
PRELIMINARY LENDING PARAMETERS

Western Alliance Bank and its affiliate Western Alliance Business Trust (the “Purchaser”) are pleased to submit the following preliminary lending parameters with respect to Tulare Local Health Care District (Tulare County, California) Revenue Refunding Bonds, Series 2020B (Taxable – City Loan) (the “Taxable Bonds”). These preliminary lending parameters are provided solely as a basis for discussion outlining general contemplated structures for the Taxable Bonds and should not be construed as a commitment by the Purchaser. These confidential preliminary lending parameters are a non-binding outline only and do not purport to summarize all of the conditions, terms, covenants, representations, warranties and other provisions which would be contained in definitive legal documentation for the Taxable Bonds contemplated hereby. These confidential preliminary lending parameters are delivered to the Borrower with the understanding that neither this outline nor any of its terms and substance shall be disclosed, directly or indirectly, to any other person except: (i) to the Borrower’s employees, agents and advisors who are directly involved in the consideration of this matter; and (ii) as disclosure may be compelled in a judicial or administrative proceeding.

Issuer: Tulare Local Health Care District (the “Borrower”)

County: County of Tulare, California (the “County”)

Purchaser: Western Alliance Business Trust, a wholly owned affiliate of Western Alliance Bank (the “Purchaser”).

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Tax-Status: Interest on the Taxable Bonds shall be included with gross income for federal income tax purposes and exempt from California personal income taxes.

Principal Amount: \$9,125,000

Purpose: Proceeds from the Taxable Bonds are to be used to:

- 1) refund, on a current basis, all of the Borrower’s outstanding loan with the City of Tulare, California; and
- 2) pay costs of issuance associated with the issuance of the Taxable Bonds.

Final Maturity: November 1, 2040

Interest Payments: Semi-annual interest payments on May 1 and November 1 commencing on November 1, 2020 through November 1, 2040. Interest on the Taxable Bonds is to be computed on the basis of a year comprised of 360 days consisting of twelve (12) months of thirty (30) days each.

Principal Payments: Annual principal payments on November 1 commencing on November 1, 2020 through November 1, 2040.

Interest Rate Pricing:	<p>The Taxable Bonds will be purchased at par at a fixed rate of interest through the Final Maturity based on the following formula:</p> <p>98% of the sum of the 12-Year ICE Interest Rate Swap Rate (0.6674% as of March 9, 2020 at 12:36:19 EDT) plus 3.33% (tax-exempt fixed rate).</p> <p>Based on current market conditions, the interest rate on the Taxable Bonds is 3.92%. The interest rate will be held for the next 60 days pending all necessary approvals, including credit approval and is subject to a taxable equivalent interest rate floor of 4.00%.</p>						
Security:	<p>The Taxable Bonds will be on parity with the Tax-Exempt Bonds (as defined below) and secured and payable on a first lien basis by general property taxes derived from 1% levy collected by the County Treasurer-Tax Collector each year and paid directly, under a lockbox arrangement, to a trustee (the “Revenues”).</p>						
Additional Debt:	<p>The Borrower is not authorized to issue or incur any additional obligations payable from Revenues on parity with the Tax-Exempt Bonds and the Taxable Bonds without the written consent of the Purchaser.</p>						
Redemption Provisions:	<p>The Taxable Bonds may be redeemed at the option of the Borrower from funds derived by the District from any source, in whole or in parts, on any date on or after November 1, 2025, at the following dates and respective redemption prices (expressed as percentages of the principal amount of the Taxable Bonds to be redeemed), plus accrued interest thereon to the date of redemption:</p> <table border="0" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Redemption Date</th> <th style="text-align: left; border-bottom: 1px solid black;">Redemption Price</th> </tr> </thead> <tbody> <tr> <td>November 1, 2025 through October 31, 2030</td> <td>105%</td> </tr> <tr> <td>November 1, 2030 and any date thereafter</td> <td>100%</td> </tr> </tbody> </table>	Redemption Date	Redemption Price	November 1, 2025 through October 31, 2030	105%	November 1, 2030 and any date thereafter	100%
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November 1, 2025 through October 31, 2030	105%						
November 1, 2030 and any date thereafter	100%						
Purchaser’s Counsel:	<p>Squire Patton Boggs (US) LLP / Los Angeles, California</p>						
Fees:	<p>The Borrower shall be obligated to pay all costs of issuance, including legal fees of the Purchaser’s Counsel, which is estimated to be \$15,000.00 for the Taxable Bonds, and the California Debt and Investment Advisory Committee reporting fee. If Western Alliance Business Trust is select as the purchaser of the Borrower’s Revenue Refunding Bonds, Series 2020A (2007 Revenue Bonds) (the “Tax-Exempt Bonds”), then the Purchaser’s Counsel fee is estimated to be \$20,000.00 on a combined basis.</p>						
Documentation:	<p>Legal documentation will contain customary affirmative and negative covenants as well as usual representation and warranties for like situated borrowers acceptable to the Purchaser and Purchaser’s Counsel.</p> <p>The Purchaser will book the Taxable Bonds as a loan, and, therefore, the additional provisions and conditions set forth in this term sheet shall be included in the documentation, which shall include execution and delivery of legal documentation acceptable to the Purchaser and its counsel; the Taxable Bonds will be registered to the Purchaser, DTC will not be holding the Taxable Bonds and the Taxable Bonds will not have a CUSIP; the Taxable Bonds will not be rated; there will not be a disclosure document or a purchase contract; and no amendments to the issuing documents without the Purchaser’s prior consent. The Purchaser shall not be required to surrender the Taxable Bonds or assignment thereof for payment of principal.</p>						

NO FIDUCIARY RELATIONSHIP DISCLAIMER

Inasmuch as the Taxable Bonds represents a negotiated transaction, the Borrower understand, and hereby confirms, that the Purchaser is not acting as a fiduciary of the Borrower, but rather is acting solely in its capacity as a Purchaser, for its own account. The Borrower acknowledges and agrees that:

- 1) the transaction contemplated herein is an arm's length commercial transaction between the Borrower and the Purchaser and its affiliates;*
- 2) in connection with such transaction, the Purchaser and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules");*
- 3) the Purchaser and its affiliates are relying on the bank exemption in the Municipal Advisor Rules;*
- 4) the Purchaser and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the Borrower with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto;*
- 5) the Purchaser and its affiliates have financial and other interests that differ from those of the Borrower; and*
- 6) the Borrower has consulted with its own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.*