Submittal	12/24/2025	Completed	S252500-01		Met
BLD-01279	NPC 4/4D Permit Issuance	Obtain NPC 4/4D Upgrade Major Project Permit(s)	04/18/2027	In Progress			
BLD-01279	Construction Final	NPC 4/4D Project(s) - Completion of All Related Projects	03/06/2028	Not Started			
BLD-01279	Construction Milestone	NPC 4/4D Upgrade Construction Project 20% Completion Milestone	04/06/2027	Not Started			
BLD-01280	Material Testing Report Submittal	MTCAP Submittal	04/24/2025	Completed	SER-2025-00060		Met
BLD-01280	Evaluation Report Submittal	SPC 4D SCU Evaluation Submittal	04/07/2025	Completed	SRU-2025-00035		Met

BLD-01280	SPC/Demo/RACs Construction Project Submittal	SPC 4D Upgrade Construction Document - Regional Project Submittal	09/15/2027	In Progress			
BLD-01280	Construction Milestone	Construction milestone for the SPC 4D 50% Completion Milestone	09/10/2029	Not Started			
BLD-01280	Construction Milestone	SPC 4D Upgrade Construction Project 20% Completion Milestone	03/29/2029	Not Started			
BLD-01280	Construction Final	SPC 4D Upgrade Construction Project - Construction Final	07/30/2030	Not Started			
BLD-01280	NPC 4/4D Construction Document Submittal	NPC 4/4D Upgrade Regional Major Projects Submittal	12/24/2025	Completed	S252500-01		Met
BLD-01280	NPC 4/4D Permit Issuance	Obtain NPC 4/4D Upgrade Major Project Permit(s)	04/18/2027	Not Started			
BLD-01280	Construction Final	NPC 4/4D Project(s) - Completion of All Related Projects	03/06/2028	Not Started			
BLD-01280	Construction Milestone	NPC 4/4D Upgrade Construction Project 20% Completion Milestone	04/06/2027	Not Started			
BLD-01281	Evaluation Report Submittal	NPC 4/4D Evaluation Report Submittal	12/29/2023	Completed	SRU-2023-01701		Met
BLD-01281	NPC 4/4D Construction Document Submittal	NPC 4/4D Upgrade Regional Major Projects Submittal	12/24/2025	Completed	S252500-01		Met
BLD-01281	NPC 4/4D Permit Issuance	Obtain NPC 4/4D Upgrade Major Project Permit(s)	04/18/2027	Not Started			
BLD-01281	Construction Milestone	NPC 4/4D Construction 20% Major Project Completion	04/06/2027	Not Started			
BLD-01281	Construction Final	NPC 4/4D Project(s) - Completion of All Related Projects	03/06/2028	Not Started			
BLD-01281	Material Testing Report Submittal	SMRF Testing evaluation submittal	03/25/2025	Completed	SER-2024-00094		Met
BLD-01281	SPC/Demo/RACs Construction Project Submittal	SMRF Regional Major Projects Submittal	08/06/2025	Completed	S251310-01-00		Met

BLD-01281	Construction Milestone	Completion of SMRF Testing Project. Schedule assumes Phase 1 only.	05/19/2027	Not Started	S251310-01-00		
BLD-01281	Material Testing Report Submittal	Material Testing Report Submittal to submit the SMRF testing results report and request for reclassification to SPC 3.	07/16/2027	Not Started			
BLD-01281	Construction Final	NPC 5 Project(s) - Completion of All Related Projects	05/18/2028	Not Started			
BLD-02630	NPC 4/4D Construction Document Submittal	NPC 4/4D Upgrade Regional Major Projects Submittal	12/24/2025	Completed	S252500-01		Met
BLD-02630	NPC 4/4D Permit Issuance	Obtain NPC 4/4D Upgrade Major Project Permit(s)	04/18/2027	Not Started			
BLD-02630	Construction Milestone	NPC 4/4D Construction 20% Major Project Completion	04/06/2027	Not Started			
BLD-02630	Construction Final	NPC 4/4D Project(s) - Completion of All Related Projects	03/06/2028	Not Started			
BLD-02630	Construction Final	NPC 5 Project(s) - Completion of All Related Projects	05/18/2028	Not Started			
BLD-02630	Evaluation Report Submittal	NPC 4/4D Evaluation Report Submittal	12/29/2023	Completed	SRU-2023-01704		Met
BLD-02630	Additional Milestone						
BLD-02630	Additional Milestone						
BLD-02630	Additional Milestone						
BLD-02630	Additional Milestone						
BLD-03120	NPC 4/4D Construction Document Submittal	NPC 4/4D Upgrade Regional Major Projects Submittal	12/24/2025	Completed	S252500-01		Met
BLD-03120	NPC 4/4D Permit Issuance	Obtain NPC 4/4D Upgrade Major Project Permit(s)	04/18/2027	Not Started			
BLD-03120	Construction Milestone	NPC 4/4D Construction 20% Major Project Completion	04/06/2027	Not Started			
BLD-03120	Construction Final	NPC 4/4D Project(s) - Completion of All Related Projects	03/06/2028	Not Started			

BLD-03120	Construction Final	NPC 5 Project(s) - Completion of All Related Projects	05/18/2028	Not Started			
BLD-03120	Material Testing Report Submittal	SMRF Testing evaluation submittal	03/25/2025	Completed	SER-2024-00095		Met
BLD-03120	SPC/Demo/RACs Construction Project Submittal	SMRF Regional Major Projects Submittal	08/25/2025	Completed	S251310-01-00		Met
BLD-03120	Construction Milestone	Completion of SMRF Testing Project. Schedule Assumes Phase 1 only.	05/19/2027	Not Started			
BLD-03120	Material Testing Report Submittal	Material Testing Report Submittal to submit the SMRF testing results report and request for reclassification to SPC 3.	07/16/2027	Not Started	S251310-01-00		
BLD-03120	N/A						
BLD-01283	NPC 4/4D Construction Document Submittal	NPC 4/4D Upgrade Regional Major Projects Submittal	12/24/2025	Completed	S252500-01		Met
BLD-01283	NPC 4/4D Permit Issuance	Obtain NPC 4/4D Upgrade Major Project Permit(s)	04/18/2027	Not Started			
BLD-01283	Construction Milestone	NPC 4/4D Construction 20% Major Project Completion	04/06/2027	Not Started			
BLD-01283	Construction Final	NPC 4/4D Project(s) - Completion of All Related Projects	03/06/2028	Not Started			
BLD-01283	Construction Final	NPC 5 Project(s) - Completion of All Related Projects	05/18/2028	Not Started			
BLD-01283	Evaluation Report Submittal	NPC 4/4D Evaluation Report Submittal	12/29/2023	Completed	SRU-2023-01703		Met
BLD-01283	Additional Milestone						
BLD-01283	Additional Milestone						
BLD-01283	Additional Milestone						
BLD-01283	Additional Milestone						
BLD-01282	NPC 4/4D Construction Document Submittal	NPC 4/4D Upgrade Regional Major Projects Submittal	12/24/2025	Completed	S252500-01		Met
BLD-01282	NPC 4/4D Permit Issuance	Obtain NPC 4/4D Upgrade Major Project Permit(s)	04/18/2027	Not Started			

BLD-01282	Construction Milestone	NPC 4/4D Construction 20% Major Project Completion	04/06/2027	Not Started			
BLD-01282	Construction Final	NPC 4/4D Project(s) - Completion of All Related Projects	03/06/2028	Not Started			
BLD-01282	Construction Final	NPC 5 Project(s) - Completion of All Related Projects	05/18/2028	Not Started			
BLD-01282	Evaluation Report Submittal	NPC 4/4D Evaluation Report Submittal	12/29/2023	Completed	SRU-2023-01702		Met
BLD-01282	Additional Milestone						
BLD-01282	Additional Milestone						
BLD-01282	Additional Milestone						
BLD-01282	Additional Milestone						
BLD-05597	Construction Final	NPC 5 Project(s) - Completion of All Related Projects	05/18/2028	Not Started			
BLD-05597	Evaluation Report Submittal	NPC 5 Evaluation Report Submittal	06/25/2024	Completed	SRU-2024-00152		Met
BLD-05597	NPC 5 Construction Document Submittal	NPC 5 Upgrade Regional Major Projects Submittal	12/12/2025	Completed	S252242-01-00		Met
BLD-05597	NPC 5 Permit Issuance	Obtain NPC 5 Upgrade Major Project Permit(s)	02/17/2027	Not Started	S252242-01-00		
BLD-05597	Construction Milestone	NPC 5 Construction 20% Major Project Completion	09/29/2027	Not Started			
BLD-05597	Additional Milestone						
BLD-05597	Additional Milestone						
BLD-05597	Additional Milestone						
BLD-05597	Additional Milestone						
BLD-05597	Additional Milestone						

HCAi Department of Health Care Access and Information
2020 West El Camino Avenue, Suite 800
Sacramento, CA 95833
hcai.ca.gov

September 2, 2026

Aemal Aminy
Alameda Health System
15400 Foothill BLVD., BLDG A
San Leandro, CA 94578

