



CAMBRIA COMMUNITY HEALTHCARE DISTRICT REGULAR BOARD MEETING JANUARY 28, 2025 – 9:00 AM

The regular meeting of the Cambria Community Healthcare District will be held at Old Cambria Grammar School, 1350 Main Street Cambria, California.

Join Zoom Meeting

<https://us02web.zoom.us/j/86892181147?pwd=9jPVH3UZqgCcUBMcepCnzYzmCQmww7.1>

Meeting ID: 868 9218 1147 Passcode: 584747

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AGENDA

A. OPENING

1. Call to order
2. Pledge of Allegiance
3. Establishment of a quorum

B. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

1. Public members wishing to address the Board on matters other than scheduled items may do so when recognized by the President of the Board of Directors, Cecilia Montalvo. Presentations are limited to a maximum of three minutes per person.

C. CONSENT AGENDA

1. Approve Minutes from December 17, 2024, Regular Board Meeting.

D. REPORTS

1. Operations Report: Operations Manager Tim Nurge, Supervisors Paul Hoover and Michael Bryant
2. Administrative/Financial Review: Administrator Linda Hendy
3. Committee Reports: December 2024
 - a. *President's Report*: Cecilia Montalvo
 - b. *Property & Facilities*: Laurie Mileur
 - c. *Healthcare Advocacy & Outreach*: Dawn Kulesa
 - d. *Finance*: Iggy Fedoroff
 - e. *Development*: Laurie Mileur

E. REGULAR BUSINESS

1. Actions Related to the Sale of General Obligation Bonds – Resolutions 53-25 and 51-25
2. Fiscal Year Audit 2023-2024 – Presentation
3. Ambulance Unit-23 Loan Agreement - Resolution 52-25

4. Establish Independent Citizens' Bond Oversight Committee for Measure C-24 – Resolution 50-25
5. Key Performance Indicators (KPI) Biannual Report
6. Renewal of California Special Districts Association (CSDA) Membership
7. Establish a Debt Management Policy

F. DECLARATION OF FUTURE AGENDA ITEMS

G. ADJOURNMENT

The next regular meeting of the Cambria Community Healthcare District Board of Directors will be held on February 25, 2025, at 9:00 A.M. at the Old Cambria Grammar School, 1350 Main Street Cambria, California.

Copies of the monthly agenda, staff reports, and written materials provided to the Board of Directors for Open Session agenda items may be obtained online at www.cambria-healthcare.org and at the District office located at 2511 Main Street, Cambria, during regular business hours. Closed-session items are not available for public review. Any changes or additions to the agenda will be posted at the District office and on the District website.

Note: While board members may not engage in dialog with the public during the board meeting, individual members may choose to incorporate an answer to a question posed by the public during their discussion of an agenda item.



**CAMBRIA COMMUNITY HEALTHCARE DISTRICT
REGULAR BOARD MEETING MINUTES
December 17, 2024**

A. OPENING

1. The meeting was called to order at 9:02 am.
2. President Montalvo led the Pledge of Allegiance.
3. Board of Directors members Cecilia Montalvo, Iggy Fedoroff, Laurie Mileur, and Bruce Mumper were present. Dawn Kulesa was present via Zoom.

Administrator Linda Hendy, Supervisor Paul Hoover, and Office Manager Jennifer Harley were also present. Operations Manager Tim Nurge was present via Zoom.

B. OATH OF OFFICE

1. Oath of Office: Secretary Fedoroff swore in President Montalvo and Director Mumper. President Montalvo swore in Director Fedoroff.

C. BOARD OF DIRECTORS

Director Mileur motioned to approve the following 2025 Officer nominations, Director Fedoroff seconded the motion, and the Board approved the motion by roll call, 5/0.

- President – Cecilia Montalvo
- Vice President – Bruce Mumper
- Secretary – Iggy Fedoroff

D. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

1. No members of the public provided comment.

E. CONSENT AGENDA

1. The Minutes from the November 19, 2024, Regular Board meeting were presented for review and approval. Director Fedoroff motioned to approve, Director Mumper seconded, and the Board approved 5/0.

Public Comment: There were no public comments.

G. REGULAR BUSINESS

1. Isom Advisors, Bond Measure C-24 Presentation – A proposed change to the order of Agenda items was approved, allowing Jon Isom to present before Agenda item F. Reports.

Jon Isom, Isom Advisors, provided a bond issuance overview, including the definition of general obligations bonds and how they work, the key steps in setting up, preparing, and selling the bonds, best practices for the Citizens Bond Oversight Committee, and the bond timeline.

Public Comment: There were no public comments.

