

May 21, 2020

Ms. Sandra L. Ormonde
Chief Executive Officer
Tulare Local Health Care District
869 N. Cherry Street
Tulare, California 93274

Re: Tulare Local Health Care District Refunding Revenue Bonds, Series 2020A (the “2020A Bonds”) and
Tulare Local Health Care District Taxable Refunding Revenue Bonds, Series 2020B (the “2020B Bonds”) and
together with the 2020A Bonds, the “2020 Bonds”)

Dear Ms. Ormonde:

Western Alliance Bank and Western Alliance Business Trust are pleased to submit this commitment letter, which has received credit approval, pending final due diligence, document review and normal “out provisions,” for the financing of the 2020 Bonds.

Borrower: Tulare Local Health Care District (the “Borrower” or the “District”)
County: County of Tulare, California (the “County”)
Purchaser: Western Alliance Business Trust or a wholly owned affiliate of Western Alliance Bank (the “Purchaser”)

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Tax Status: **2020A Bonds.** Interest on the 2020A Bonds shall be excluded from gross income for federal income tax purposes and exempt from California personal income taxes.

2020B Bonds. Interest on the 2020B Bonds shall be included with gross income for federal income tax purposes and exempt from California personal income taxes.

Purpose: **2020A Bonds.** Proceeds from the 2020A Bonds are to be used to:
1) refund a portion of the Tulare Local Health Care District Refunding Revenue Bonds, Series 2007 (the “2007 Bonds”); and
2) pay for costs associated with the issuance of the 2020A Bonds.

2020B Bonds. Proceeds from the 2020B Bonds are to be used to:
3) payoff the loan made by the City of Tulare to the District for working capital purposes (the “City Loan”); and
4) pay for costs associated with the issuance of the 2020A Bonds.

Commitment Amount: **2020A Bonds.** \$12,000,000
2020B Bonds. \$9,000,000

Final Maturity Date: September 1, 2043

Interest Payment Dates: Semi-annual interest payments on each March 1 and September 1 commencing March 1, 2021 through September 1, 2043. Interest on the 2020 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 Payment Dates: Annual principal payments on each September 1 commencing September 1, 2021 through September 1, 2043.

Interest Rate Pricing: The 2020 Bonds will be purchased at par at a fixed rate of interest through the Final Maturity based on the following formula:

2020A Bonds. 77% of the sum of the 15 Year Intercontinental Exchange Swap Rate + 3.75% (tax-exempt fixed rate). Based on current market conditions, the indicative interest rate is 3.51%¹.

2020B Bonds. sum of the 15 Year Intercontinental Exchange Swap Rate + 3.75% (taxable fixed rate). Based on current market conditions, the indicative interest rate is 4.56%^{*}.

The interest rates on the 2020 Bonds will be locked on or after May 27, 2020.

Security: The 2020 Bonds will be 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").

Additional Debt: The Borrower is not authorized to issue or incur any additional obligations payable from Revenues on parity with the 2020 Bonds without the written consent of the Purchaser.

Reserve Requirement: In connection with the issuance of the 2020 Bonds, there shall be established a Reserve Fund (the "Reserve Fund") in an amount equal to 100% of the maximum annual debt service on the 2020 Bonds (the "Reserve Requirement").

Redemption Provisions: **2020A Bonds.** The 2020A 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 September 1, 2030, at par plus accrued interest to the date of redemption without a premium.

2020B Bonds. The 2020 Bonds may be redeemed at the option of the Borrower from funds derived by the District through a refunding of the 2020 Bonds, in whole or in parts, on any date on or after September 1, 2030, at par plus accrued interest to the date of redemption without a premium.

The 2020B Bonds may be redeemed at the option of the Borrower from funds derived by the District through the sale of real property owned by the District, in whole or in parts, on any date on or after September 1, 2021, at the following dates and respective redemption prices (expressed as percentages of the principal amount of the 2020B Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Date</u>	<u>Redemption Price</u>
September 1, 2021 through August 31, 2030	103%
September 1, 2030 and any date thereafter	100%

¹ Preliminary, subject to change and market conditions.