Facility: Alameda Hospital- 11210
2070 Clinton Ave
Alameda, CA 94501

Record No.: SES-2025-00008

Title: **AB 869 Delay**

Dear Aemal Aminy,

Your application for a seismic compliance extension under Assembly Bill 869 (AB 869) received on December 2, 2025 has been reviewed for conformance with 2025 California Administrative Code (CAC) Chapter 6, Article 11, Section 1.5.2(3) and Health and Safety Code Section 130065.1. In response to your request for an extension, our office has reviewed your application and has determined the following status for your delay request:

Approved Seismic Compliance Deadline: July 30, 2030

This facility's application to delay the January 1, 2030 seismic compliance deadline has been reviewed and approved under AB 869 and 2025 CAC Chapter 6, Article 11, Section 1.5.2(3). The Office has determined that the facility meets the eligibility requirements for this extension per 2025 CAC Chapter 6, Article 11, Section 1.5.2(3)(a) through (c). According to the Compliance Plan CP-11210 the facility anticipates achieving seismic compliance by July 30, 2030. Accordingly, the updated approved deadline for seismic compliance is July 30, 2030. After July 30, 2030, any general acute care hospital building which continues acute care operation must, at a minimum, meet the structural requirements of SPC 3, 4, 4D or 5, as defined in 2025 CAC Chapter 6, Article 2, Table 2.5.3 and the nonstructural requirements of NPC 5, as defined in 2025 CAC Chapter 6 Article 11, Table 11.1 or shall no longer provide acute care services.

Hospitals that experience challenges in meeting approved milestones are required to coordinate with the Office to submit an updated schedule and develop an updated plan. Future updated compliance plans will be reviewed and, if approved by the Office, will replace the previously approved compliance plan. An update to the AB 869 application will be required if the final compliance date in the updated compliance plan exceeds the approved deadline date in this letter. Requests for adjustments shall be made with the Office as soon as the reasons for the delay are known but no less than 30 calendar days before any upcoming affected delay schedule or any milestone date. If delays occur and critical milestones are not updated, a daily assessment of five thousand dollars ($5,000) shall be applied until the requirements are met. Additionally, hospitals that fail to meet any milestone or seismic compliance deadline in its most recently approved compliance plan shall not be issued a building permit for any building in the facility except those required for seismic compliance, maintenance, and emergency repairs until the milestone is met and the hospital is adequately progressing toward meeting the hospital's seismic compliance, as determined by the Office.

In other words, any missed milestone in the facility's most recently approved compliance plan will be subject to permit blocking. Additionally, the 10 critical milestones in the facility's most recently approved compliance plan will be subject to fines.

This Delay status and date will be posted on our Facility Detail website:
https://hcai.ca.gov/facilities/building-safety/facility-detail/

If you need further assistance regarding compliance with SB 1953 or AB 869, please feel free to contact Gina Sandoval, District Structural Engineer at gina.sandoval@hcai.ca.gov and by telephone at 916-440-8391.

Respectfully,

Ali Sumer, Ph.D., S.E.
Supervisor – Seismic Compliance Unit
Office of Statewide Hospital Planning & Development
Department of Healthcare Access and Information
cc: Facility Representative

City of Alameda
Health Care District

September 14, 2026

TO: Board of Directors – City of Alameda Healthcare District (District)

FROM: David Sayen – AHS Liaison

RE: AHS Liaison Update

- Potential Change to AHS governance structure
- Senior staffing changes
- St. Rose Update

City of Alameda
Health Care District

September 14, 2026

TO: Board of Directors – City of Alameda Healthcare District (District)

FROM: Jeff Cambra – Communications Committee

RE: 4th of July Entry

The District participated in the Downtown Alameda Business Association's Art and Wine Festival on July 25 & 26, 2026. In addition to staff setting up and staffing the booth, board members Dr. Deutsch, Codiga, Sayen, and Cambra manned the booth and engaged the community. Over 100 quizzes were filled out during the two days of the event.

City of Alameda
Health Care District

September 14, 2026

TO: Board of Directors – City of Alameda Healthcare District (District)

FROM: Jeff Cambra – Property Management Committee

RE: Jaber Properties

Encinal Commercial Property

The tenant who is renting the Encinal commercial property has reported the compressor and refrigeration is in very poor condition and that the unit may need to be replaced. Initial estimates are in the $18,000 range and further investigation is needed to determine the appropriate repair.

1359 Pearl Street

- **Unit H**

The District is progressing on the renovation of unit H. In order to secure the demolition permit for the unit, the City of Alameda Building Department required the District to secure a “J number” from the Bay Area Air Quality District. This agency monitors hazardous materials contained in the unit that would be released into the air during demolition. In order to obtain the J number, the unit must be inspected by a licensed hazardous materials inspection company. The inspection was conducted in August and revealed the presence of asbestos in the linoleum and called out the likelihood of asbestos in the transition flue since it was present in other units. Cambra has secured the report and is preparing the application for a j number.

- **Unit B**

The tenant has requested the carpet in her unit be replaced since it is well past its useful life of 10 years. The estimate to replace the carpet with vinyl plank flooring which is more durable and pet proof is $4,400.00. This amount is above the spending authorization for staff and requires board approval.

City of Alameda
Health Care District

MEETING MINUTES: JULY 13, 2026

LOCATION: CONFERENCE ROOM A

BOARD MEMBERS PRESENT:
Mr. Cambra, Ms. Codiga, Mr. Sayen, Dr. Deutsch,

ABSENT: Dr. Chen - Excused Absence

DISTRICT REPRESENTATIVES PRESENT:
Mr. Hohl, Mr. Driscoll, Ms. Williams

OTHERS PRESENT:
Adam Bauer, Rick Edwards, Kristen Thorson, Matt Brandos, Salma Adin, Richard Espinoza, Grace Mesina, Dr. Masanna Kalluri, Louise Nakada

CALL TO ORDER

The meeting was called to order at 5:30 p.m., with a quorum present.

GUEST PRESENTATIONS:

SERIES B COP OVERVIEW AND RESOLUTION NO. 2026-04:

Mr. Bauer provided an overview of the Series B Certificates of Participation (COP) and financing process, which will generally mirror Series A, with an estimated financing size of approximately $55 million.

A motion was made to approve Resolution No. 2026-04 related to the Series B Certificates of Participation.

Motion: Mr. Sayen
Second: Ms. Codiga
Result: Approved 4-0, with one member absent

SELECTION OF SEISMIC GENERAL CONTRACTOR / RESOLUTION NO. 2026-05:

Ms. Thorson presented Resolution No. 2026-05 regarding selection of the seismic general contractor for the Alameda Hospital 2030 Seismic and Operational Upgrade Projects. Nine HCAI-permitted projects were bid, including two with potential Phase 2 work. Six contractors attended the mandatory pre-bid conference, three proceeded, and two submitted bids; C. Overaa & Co. was the lowest responsive and responsible bidder.

City of Alameda
Health Care District

BID AND BUDGET ANALYSIS:

- Moment Frame and MTCAP were below budget, with MTCAP being part of the SPC-4D Retrofit, while Make Ready and NPC-5 were above estimate due to added scope, site logistics, and required improvements.
- The SNF project has an approximately $13 million hard construction budget and $10 million initial bid, with HCAI changes expected to move costs closer to budget. SPC-4D was bid for structural work only; Overaa's bid was approximately $1.2 million, while the District currently anticipates approximately $7 million may ultimately be utilized.
- Projects are collectively approximately $2.2 million over the hard construction budget, including a $1.9 million maximum not-to-exceed parking/shuttle amount. Allowance-based pricing will be reevaluated after HCAI approval and returned to the Board.

Overaa has public-sector, acute care hospital, HCAI, and significant self-performance experience.

PUBLIC COMMENT:

Mr. Rick Edwards of NCECI questioned the significant variance between Overaa's approximately $23 million bid, the $34.4 million second bid, and the approximately $36.1 million engineering estimate. Ms. Thorson explained that pricing for the allowance-based projects will be reevaluated following HCAI approval and returned to the Board for review and approval as the projects advance.

CONTRACT STRUCTURE AND BOARD OVERSIGHT:

- The single-contractor approach supports pricing clarity, site coordination, and continuity. Allowance-based projects will return to the Board after HCAI approval for pricing and funding approval.
- The District remains within the approximately $54 million JPA amendment funding threshold; the award reflects hard construction costs, with contingency preserved for soft costs and unforeseen conditions.

RECOMMENDATION:

- Adopt Resolution No. 2026-05 awarding Projects 1-9 to C. Overaa & Co. for $23,750,151.
- Authorize approximately $3.6 million for immediate commencement of HCAI-approved Projects 1-5.

- Authorize issuance of a Notice to Proceed following contract execution and Board approval; construction is anticipated to begin mid-September.

A motion was made to approve Resolution No. 2026-05 as presented.
Motion: Mr. Cambra
Second: Mr. Sayen
Result: Approved 4-0, with one member absent

ALAMEDA HOSPITAL UPDATES

ALAMEDA HOSPITAL UPDATES / PATIENT CARE EXPERIENCE:

Ms. Adin presented an overview of quality, patient experience, staff safety, and operational performance. Hand hygiene compliance improved to 89.8%, below the 95% benchmark; audits and education are ongoing.

- Falls with injury remain above benchmark despite improvement; call light response and no-pass zone expectations are being reinforced.
- Medication education, rounding, bedside reporting, care board completion, and pharmacy collaboration improved; workers' compensation incidents declined.

PATIENT CARE SERVICES HIGHLIGHTS:

- Emergency Department: Zero falls with injury this year; missed meal and break occurrences decreased approximately 60%; overtime decreased 17%; and bundle compliance improved.
- Critical Care and Telemetry maintained zero hospital-acquired infection events; pressure injuries and falls remain areas of focus.

POST-ACUTE SERVICES UPDATE:

Mr. Espinoza presented an update on workplace violence, cash collections, and Park Bridge operations. Two workplace violence incidents were reported at Fairmont; no incidents were reported at the Alameda sites.

- May and June cash collections were strong; Park Bridge and the Sub-Acute Unit exceeded expectations, and Post-Acute services exceeded the cash collection goal by approximately $1.1 million.
- A Park Bridge sewer line was found to have deterioration and root intrusion. CDPH reviewed the mitigation plan with no findings; abatement and pipe replacement are underway.
- The work is temporarily affecting census and operations, and Legal is reviewing potential insurance coverage.

AHS FINANCE REPORT:

Ms. Mesina presented an update on financial and operational performance. Acute inpatient volume was below budget, while Emergency Department and surgical volumes were above budget. Skilled nursing occupancy was approximately 95%, compared with a budgeted 94%.

- Overtime and missed meal/missed break metrics are now included in monthly reviews; both remain budget priorities, with missed meal/missed break performance improving.
- Parcel tax revenue is reflected under government revenues and will be reconciled at year-end to actual cash received from the District.

ALAMEDA HOSPITAL MEDICAL STAFF REPORT:

Dr. Kalluri presented a Medical Staff update on quality recognition and echocardiography coverage. Alameda Hospital received the American Heart Association Get With The Guidelines Stroke Gold Plus Award, reflecting 100% compliance with most Joint Commission measures for January 2024-December 2025.

- Echocardiography staffing shortages have caused intermittent coverage gaps since March, at times requiring transport to Highland Hospital. Travel technicians are being trained to improve coverage.

DISTRICT AND OPERATIONAL UPDATES:

PRESIDENT'S REPORT:

Mr. Cambra deferred his planned Board retreat remarks until the retreat takes place. He acknowledged the prior work of Ms. Stebbins and others who helped position the District to secure funding for seismic improvements and expressed support for continuing progress toward the 2030 seismic goals.

EXECUTIVE DIRECTOR'S REPORT:

- Mr. Hohl reported that the off-site parking contract was fully executed and a property improvement project was completed for approximately $97,000.
- Tenants were notified of a September 1 rent increase following approximately three years without an increase; required City notice was provided.
- District expenditures remained below budget, with a little over $10 million in available funds at the end of May. Approximately $4.1 million in parcel tax revenue was budgeted for FY 2025-26.

SEISMIC PROJECT UPDATE:

Mr. Brandos presented an update on the water intrusion assessment, repair options, and potential construction impacts. Testing identified deficiencies in portions of the façade, windows/seals, skylights/flashing, roofing, and Level 3 decks; Read prepared corrective-work estimates.

- Full replacement is estimated at approximately $7 million ($4 million direct construction) with a 30- to 40-year useful life.
- A repair approach addressing known failure points is estimated at approximately $1.5 million ($700,000-$800,000 direct costs) and would provide an estimated three- to five-year temporary solution.
- Full replacement is expected to require HCAI involvement and may uncover concealed structural repairs; repairs require less permitting. Estimated duration is three to six months for repairs and nine to twelve months for replacement.
- The work may affect Make Ready and SNF sequencing, with concealed deficiencies potentially adding scope and cost.
- The approach and cost will be coordinated with Alameda Hospital leadership and returned to the Board as needed.

AHS BOARD LIAISON REPORT:

Mr. Sayen presented the AHS Board Liaison report on the health system's financial outlook and strategic priorities. The health system received approximately $30 million in additional funding, providing short-term financial support; uncertainty remains regarding future Medicaid funding and next year's budget.

- An ad hoc committee of labor, County supervisors, and health system leadership will continue financial sustainability discussions; $1 million was provided for an independent financial and operational review.
- Maintaining Level I trauma certification remains a key Board priority supporting clinical services, residency programs, and physician recruitment.
- Primary care access and physician recruitment/retention remain challenges.

ALAMEDA HOSPITAL LIAISON UPDATE:

Dr. Deutsch presented an update on efforts to expand outpatient laboratory and imaging hours at Alameda Hospital. Expansion has not progressed despite discussions over the past two years; current system-wide hours provide no Sunday service and generally end around 5:00 p.m.

- Expanded hours could improve access but remain limited by system-wide staffing, registration, labor, and operational requirements.

COMMUNICATIONS SUBCOMMITTEE UPDATE:

Mr. Cambra reported positive engagement from a recent community parade and noted District participation in the July 25-26 Art & Wine Festival.

PROPERTY MANAGEMENT REPORT:

Mr. Cambra presented the Property Oversight Committee update. Exterior shingle work on the three District buildings was completed, and the well matter was resolved with required information submitted to East Bay MUD.

- Three gas water heaters are recommended for replacement before January 2027 at approximately $3,350 each, or $11,000 total; comparable gas units are the most cost-effective option.
- Common storage-area cleanup is underway, with cleared space to be evaluated for future rental use.
- Previously approved rent increases are being implemented; the approximately $155,000 shingle project may qualify for partial cost recovery through the City's capital improvement program.
- Unit H renovation planning is underway; demolition and inspections will help define required electrical/fire-rated wall improvements and final costs.

A motion was made to authorize approximately $11,000 to replace the three remaining gas water heaters before the end of the year.

Motion: Dr. Deutsch
Second: Mr. Sayen
Result: Approved 3-0, with two members absent

CONSENT AGENDA:

A motion was made to approve the Consent Agenda, which included the May 12 meeting minutes and the March through May financial statements.
Motion: Dr. Deutsch
Second: Mr. Sayen
Result: Approved 3-0, with two members absent

ACTION ITEMS:

RESOLUTION NO. 2026-06:

Mr. Hohl presented Resolution No. 2026-06 to authorize moving COP investments to LAIF.

A motion was made to approve Resolution No. 2026-06.
Motion: Dr. Deutsch
Second: Mr. Sayen
Result: Approved 3-0, with two members absent

BANK SIGNATORIES:

Mr. Hohl presented a banking resolution designating three authorized signatories, with one signature required for checks under $10,000 and two signatures required for checks of $10,000 or more.
A motion was made to approve the banking signatory resolution as presented.
Motion: Dr. Deutsch
Second: Mr. Sayen
Result: Approved 3-0, with two members absent

PARCEL TAX DISTRIBUTION:

Mr. Hohl presented a proposed parcel tax distribution of $1.5 million payable in August, following the $1 million June distribution, with final reconciliation in December.
A motion was made to approve the $1.5 million parcel tax distribution.
Motion: Mr. Sayen
Second: Mr. Cambra
Result: Approved 2-0, with Dr. Deutsch recused and two members absent

RECORDS RETENTION POLICY:

Mr. Hohl presented a Records Retention Policy establishing retention periods for electronic and physical District records.
A motion was made to approve the Records Retention Policy.
Motion: Dr. Deutsch
Second: Mr. Sayen
Result: Approved 3-0, with two members absent

COMPUTER AND EQUIPMENT USE POLICY:

Mr. Hohl presented a Computer and Equipment Use Policy governing District email, electronic devices, and District-owned equipment.
A motion was made to approve the Computer and Equipment Use Policy.
Motion: Mr. Sayen
Second: Dr. Deutsch
Result: Approved 3-0, with two members absent

EXPENSE REIMBURSEMENT POLICY:

Mr. Hohl presented an Expense Reimbursement Policy establishing documentation requirements for reimbursable District expenses.
A motion was made to approve the Expense Reimbursement Policy.
Motion: Mr. Sayen
Second: Dr. Deutsch
Result: Approved 3-0, with two members absent

ADJOURNMENT:
The meeting was adjourned at 8:03 p.m.