Events of Default:	Events of Default shall include those that are deemed standard and customary for transactions of this nature all of which shall be subject to satisfactory review by the Purchaser and the Purchaser's Counsel.
Representations/ Warranties/Covenants:	Legal documentation will contain customary affirmative and negative covenants as well as usual representations and warranties for like situated borrowers acceptable to the Purchaser and the Purchaser's Counsel.
Legal Opinion(s):	<p>Opinions of Bond Counsel, among other things, as to:</p> <ol style="list-style-type: none">1) treatment of interest payments on the 2020A Bonds as tax-exempt obligations under the IRS Code and treatment of interest payments on the 2020 Bonds as exempt from State of California personal income taxes;2) the validity and enforceability of the 2020 Bonds, the irrevocable pledge of Revenues being duly and validly authorized pursuant to the law, and lien priority of such pledge;3) the 2020 Bonds being exempt from registration pursuant to the Securities Act of 1933, as amended, and the Indenture being exempt from qualification under the Trust Indenture Act of 1939, as amended;4) defeasance of the 2007 Bonds; and5) such other opinions as the Purchaser may require. <p>An opinion of the District Counsel shall also be provided in form and substance satisfactory to the Purchaser and the Purchaser's Counsel.</p>
Conditions Precedent:	<p>Prior to the financing of the 2020 Bonds by the Purchaser, the following conditions precedent shall have occurred, all of which shall be in form and substance satisfactory to the Purchaser and the Purchaser's Counsel:</p> <ol style="list-style-type: none">1) satisfactory review by the Purchaser's Counsel of any outstanding agreements entered into by the District which may impact the security for the 2020 Bonds or the obligations of the District with respect to repayment the 2020 Bonds;2) any authorizing resolution(s) of the District as required for the execution, delivery and repayment of the 2020 Bonds;3) opinions as required by the Purchaser and the Purchaser's Counsel;4) a representation by the District regarding to be in compliance with the terms of the bankruptcy plan;5) properly executed bond documents in form and substance satisfactory to the Purchaser and the Purchaser's counsel evidencing or supporting the repayment of the 2020 Bonds; and6) additional conditions precedent that the Purchaser and the Purchaser's Counsel consider customary and reasonably appropriate for the proposed purchase of the 2020 Bonds.
Loan Treatment:	<p>The Purchaser will book the 2020 Bonds as loans, and, therefore, the 2020 Bonds will be financed by the Purchaser under the following conditions:</p> <ol style="list-style-type: none">1) the 2020 Bonds shall not be registered or otherwise qualified for sale under the "Blue Sky" laws;2) no CUSIP numbers will be obtained for the 2020 Bonds pursuant to Municipal Rulemaking Board Rule G-34(a)(i)(F) (See "Assignment and Participation");

- 3) no official statement or similar offering document has been prepared in connection with the private placement of the 2020 Bonds;
- 4) the 2020 Bonds will be in certificated form, will not settle through the DTC or any similar repository and will not be in book entry form; and
- 5) the Purchaser will sign a letter of representations in a form acceptable to the Purchaser's Counsel.

Complete pdf copies of the executed closing documents and opinions, along with a final closing index will be required and delivered to the Purchaser and the Purchaser's Counsel by 2:00 pm. PDT/MST on Monday, June 15, 2020.

Origination Fee: None

Other Fees Due at Closing: The Borrower shall be obligated to pay all delivery costs, including the CDIAC reporting fees and legal fees of the Purchaser's Counsel fee. The Purchaser's Counsel fee is capped at \$20,000 for the 2020 Bonds.

Bonds Counsel: Quint & Thimmig LLP / Larkspur, California

Municipal Advisor: Wulff Hansen & Co. / San Rafael, California

Placement Agent: Hilltop Securities Inc. / Cardiff, California

Purchaser's Counsel: Squire Patton Boggs (US) LLP / Los Angeles, California

Pre-Closing Date: Wednesday, June 17, 2020

Estimated Funding Date: Thursday, June 18, 2020

No Fiduciary Relationship: Inasmuch as the 2020 Bonds represents a negotiated transaction, the Borrower understands, 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.

Reporting Requirements: The District shall provide the Purchaser with the following documentation and information within nine (9) months of the District's fiscal year end:

- 1) the audited financial statements of the District for the preceding fiscal year end;
- 2) the Assessed Valuation of the District for the current fiscal year;
- 3) the tax levy for the current fiscal year; and
- 4) the general property tax delinquencies for the prior fiscal year if the County.

The District shall furnish notice to the Purchaser of any occurrence of an event described in subsection (b)(5)(i)(C) of the Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, §240.15c2-12) in a timely manner but not in excess of ten business days after the occurrence of such event.

The District shall furnish at the Purchaser request such additional information that the Purchaser may from time to time reasonably request.

Assignment/Participation: The intent of the Purchaser is to book the 2020 Bonds as loans and hold the 2020 Bonds to maturity or the optional redemption date; however, the Purchaser retains the right to assign or participate out its interest in the 2020 Bonds and will request the Borrower to agree to such assignment or participation. The Purchaser acknowledges and agrees that the 2020 Bonds may only be transferred to a "Qualified Institutional Buyer" or an "Accredited Investor" within the meaning of the Securities Act of 1933, as amended.

Commitment Letter

Tulare Local Health Care District Refunding Revenue Bonds, Series 2020A and

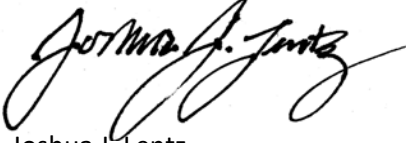
Tulare Local Health Care District Taxable Refunding Revenue Bonds, Series 2020B

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Please sign the enclosed copy of this letter and forward to me via e-mail or regular mail to my attention (see contact information on first page).

Submitted on behalf of Western Alliance Bank and its affiliate, Western Alliance Business Trust.



Joshua J. Lentz

Senior Vice President

TULARE LOCAL HEALTH CARE DISTRICT

By: _____

Name: _____

Title: _____

Date: _____