CITY OF ALAMEDA
HEALTH CARE DISTRICT

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD

(June 1- 30, 2026)

City of Alameda Health Care District
Statement of Activity - District CORE
June 2026

	District	
	Jun 2026	**FYTD**
Revenue		
Gross Profit	**$0**	**$0**
Expenditures		
Operating Expenses		
5250 Bank Service Charges	$0	$850
5260 Dues and Subscriptions	$7,300	$13,271
5270 District Stipend	($105)	$3,140
5280 Other Purchased Services	$3,180	$25,363
5290 Insurance	$15,708	$189,531
5300 Internet/Phone Expense	$480	$6,822
5310 Utilities	$0	$2,871
5350 Payroll & Employee benefit Expenses	$52,606	$234,765
5365 Payroll Processing Fee	$53	$644
5380 Travel	$42	$6,272
5390 Food/Meals	$0	$6,773
5400 Executive Assistant	($7,891)	$55,628
5410 Accounting Fees	$1,700	$39,150
5430 Legal & Professional Fees	$9,735	$105,101
5450 Education and Conferences	$3,600	$13,275
5460 Community Involvement and Promotion	$732	$21,403
5470 Office Supplies	$355	$3,240
5480 Office Expenses	$0	$270
5490 Executive Director	$0	$164,333
5510 Lease Expense Building	$2,088	$26,595
5550 Interest Expense	$4,181	$45,193
5800 Depreciation Exp Building	$10,546	$126,546
5810 Depreciation Exp Equipment	$2,303	$3,171
5999 Misc. Operating Expenses	$0	$1,236
Total for Operating Expenses	**$106,614**	**$1,095,446**
Total for Expenditures	**$106,614**	**$1,095,446**
Net Operating Revenue	**($106,614)**	**($1,095,446)**
Other Revenue		
Nonoperating Revenue		
4300 District Tax Revenue	$435,178	$6,095,595
Total for Nonoperating Revenue	**$435,178**	**$6,095,595**
Total for Other Revenue	**$435,178**	**$6,095,595**
Other Expenditures		
Nonoperating Expenses		
6100 AHS transfers	$1,000,000	$4,020,750
Total for Nonoperating Expenses	**$1,000,000**	**$4,020,750**
Total for Other Expenditures	**$1,000,000**	**$4,020,750**
Net Other Revenue	**($564,822)**	**$2,074,844**
Net Revenue	**($671,436)**	**$979,399**

City of Alameda Health Care District
Statement of Activity - Jaber Properties
June 2026

	1359 Pearl Street		2711 Encinal Ave		Total for Rental Property	
	Jun 2026	FYTD	Jun 2026	FTYD	Jun 2026	FYTD
Revenue						
Operating Revenue						
4100 Rental Revenues	$12,737	$172,345	$3,331	$41,788	$16,068	$214,133
4110 Laundry Income	$160	$1,928			$160	$1,928
Total for Operating Revenue	**$12,897**	**$174,273**	**$3,331**	**$41,788**	**$16,228**	**$216,061**
Total for Revenue	**$12,897**	**$174,273**	**$3,331**	**$41,788**	**$16,228**	**$216,061**
Gross Profit	**$12,897**	**$174,273**	**$3,331**	**$41,788**	**$16,228**	**$216,061**
Expenditures						
Operating Expenses						
5000 Rental Property Expenses						
5105 Landscaping	$275	$7,950			$275	$7,950
5110 Mngt fees Jaber	$686	$8,834	$171	$2,140	$856	$10,974
5120 Repairs & Mntc- Jaber	$2,279	$63,779		$1,035	$2,279	$64,814
5130 Utilities	$1,187	$11,825			$1,187	$11,825
5165 Depreciation Exp Building Rental					$3,771	$44,790
5170 Misc. Expenses-Rental		$894				$894
Total for 5000 Rental Property Expenses	**$4,427**	**$93,283**	**$171**	**$3,174**	**$8,369**	**$141,247**
Total for Operating Expenses	**$4,427**	**$93,283**	**$171**	**$3,174**	**$8,369**	**$141,247**
Total for Expenditures	**$4,427**	**$93,283**	**$171**	**$3,174**	**$8,369**	**$141,247**
Net Operating Revenue	**$8,471**	**$80,991**	**$3,160**	**$38,614**	**$7,860**	**$74,814**
Net Revenue	**$8,471**	**$80,991**	**$3,160**	**$38,614**	**$7,860**	**$74,814**

Cash Available for Maintenance/Repairs	
B/S Period Ending Bank Statement Cash Balance	$774,475
Less: Amount Due AHS for Fiscal Years 2024 & 2025	($239,376)
Less: FY 25-26 Due AHS for 20% of Net Revenue	($14,963)
Less: FY 25-26 Due AHS for 20% of Cash Balance	($107,020)
Estimated Cash Available for Maintance/Repairs	$413,116

City of Alameda Health Care District
Statement of Activity - Consolidated
June 2026

	Total	
	Jun 2026	**FYTD**
Revenue		
Operating Revenue		
4100 Rental Revenues	$16,068	$214,133
4110 Laundry Income	$160	$1,928
4500 Gains, Interest, etc	$27,957	$422,033
Total for Operating Revenue	**$44,186**	**$638,094**
Total for Revenue	**$44,186**	**$638,094**
Gross Profit	**$44,186**	**$638,094**
Expenditures		
Operating Expenses		
5000 Rental Property Expenses		
5105 Landscaping	$275	$7,950
5110 Mngt fees Jaber	$856	$10,974
5120 Repairs & Mntc- Jaber	$2,279	$64,814
5130 Utilities	$1,187	$11,825
5165 Depreciation Exp Building Rental	$3,771	$44,790
5170 Misc. Expenses-Rental		$894
Total for 5000 Rental Property Expenses	**$8,369**	**$141,247**
5250 Bank Service Charges		$850
5260 Dues and Subscriptions	$7,300	$13,271
5270 District Stipend	($105)	$3,140
5280 Other Purchased Services	$3,180	$25,363
5290 Insurance	$15,708	$189,531
5300 Internet/Phone Expense	$480	$6,822
5310 Utilities		$2,871
5350 Payroll & Employee benefit Expenses	$52,606	$234,765
5365 Payroll Processing Fee	$53	$644
5380 Travel	$42	$6,272
5390 Food/Meals		$6,773
5400 Executive Assistant	($7,891)	$55,628
5410 Accounting Fees	$1,700	$39,150
5430 Legal & Professional Fees	$9,735	$105,101
5450 Education and Conferences	$3,600	$13,275
5460 Community Involvement and Promotion	$732	$21,403
5470 Office Supplies	$355	$3,240
5480 Office Expenses		$270

5490 Executive Director		$164,333
5510 Lease Expense Building	$2,088	$26,595
5550 Interest Expense	$195,223	$706,839
5800 Depreciation Exp Building	$10,546	$126,546
5810 Depreciation Exp Equipment	$2,303	$3,171
5999 Misc. Operating Expenses		$1,236
Total for Operating Expenses	**$306,025**	**$1,898,339**
Total for Expenditures	**$306,025**	**$1,898,339**
Net Operating Revenue	**($261,839)**	**($1,260,245)**
Other Revenue		
Nonoperating Revenue		
4300 District Tax Revenue	$435,178	$6,095,595
Total for Nonoperating Revenue	**$435,178**	**$6,095,595**
Total for Other Revenue	**$435,178**	**$6,095,595**
Other Expenditures		
Nonoperating Expenses		
6100 AHS transfers	$1,000,000	$4,020,750
Total for Nonoperating Expenses	**$1,000,000**	**$4,020,750**
Total for Other Expenditures	**$1,000,000**	**$4,020,750**
Net Other Revenue	**($564,822)**	**$2,074,844**
Net Revenue	**($826,661)**	**$814,600**

CITY OF ALAMEDA HEALTH CARE DISTRICT
Seismic Project Summary of Additions and Outlays
as of May 2026

	Inception	2025						2026						
	Through 6/30/25	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	Total
Beginning COP Balance (per bank statement)		12,549,850	11,929,234	11,967,851	11,847,718	11,227,550	11,263,032	11,005,550	10,845,432	10,347,671	10,373,507	10,265,708	10,142,983	
Additions														
Deposits	14,442,992													0
Transfers	0													0
COP Interest Income	404,673	38,781	38,617	38,241	36,031	35,482	31,814	30,873	29,616	25,836	27,566	26,329	26,704	385,890
Capital Gains	60	0	0	0	0	0	0	0	0	0	0	0		
Other	0	0	0	0	0	0	0	0	0	0	0	0		0
Total Additions	14,847,725	38,781	38,617	38,241	36,031	35,482	31,814	30,873	29,616	25,836	27,566	26,329	26,704	385,890
Outlays														
NPC 4 - Equipment Bracing/Anchoring	364,135	106,824	0	4,239	51,117	0	49,282	19,412	113,014	0	4,775	18,715	14,859	382,237
NPC 5 - Tanks - Water and Sewage	410,443	18,013	0	30,883	118,321	0	121,104	47,552	117,833	0	15,937	11,059	149,632	630,334
SNF Operational Upgrade	809,612	113,271	0	100,782	390,440	0	72,361	72,092	204,132	0	77,613	100,607	80,736	1,212,034
SPC - Stephens	422,182	71,275	0	22,470	67,082	0	36,392	30,174	74,624	0	23,744	10,902	49,370	386,033
SPC - West Wing	258,968	345,065	0	0	29,237	0	22,148	21,761	17,774	0	13,299	7,771	43,123	500,179
Loan Cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Principle Payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Payments/Adjustments	32,535	4,949	0	0	0	0	(11,990)	0	0	0	(3)	0	0	(7,044)
Total Outlay	2,297,875	659,397	0	158,374	656,199	0	289,296	190,991	527,377	0	135,365	149,054	337,720	3,103,772
Change in Net Position	12,549,850	(620,616)	38,617	(120,133)	(620,168)	35,482	(257,482)	(160,118)	(497,761)	25,836	(107,799)	(122,725)	(311,016)	(2,717,882)
Ending COP Balance (per bank statement)	**12,549,850**	**11,929,234**	**11,967,851**	**11,847,718**	**11,227,550**	**11,263,032**	**11,005,550**	**10,845,432**	**10,347,671**	**10,373,507**	**10,265,708**	**10,142,983**	**9,831,968**	

City of Alameda Health Care District
Statement of Financial Position
As of Jun 30, 2026

	Total	
	As of Jun 30, 2026	As of Jun 30, 2025
Assets		
Current Assets		
Bank Accounts		
1001 Bank of Marin - District Operations	$3,017,188	$2,864,930
1002 Bank of Marin - Rental Property	$774,475	$847,965
1003 Drysdale Property Management Acct	$2,509	
1004 US Bank - Trust Account	$10,311,431	$13,032,539
Total for Bank Accounts	**$14,105,603**	**$16,745,433**
Other Current Assets		
1069 Property Tax Receivable	$307,000	$307,476
1101 Prepaid and other assets	$145,313	$14,537
1102 Prepaid and other assets - J	$0	($0)
Total for Other Current Assets	**$452,313**	**$322,013**
Total for Current Assets	**$14,557,917**	**$17,067,446**
Fixed Assets		
1230 Leasehold Improvements	$14,481	$14,481
1250 Construction in Progress	$5,401,646	$2,297,875
Hospital Property		
1200 Land	$267,945	$267,945
1210 Land Improvements	$286,897	$286,897
1221 Hospital Buildings	$22,864,173	$22,864,173
1222 Building Improvements	$1,571,566	$1,571,566
1225 Fixed Equipment	$3,747,274	$3,747,274
1260 Accumulated Depr-Land Improvements	($286,897)	($286,897)
1271 Accumulated Depr-Hospital Buildings	($24,014,732)	($23,893,559)
1275 Accumulated Depr-Fixed Equipment	($3,742,573)	($3,739,402)
1280 Accumulated Depr-Leasehold Improvement	($14,840)	($14,840)
Total for Hospital Property	**$678,812**	**$803,157**
Jaber Property		
1201 Land Jaber Property	$610,000	$610,000
1228 Equipment-Jaber	$6,529	
1229 Other Bldgs - Rental Property	$1,073,488	$1,073,488
1232 Improvement-Jaber	$51,808	
1279 Accumulated Depr-Other Bldgs Rental Prop	($855,814)	($811,024)
Total for Jaber Property	**$886,012**	**$872,464**
SNF (CW&S) Property		
1202 Land(CW&S)	$212,113	$212,113

1231 Other Assets SNF(CW&S)	$134,336	$134,336
1281 Accumulated Depr-Other Assets SNF(CW&S)	($129,528)	($124,155)
Total for SNF (CW&S) Property	**$216,921**	**$222,294**
Total for Fixed Assets	**$7,197,871**	**$4,210,271**
Other Assets		
1199 Lease Receivable	$127,101	$127,101
Total for Other Assets	**$127,101**	**$127,101**
Total for Assets	**$21,882,889**	**$21,404,818**
Liabilities and Equity		
Liabilities		
Current Liabilities		
Accounts Payable		
2020 Accounts Payable (A/P)	$4,500	$43,311
Total for Accounts Payable	**$4,500**	**$43,311**
Credit Cards		
2030 Credit Card Payable	$1,341	
Total for Credit Cards	**$1,341**	**$0**
Other Current Liabilities		
2018 Cur Portion of Bank Loan	$26,769	$25,040
2019 Cur Portion of Bond Oblgs	$295,000	$293,792
2021 Accrued Liabilities	$30,300	
2022 Interest Payable	$191,042	$195,271
Total for Other Current Liabilities	**$543,111**	**$514,103**
Total for Current Liabilities	**$548,952**	**$557,414**
Long-term Liabilities		
2199 Deferred revenue	$119,127	$119,127
2250 Bond Obligations	$12,805,000	$13,096,208
2251 Bond Premium	$1,419,337	$1,433,559
2270 Debt Obligations	$726,873	$753,410
Total for Long-term Liabilities	**$15,070,338**	**$15,402,304**
Total for Liabilities	**$15,619,289**	**$15,959,718**
Equity		
3100 Unrestricted Net Assets	$1,534,323	$1,534,323
3200 Net Assets Trust	($87,700)	($87,700)
3300 Restricted net assets	$1,724,329	$1,720,429
3400 Invested Capital, net of deb	$2,278,048	$2,278,048
Retained Earnings	$0	$0
Net Revenue	$814,600	($0)
Total for Equity	**$6,263,600**	**$5,445,100**
Total for Liabilities and Equity	**$21,882,889**	**$21,404,818**

City of Alameda Health Care District
Statement of Cash Flows
July, 2025-June, 2026

Account Name	Total
OPERATING ACTIVITIES	
Net Revenue	$814,600
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
1069 Property Tax Receivable	$476
1101 Prepaid and other assets	($130,777)
1102 Prepaid and other assets - J	($0)
1232 Jaber Property:Improvement-Jaber	($51,808)
2018 Cur Portion of Bank Loan	$1,729
2019 Cur Portion of Bond Oblgs	$1,208
2020 Accounts Payable (A/P)	($38,811)
2021 Accrued Liabilities	$30,300
2022 Interest Payable	($4,229)
2030 Credit Card Payable	$1,341
Adjustments to reconcile Net Revenue to Net Cash:	**($190,572)**
Net cash provided by operating activities	**$624,028**
INVESTING ACTIVITIES	
1228 Jaber Property:Equipment-Jaber	($6,529)
1250 Construction in Progress	($3,103,771)
1271 Hospital Property:Accumulated Depr-Hospital Buildings	$121,173
1275 Hospital Property:Accumulated Depr-Fixed Equipment	$3,171
1279 Jaber Property:Accumulated Depr-Other Bldgs Rental Prop	$44,790
1281 SNF (CW&S) Property:Accumulated Depr-Other Assets SNF(CW&S)	$5,373
Net cash provided by investing activities	**($2,935,792)**
FINANCING ACTIVITIES	
2250 Bond Obligations	($291,208)
2251 Bond Premium	($14,222)
2270 Debt Obligations	($26,536)
3300 Restricted net assets	$3,900
Net cash provided by financing activities	**($328,066)**
NET CASH INCREASE FOR PERIOD	**($2,639,830)**
Cash at beginning of period	**$16,745,433**
CASH AT END OF PERIOD	**$14,105,603**

City of Alameda
Health Care District

Date:	September 14, 2026
To:	City of Alameda Health Care District Board of Directors
From:	Peter Hohl, Executive Director
Subject:	Seismic Side Agreement #2

RECOMMENDATION

Approve seismic side agreement #2 provided the final form of the agreement is not materially different from the attached draft.

BACKGROUND

Including the cost of the water intrusion repair at Alameda hospital in the 2026 Series B COP funding request introduces risk to the District in the event the project runs out of funds to complete the project. This risk arises because the 2026 Series B funding request of $58 million is the maximum amount the District can borrow given the level of parcel taxes used as collateral for the COPs. The consequence is there can be no Series C if additional funding is needed to complete the project.

To protect the District's obligation to complete the seismic compliance project by 2030, a side letter with AHS is needed to address the additional risk the District faces by including the water intrusion repair in the overall seismic project. In the event of a funding shortfall to complete the seismic project, the side agreement would require AHS to contribute the amount necessary to complete the project up to a maximum amount the project spent on the water intrusion repair – currently estimated at $8.75 million.

The side letter also updates several sections of JPA amendment #1 and those areas are highlighted in green.

SIDE LETTER #2

Further to that certain AGREEMENT RE: IMPLEMENTATION OF THE JOINT POWERS AGREEMENT 2030 SEISMIC RETROFIT PROJECT (the "Project"), dated January 28, 2026, by and between Alameda County Medical Center, a public hospital authority created by the Alameda County Board of Supervisors pursuant to Section 101850 of the California Health and Safety Code, doing business as Alameda Health System ("AHS"), and the City of Alameda Health Care District ("District"):

The District agrees to the following, and seeks approval of the same from AHS as an Approval Notice:

1. As of the date hereof, it is estimated that it will cost $77,610,000 to implement the Project, comprising the improvements necessary to satisfy the 2030 Seismic Requirements, and complete other improvements for the upgrade and repurposing of Alameda Hospital as necessary to make Alameda Hospital more sustainable and responsive to current and anticipated community healthcare needs. Neither AHS nor the District has the current ability to pay for the Project.

2. District shall maintain separate budgets and accounting schedules for the Project ("Project Account") to be equitably allocated and earmarked to the following categories:

   Seismic Upgrades Project Account
   Operational Upgrades Project Account
   Water Intrusion Project Account
   Costs of Issuance Account

   For the Series B issuance of $58,000,000, the Parties estimate that the foregoing accounts shall be funded (from COP proceeds) and earmarked for use in the following accounts and amounts:

   a. $37,290,000 for the Seismic Upgrades Project Account
   b. $30,570,000 for the Operational Upgrades Project Account
   c. $8,750,000 for the Water Intrusion Project Account
   d. $1,000,000 for the Costs of Issuance Account (includes the Underwriter's Discount)

3. The District commits to seeking all potential available resources to fund the Project, including, without limitation, from the County, additional COPs, grants, and the like. Except as provided in the next sentence, in no event shall AHS be required to repay the COPs or fund the Project, including, without limitation, through any AHS Capital Contributions or otherwise. If there are insufficient project funds to complete the project, AHS shall contribute the amount necessary to complete the seismic project up to a maximum of what it costs for the water intrusion repair (estimated at $8.75 million).

4. If, despite the parties' diligent efforts, all three Project Goals cannot be met, AHS

or the District, as the case may be, shall have the right, prior to the issuance of the Series B COPs, to terminate the Series B issuance upon written notice to the other Party.

5. This Side Letter (and any future Side Letters) shall be binding on AHS only if signed by the AHS COO or CEO.

AHS hereby gives its approval.

AHS:

ALAMEDA HEALTH SYSTEM

By: ______________________
James Jackson, CEO
Dated: ____________

DISTRICT:

CITY OF ALAMEDA HEALTH CARE DISTRICT

By: ____________________
Peter Hohl, Executive Director
Dated: ____________

City of Alameda
Health Care District

Date:	September 14, 2026
To:	City of Alameda Health Care District Board of Directors
From:	Peter Hohl, Executive Director
Subject:	Jaber Property FY 25-26 Distribution

RECOMMENDATION
Approve the FY 25-26 Jaber property distribution calculation with the funds to be used by Alameda Hospital for the purchase of medical equipment for the hospital.

BACKGROUND
The Jaber Trust Agreement specifies that funds in the trust be used to purchase capital equipment directly related to the diagnosis and treatment of patients at Alameda hospital. The types of equipment mentioned in the Trust include diagnostic imaging machinery, surgical equipment, equipment for the treatment of eye disease, patient monitoring equipment for critical care, and similar machinery and equipment.

The Trust Agreement identifies the maximum amount that can be withdrawn from the Jaber funds as 20% of the sum of: the net income earned during the prior fiscal year plus the value of the principal of the fund valued as of the last day of the prior fiscal year. The value of the principal of the fund is the bank account cash balance at the end of the prior fiscal year.

A separate side agreement with AHS requires Jaber funds to be treated like parcel tax dollars.

CALCULATION OF JABER FUND PAYOUT FOR FISCAL YEAR 25-25
Per the attached schedule, net income earned for fiscal year 25–26 was $74,000 and the cash balance at the end of June 2026 was $535,099 (after adjusting for prior years Jaber fund payouts that have not yet been made to AHS). The maximum that the Jaber fund is permitted to pay out for the fiscal year is $14,963 from net income and $107,020 from the 6/30/26 cash balance for a total of $121,983.

Jaber fund payouts for fiscal years 23-24 ($109,374) and 24-25 ($130,002) were calculated and approved by the District Board but have not yet been paid out to AHS.

City of Aameda Health Care District
Jaber Property Payment to AHS

	FY 23-24	FY 24-25	*APPROVE* FY 25-26
Rental Revenue	$202,831	$221,074	$216,061
Rental Expenses	$103,499	$114,841	$141,247
Net Revenue	$99,332	$106,233	$74,814
Period Ending B/S Cash Balance	$697,407	$847,965	$774,475
Payment Due AHS (Prior FY)	$156,013	$123,138	$130,002
Prior Payment(s) Still Due AHS	$0	$156,013	$109,374
Ending Cash Balance	$541,394	$568,814	$535,099
Maximum Amount Due AHS:			
20% of Net Revenue	$19,866	$21,247	$14,963
20% of Cash Balance	$108,279	$108,755	$107,020
Subtotal Owed to AHS	$128,145	$130,002	$121,983

Payment Date	Fiscal Year	Amt. Due	Unpaid
6/18/24	FY 22	$39,204	
6/11/24	FY 22	$124,796	
7/22/25	FY 23	$156,013	
7/22/25	FY 24	$13,764	
TBD	FY 24	$109,374	$109,374
TBD	FY 25	$130,002	$130,002
TBD	FY 26	$121,983	$121,983
			$361,358

Notes:
1. FY 23-24 and FY 24-25 were calculated by the prior accountant and were previously approved by the Board

City of Alameda
Health Care District

POLICY TITLE: **CONFLICT OF INTEREST CODE**

POLICY NUMBER: P-19

REVISED: **September 14. 2026**

POLICY:

As a governmental agency, The City of Alameda Health Care District (the “District”), all members of the District’s Board of Directors (the “Board”) and employees are subject to California laws regulating conflicts of interest and requiring certain financial disclosures. The Political Reform Act of 1974 (California government Code §81000, et. Seq.) (the “PRA”) requires, among other things, each state and local government agency to adopt and promulgate its own conflict of interest code (§87300). Section 18730 of the California Code of Regulations provides that incorporation by reference of the terms of that regulation constitutes the adoption and promulgation of a conflict-of-interest code as required by the PRA.

The District has therefore adopted by reference Section 18730 as the Conflict-of-Interest Code including as that regulation may hereinafter be amended or modified by the FPPC. The purpose of the Code is to provide for the disclosure of Investments, Business Positions, Interests in Real Property and Income of Designated Officials and Employees that may be materially affected by their official actions, and, in appropriate circumstances, to provide that Designated Officials and Employees (as defined below) should be disqualified from acting in order that conflicts of interest may be avoided. The needs of the District’s constituents shall be the priority of the Board. When the Board. and/or a Director believes they may have a conflict of interest, the District’s legal counsel shall be requested to determine if one exists or not.

The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (Regulations 18110, et seq.), and any amendments to the Act or regulations, are incorporated by reference into this Conflict of Interest Code.

Pursuant to the Political Reform Act, Government Code Section 87306.5, the District shall review its Conflict of Interest Code biennially, by October 1 of each even-numbered year.

GUIDELINES:

The following Guidelines and referenced procedures shall govern the accessibility for inspection and copying of all of the public records of the District, and shall be administered by the Executive Director of the District. This Code shall be in addition to and shall not be construed to supersede or limit in any way, the application of (i) any policies and procedures adopted by the District pertaining to conflicts of interest that are not otherwise codified herein or (ii) other laws and regulations pertaining to conflicts of interest of public officials, including but not limited to Government Code Sections 1090 (financial interest in contracts), 87100 (financial interest in governmental decisions) and 1126 (employment-based conflicts of interest), each of which is hereby incorporated by reference into this Code. The following is a summary of the prohibitions of those statutes:

a. **Government Code Section 1090:** prohibits any member of the Board, officer or employee of the District from participating in the making of any District contract in which he/she has financial interest. This prohibition against participation in the making of a contract includes but is not limited to discussing or voting upon the contract or influencing or attempting to influence another member of the Board as to his/her vote on the contract (NOTE: A violation of Section 1090 carries with it the risk that the District contract in question will be declared void under Government Code Section 1092.)
b. **Government Code Section 87100**: prohibits any member of the Board, officer, or employee of the District from making, participating in making or in any way attempting to use their official position to influence a District decision in which he/she knows or has reason to know he/she has a financial interest. This prohibition against participation in The District's decision-making includes but is not limited to discussing or voting upon the matter or influencing or attempting to influence another member of the Board as to The District's decision or vote on the matter.
c. **Government Code Section 1126**: prohibits any member of the Board, officer or employee of the District from engaging in any employment, activity, or enterprise for compensation that is inconsistent, incompatible, or in conflict with their public duties..

DISCLOSURE STATEMENTS:

1. Designated Officials and Employees: The persons holding positions listed in the Appendix are Designated Officials and Employees. As described in the Appendix, each Designated Official and Employee shall file annual statements disclosing his/her Business Positions, Relationships with the District, Interests in Real Property within the

City of Alameda
Health Care District

District, Investments in Business Entities, Income, or sources of Income as well as those Interests in Real Property, Business Positions, Investments and Income and sources of income of his/her Immediate Family members, which might foreseeably be affected materially by the operations of the District in a manner different from the public generally or a significant segment thereof.

2. Time of Filing Statements: As provided in Section 18730, California Code of Regulations.

3. Forms: Forms will be supplied by the District.

4. Place of Filing: Designated Employees shall file their Statements of Economic Interests (Form 700) with the District's Administration, which shall make the statements available for public inspection and reproduction (Government Code Section 81800). Statements of Designated Employees shall be retained by the District. Members of the Board shall file their original statements with the Alameda County Elections Department and shall provide copies to be retained by the District.

DESIGNATED EMPLOYEES

The following is a list of the positions ("Designated Employees") which The City of Alameda Health Care District Board has determined will entail the making or participation in the making of decisions which may foreseeably have a material effect on any financial interest:

1. Members of the District Board of Directors, all Executive Officers, anyone making public investments on behalf of the District, General Counsel and Consultants/Contractors (Individuals providing services that involve making or influencing government decisions).

2. With respect to Consultants, the Executive Director may determine in writing that a particular consultant, although a "Designated Employee," is hired to perform a range of duties that are limited in scope and thus is not required to comply with all the written disclosure requirements described in these categories. Such determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The Executive Director's determination is a public record and shall be retained for public inspection by the District in the same manner as this Conflict of Interest Code. Nothing herein excuses any such consultant from any other provision of this Conflict of Interest Code.

City of Alameda
Health Care District

DISCLOSURE

TYPES OF INVESTMENTS, BUSINESS POSITIONS, INTEREST IN REAL PROPERTY AND SOURCES OF INCOME THAT ARE REPORTABLE

General Rule: An investment, business position, interest in real property, or source of income, including gifts, is reportable if the business entity in which the investment or business position is held, the interest in real property, or the income or source of income, may foreseeably be affected materially by any decision made or participated in by the Designated Employee by virtue of his or her official position. Financial interests are reportable only if they are located within the District or if the business entity is doing business or planning to do business within the District (and such plans are known by the Designated Employee) or had done business within the District at any time during the two years prior to the filing of the Statement.

Furthermore, pursuant to Government Code Section 87302(a), the Board has determined that the following, but not by way of limitation, specific business which a Designated Official or employee has an Investment, Business Position, an Interest in Real Property, or derives Income there from are reportable:

1. Bank, Savings and Loan or other Thrift Associations
2. Third Party Payors for Health Care Services (including health maintenance organizations, hospital service plans, preferred provider organizations and indemnity health insurance carriers)
3. Liability Insurance Companies (including carriers which offer or sell professional liability insurance, comprehensive liability insurance, directors' and officers' liability and other types of insurance maintained by or on behalf of the District
4. Real Estate Companies
5. Ambulance Services Companies
6. Health Care Providers/Facilities (including hospitals, skilled nursing homes, home health agencies, medical groups, ambulatory care centers, clinics, etc.)
7. Consulting Firms (architectural, legal, accounting)

8.`Any other Business Entity which supplies materials and/or supplies to "The District", or which has supplied materials and/or supplies to the District at any time during the two (2) years prior to the time any statement or other action is required under this Code.

City of Alameda
Health Care District

POLICY TITLE: **CONFLICT OF INTEREST ~~POLICY~~ CODE**

POLICY NUMBER: P-19

~~ADOPTION~~REVISED: 09-14~~7-15~~-202~~5~~6

~~REVISIONS:~~
POLICY:

As a governmental agency, The City of Alameda Health Care District ~~"The District"~~(the "District"), all members of ~~"The Board"~~the District's Board of Directors (the "Board") and employees are subject to California laws regulating conflicts of interest and requiring certain financial disclosures. The Political Reform Act of 1974 (California government Code §81000, ~~et.seq~~et. Seq.) (the "PRA") requires, among other things, each state and local government agency to adopt and promulgate~~d~~ its own conflict of interest code (§87300). Section 18730 of the California Code of Regulations~~, "Regulations of the Fair Political Practices Commission,"~~ provides that incorporation by reference of the terms of that regulation constitutes the adoption and promulgation of a conflict-of-interest code as required by the PRA.

~~"The District"~~The District has therefore adopted by reference Section 18730 as the Conflict-of-Interest Code including as that regulation may hereinafter be amended or modified by the FPPC. The purpose of the Code is to provide for the disclosure of Investments, Business Positions, Interests in Real Property and Income of Designated Officials and Employees that may be materially affected by their official actions, and, in appropriate circumstances, to provide that Designated Officials and Employees (as defined below) should be disqualified from acting in order that conflicts of interest may be avoided. The needs of ~~"The District"~~the District's~~.~~ constituents shall~~ould~~ be the priority of ~~"The Board"~~the Board. When ~~"The Board"~~the Board. and/or a Director believes they may have a conflict of interest, ~~"T~~the District's~~"~~ legal counsel shall be requested to determine if one exists or not.

The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (Regulations 18110, et seq.), and any amendments to the Act or regulations, are incorporated by reference into this Conflict of Interest Code.

Pursuant to the Political Reform Act, Government Code Section 87306.5, the District shall review its Conflict of Interest Code biennially, by October 1 of each even-numbered year.

City of Alameda
Health Care District

GUIDELINES :

~~1. This Code shall be in addition to and shall not be construed to supersede or limit in any way, the application of (i) any policies and procedures adopted by "The District" pertaining to conflicts of interest that are not otherwise codified herein or~~

~~2.~~ The following Guidelines and referenced procedures shall govern the accessibility for inspection and copying of all of the public records of ~~"The District"~~the District, and shall~~. These guidelines are to~~ be administered by the Executive Director of ~~"The District"~~the District. This Code shall be in addition to and shall not be construed to supersede or limit in any way, the application of (i) any policies and procedures adopted by the District pertaining to conflicts of interest that are not otherwise codified herein or (ii) other laws and regulations pertaining to conflicts of interest of public officials, including but not limited to Government Code Sections 1090 (financial interest in contracts), 87100 (financial interest in governmental decisions) and 1126 (employment-based conflicts of interest), each of which is hereby incorporated by reference into th~~e~~is Code. The following is a summary of the prohibitions of those statutes:

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a. **Government Code Section 1090:** prohibits any member of ~~"The Board"~~the Board, officer or employee of ~~"The District"~~the District from participating in the making of any ~~"~~District~~"~~ contract in which he/she has financial interest. This prohibition against participation in the making of a contract includes but is not limited to discussing or voting upon the contract or influencing or attempting to influence another member of ~~"The Board"~~the Board as to his/her vote on the contract (NOTE: A violation of Section 1090 carries with it the risk that ~~"The District"~~the District contract in question will be declared void under Government Code Section 1092.)
b. **Government Code Section 87100**~~-~~: prohibits any member of ~~"The District"~~the Board, officer, or employee of ~~"The District"~~the District from making, participating in making or in any way attempting to use their official position to influence a ~~"The District"~~the District decision in which he/she knows or has reason to know he/she has a financial interest. This prohibition against participation in ~~"~~The District's~~"~~ decision-making includes but is not limited to discussing or voting upon the matter or influencing or attempting to influence another member of ~~"The Board"~~the Board as to ~~"~~The District's~~"~~ decision or vote on the matter.
c. **Government Code Section 1126**: prohibits any member of ~~"The Board"~~the Board, officer or employee of ~~"The District"~~the District from engaging in any

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Health Care District

employment, activity, or enterprise for compensation that is inconsistent, incompatible, or in conflict with their public duties.~~"The District"~~.

DISCLOSURE STATEMENTS

1. Designated Officials and Employees: The persons holding positions listed in the Appendix are Designated Officials and Employees. As described in the Appendix, each Designated Official and Employee shall file annual statements disclosing his/her Business Positions, ~~Health Care Facility~~ Relationships with the District, Interests in R~~r~~eal Property w~~W~~ithin the ~~Jurisdiction~~District, Investments in Business Entities, Income, or sources of Income as well as those Interests in Real Property, Business Positions, Investments and Income and sources of income of his/her Immediate Family members, which might foreseeably be affected materially by the operations of ~~"The District"~~the District in a manner different from the public generally or a significant segment thereof.

2. Time of Filing Statements: As provided in Section 18730, California Code of Regulations.

3. Forms: Forms will be supplied by ~~"The District"~~the District.

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DESIGNATED EMPLOYEES

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Members of the District Board of Directors, all Executive Officers, anyone making public investments on behalf of the District, General Counsel and Consultants/Contractors (Individuals providing services that involve making or influencing government decisions).

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With respect to Consultants, the Executive Director may determine in writing that a particular consultant, although a "Designated Employee," is hired to perform a range of duties that are limited in scope and thus is not required to comply with all the written disclosure requirements described in these categories. Such determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The Executive Director's determination is a public record and shall be retained for public inspection by the District in the same manner as this Conflict of Interest Code. Nothing herein excuses any such consultant from any other provision of this Conflict of Interest Code.

~~1. Members of the Board of "The Board", elected or appointed.~~

~~2. "The District's" Executive Director and Controller. "The Board" has determined that the disclosure requirements of this Code shall be equally applicable to each of the above-listed "designated employee." i.e., each of said designated employees will be subject to all disclosure requirements of this Code. Consultants to "The District" may also be subject to the disclosure requirements of this Code, as determined on a case-by-case basis by "The Board". This decision shall be based upon the determination of whether the Consultant participates in the making of decisions on behalf of "The District".~~

DISCLOSURE

TYPES OF INVESTMENTS, BUSINESS POSITIONS, INTEREST IN REAL PROPERTY AND SOURCES OF INCOME THAT ARE REPORTABLE

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City of Alameda
Health Care District

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4. Real Estate Companies
5. Ambulance Services Companies
6. Health Care Providers/Facilities (including hospitals, skilled nursing homes,
home health agencies, medical groups, ambulatory care centers, clinics, etc.)
7. Consulting Firms (architectural, legal, accounting)
8. Any other Business Entity which supplies materials and/or supplies to "The District", or which has supplied materials and/or supplies to the District at any time during the two (2) years prior to the time any statement or other action is required under this Code.

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Date: September 1, 2026

To: City of Alameda Health Care District, Board of Directors

Cc: Peter J. Hohl, Executive Director

From: Kristen Thorson, Project Manager, Porter Consulting LLC

Subject: RFQP Award: Selection of Special Inspection and Testing Firm - MatriScope Engineering Laboratories

RECOMMENDATION

Approve the selection of MatriScope Engineering Laboratories to provide special inspection and testing services for Projects 1–8 in an not-to-exceed amount of $352,265, and authorize the Executive Director, to execute the agreement and related project authorizations, subject to review and approval as to form

Note, Projects 6-8 are allowances that may be authorized individually after HCAI approval and reconciliation of the final scope. Project 9, the SPC-4D Retrofit, is excluded from this RFQP and recommendation.

Project	Project Name
1	SNF Make-Ready
2	SMRF Joint Evaluation - Phase 1
3	SMRF Joint Evaluation - Phase 2
4	MTCAP - Phase 1
5	MTCAP - Phase 2
6	*NPC 4 Upgrades*
7	*Skilled Nursing Facility*
8	*NPC 5 Upgrades*
9	*SPC4D Retrofit - EXCLUDED*

BACKGROUND

The District issued a Request for Qualifications and Proposals (RFQP) to four firms. Each firm had demonstrated experience in general acute-care hospitals and HCAI projects, and each received the same project information available at the time of solicitation.

The RFQP stated the District's intent to award Projects 1-8 to one firm. A single-firm approach is consistent with the procurement strategy used for the design team, Inspector of Record, and general contractor and is intended to improve continuity, scheduling, reporting, and coordination across the interrelated projects.

Porter Consulting reviewed the four submissions for RFQP responsiveness; hospital and HCAI experience; proposed personnel and certifications, including Certified Welding Inspector (CWI) qualifications; office and laboratory support; proposed scope, quantities, assumptions, and exclusions; and fees and rate sheets. Follow-up emails and calls were used to clarify scope, fees, and inspector qualifications. Based on this review, MatriScope provided the best overall value and detail in their proposal and is recommended for Projects 1-8. Project 9 will be procured separately after the HCAI regional construction documents are sufficiently developed and the scope is defined.

The fee structure separates currently defined work from future work. Projects 1, 2, and 4 are base scopes. Projects 3 and 5 are Phase 2 allowances and will proceed only if required by HCAI and authorized by the District. Projects 6-8 are allowances pending HCAI plan approval. Before any allowance is activated on Projects 6-8, the project team will reconcile the approved documents, TIO requirements, quantities, staffing assumptions, and fee, and obtain appropriate authorization.

EVALUATION SUMMARY

The District conducted a competitive RFQP process and evaluated the submissions for responsiveness, hospital and HCAI experience, proposed personnel and certifications, office and laboratory capabilities, technical approach, scope assumptions, and fees. Follow-up communications were conducted to clarify scope, pricing, and personnel qualifications.

MatriScope was determined to provide the best overall value based on its competitive fee, detailed technical proposal, relevant Alameda Hospital experience, experience with HCAI-regulated healthcare projects, Bay Area office and laboratory resources, and qualified personnel identified for the work. Its proposed fee was also determined to be fair and reasonable through the competitive procurement process.

Although the proposed fees are based on the available construction documents and draft TIO forms, final inspection requirements, quantities, and staffing will be reconciled before each project or allowance is authorized. Services will be invoiced monthly on a time-and-materials basis against approved rates and the applicable not-to-exceed authorization.

MATRISCOPE QUALIFICATIONS

MatriScope and its affiliated firm, Signet Testing Laboratories, report a combined 90 years of experience. MatriScope served as the special inspection and testing firm for the Alameda Hospital 2020 Seismic Upgrades and Kitchen Relocation Project, providing useful familiarity with the campus and project stakeholders. MatriScope is a certified Small Business Enterprise and has offices in Sacramento, Livermore, and Hayward, with Bay Area laboratory support in Livermore.

FINANCIAL IMPACT AND ANALYSIS

The attached budget analysis includes existing Testing and Inspection commitments for the program, including previously approved Inspector of Record fees, hazardous-material survey testing already completed, and MatriScope’s proposed special inspection and testing fees. Based on current budgets, the Testing and Inspection line item has a projected shortfall of approximately $558,841.

Proposed Series B budget adjustments totaling $1,155,178 would result in an estimated remaining line-item balance of approximately $596,337, subject to the assumptions in the budget analysis. This balance should not be considered surplus. Although the principal structural scope for the SPC-4D Retrofit has been identified, the project remains high risk because significant details of the planned retrofit and associated requirements are still being developed. The remaining balance will be retained for SPC-4D activities, owner-held certified industrial hygienist services, additional testing and inspection requirements, scope changes, and potential change orders to existing contracts.

Testing and Inspection Budget Analysis
for Recommendation on Special Inspection and Testing Services

Project	Project Name	Current Budget	Committed	Remaining	Anticipated (SI - MatriScope Propsoal Only)	Budget Remaining +/(-)	Proposed Budget Adjust with Series B	Budget Remaining +/(-)	Footnotes
1	SNF Make-Ready	$ 81,817	$ 97,250	$ (15,433)	$ (32,769)	$ (48,202)	$ 49,433	$ 1,231	
	Inspector of Record		$ 97,250						
	Special Inspections and Testing		$ -		$ (32,769)				
	Other		$ -						
2	SMRF Joint Evaluation - Phase 1	$ 50,000	$ 30,199	$ 19,801	$ (31,829)	$ (12,028)	$ 31,529	$ 19,501	
	Inspector of Record		$ 25,330						
	Special Inspections and Testing		$ 4,869		$ (31,829)				
	Other		$ -						
3	SMRF Joint Evaluation - Phase 2	$ 50,000	$ 25,330	$ 24,670	$ (17,012)	$ 7,659	$ -	$ 7,659	
	Inspector of Record		$ 25,330						
	Special Inspections and Testing		$ -		$ (17,012)				
	Other		$ -						
4	MTCAP - Phase 1	$ -	$ 27,400	$ (27,400)	$ (76,318)	$ (103,718)	$ -	$ (103,718)	1
	Inspector of Record	$ -	$ 27,400						
	Special Inspections and Testing		$ -		$ (76,318)				
	Other		$ -						
5	MTCAP - Phase 2	$ -	$ 27,400	$ (27,400)	$ (69,113)	$ (96,513)	$ -	$ (96,513)	1
	Inspector of Record	$ -	$ 27,400						
	Special Inspections and Testing		$ -		$ (69,113)				
	Other		$ -		+				
6	NPC 4 Upgrades	$ 160,000	$ 174,080	$ (14,080)	$ (41,536)	$ (55,616)	$ 230,693	$ 175,077	
	Inspector of Record		$ 174,080						
	Special Inspections and Testing		$ -		$ (41,536)				
	Other		$ -						
7	Skilled Nursing Facility	$ 464,254	$ 354,692	$ 109,562	$ (38,181)	$ 71,381	$ -	$ 71,381	2
	Inspector of Record		$ 314,820						
	Special Inspections and Testing		$ -		$ (38,181)				
	Other		$ 39,872						
8	NPC 5 Upgrades	$ 173,236	$ 218,718	$ (45,482)	$ (45,507)	$ (90,989)	$ 306,371	$ 215,382	
	Inspector of Record		$ 179,805						
	Special Inspections and Testing		$ -		$ (45,507)				
	Other		$ 38,913						
9	SPC4D Retrofit (Stephens/West)	$ 331,810	$ 561,625	$ (229,815)	$ -	$ (229,815)	$ 537,152	$ 307,337	
	Inspector of Record		$ 534,200						
	Special Inspections and Testing		$ -		-				
	Other		$ 27,425						
	Total	$ 1,311,117	$ 1,516,694	$ (205,577)	$ (352,265)	$ (557,841)	$ 1,155,178	$ 597,337	3

Foot Notes:

1 MTCAP Budget is allocated out of SPC4D budget, however it will be tracked separately.

2 Budget Increase planned for Line item Under Project 7, SNF; however, funding will be allocated out of Equipment Line item to reduce overall net need with Series B.

3 Although the principal structural scope for the SPC-4D Retrofit has been identified, significant risk remains because related architectural, MEP, phasing, testing, access, and operational requirements are still being developed and may materially affect the final scope, schedule, and cost. Accordingly, the current budget balance should not be considered surplus; it must be retained for SPC-4D activities, owner-held certified industrial hygienist (CIH) services, scope changes, and potential change orders to existing contracts within Testing and Inspections. Costs for CIH services and other testing and inspection requirements remain to be determined.

Other Notes:

1 Original Budgets were set at ~4% of Hard Construction costs in 2023-2024 for Special Inspections, IOR fees, and other services in the category.

2 Budgets were under estimated or not comtemplated in original scope at the time of setting budget (i.e. SMRF, MR, MTCAP) budgets.

3 This analysis does not include Façade scope.

4 Refernce to memo for rationale and analysis for recommendation to advance with MatriScope for the project scope.

Prepared by: K. Thorson
Project Manager
Porter Consulting, LLC

August 28, 2026