F. REPORTS

1. **Operations Report:** Operations Manager Tim Nurge and Supervisor Paul Hoover presented the monthly report for November 2024. Transport activities, response times, and a CalTrans update on Highway 1 were discussed.
2. **Administrative/Financial Review:** The November 2024 financial reports were presented by Administrator Linda Hendy.
3. **Committee Reports:**
 - a. President's Report: In light of recent school shootings, President Montalvo inquired about our community's preparedness to respond to active shooter incidents.
 - b. Property & Facilities / Facility Project Ad-Hoc: Director Mileur announced that an ad-hoc meeting was held on December 3, 2024, along with staff meetings to discuss the functional needs of the new ambulance station. Director Mileur thanked Operations Manager Nurge and Supervisor Hoover for their valuable feedback. The next Property & Facilities Committee meeting will be held on December 18, 2024.
 - c. Healthcare Advocacy & Outreach: Director Kulesa announced that two articles will be published in December. The first article, "Beating Holiday Blues," written by Operations Manager Nurge, was released on December 5, 2024. It offers tips for coping with depression and stress during the holiday season. The second article, which will focus on finding mental health support and include resources, is scheduled for publication on December 19, 2024.
 - d. Finance: Director Fedoroff stated that he and Administrator Hendy are reviewing potential overpayment issues with current retiree health premiums. A future closed session may be scheduled to address a course of action.
 - e. Development Committee: Director Mileur praised President Montalvo's annual trust letter sent to the community.

G. REGULAR BUSINESS

1. **Isom Advisors, Bond Measure C-24 Presentation** – On an approved change to the order of Agenda items, this presentation was completed before Agenda item F. Reports.
2. **Appointments to Board Committees**—After the Board discussion, the following Committee appointments for 2025 were considered for approval.
 - a. *Finance Committee:* Chair-Director Fedoroff, Member-Director Mumper
 - b. *Property & Facilities Committee:* Chair-Director Mileur, Member-Director Mumper
 - c. *Healthcare Advocacy & Outreach Committee:* Chair-Director Kulesa, Member-Director Mileur
 - d. *Development Committee:* Chair-Director Mileur, Member-Director Fedoroff

Public Comment: There were no public comments.

Motion: Director Fedoroff motioned to approve the above Committee appointments for 2025, Director Mumper seconded, and the Board approved the motion by roll call, 5/0.
3. **Request for Proposal (RFP) for Owner Advisor Services for the New Ambulance Station**— Director Mileur presented the RFP for Owner Advisor Services for the new ambulance station and answered questions. Director Fedoroff suggested a change on page 4 regarding the use of net vs. gross funding terminology.

Public Comment: There were no public comments.

Motion: Director Fedoroff motioned to approve the RFP for Owner Advisor Services for the new ambulance station. Director Mumper seconded, and the Board approved the motion by roll call, 5/0.

4. **New Ambulance Unit-23 Proposed Financing** – Director Fedoroff presented the proposed financing options for new ambulance Unit-23, recommending six-year long-term financing to allow for better cash flow.

Public Comment: There were no public comments.

Motion: Director Mumper motioned to approve financing new ambulance unit 23 with a six-year long-term loan through Republic First National. Director Mileur seconded, and the Board approved the motion by roll call, 5/0.

5. **Membership Associations**—President Montalvo proposed new memberships with the Association of California Healthcare Districts (ACHD) and the California Ambulance Association (CAA) and the discontinuation of the District’s current membership with the California Special Districts Association (CSDA).

Public Comment: There were no public comments.

Motion: Director Fedoroff motioned to approve new memberships with ACHD and CAA and discontinue the current membership with CSDA. Director Mileur seconded, and the Board approved the motion by roll call on 5/0.

6. **Request for Proposal (RFP) for General Counsel Legal Services** – President Montalvo presented the RFP for General Counsel Legal Services as the District has received a Resignation of District Counsel from Adamski Moroski Madden Cumberland & Green LLP (AMMCG) as they will no longer be providing representation to Special Districts.

Public Comment: There were no public comments.

Motion: Director Mileur motioned to approve the RFP for General Counsel Legal Services, Director Mumper seconded, and the Board approved the motion by roll call, 5/0.

H. DECLARATION OF FUTURE AGENDA ITEMS

1. C-24 Citizens Oversight Committee
2. Issuance of General Obligation Bonds
3. General Counsel Legal Services Contract
4. Fee Schedule
5. Mid-Year Financial Review
6. Key Performance Indicators Update
7. Retiree Health Premiums (Closed Session)

I. ADJOURNMENT

The meeting was adjourned at 11:24 am.



OPERATIONS REPORT Board of Directors Meeting January 28, 2025

Operations Manager, Tim Nurge
Supervisors Michael Bryant and Paul Hoover

Operations Report for December 2024

Operations Manager Nurge:

- **Transport Activity Report** – In December 2024, there has been an increase of nine (9) total incidents and a decrease of six (6) incidents requiring transport compared to December 2023. We ended the year with four (4) more transports than we did in 2023.
- **Response Times and Delays** – In December 2024, 95.2% of calls were responded to within ten (10) minutes in Cambria. Two (2) calls were delayed due to distance deep in the Park Hill and Lodge Hill West areas. One (1) call was delayed due to incorrect dispatching directions.
- **San Luis Ambulance (SLA) Transports/Coverage** – In December 2024, San Luis Ambulance had (1) Code 3 and zero (0) Code 2 calls in the District service area. San Luis Ambulance was dispatched to “move up and cover” Cambria nine (9) times Code 8 and zero (0) times Code-11 for a total time covering the District response area of 6 hours and 1 minute.

CCHD responded to six (6) Code 3 and zero (0) Code 2 calls in the San Luis Ambulance service area. District crews were dispatched to “move up and cover” the San Luis Ambulance service area thirty-five (35) times Code 8 and two (2) times Code 11 for a total time covering the San Luis Ambulance service area of 9 hours and 50 minutes.

- ❖ Code 2 Call - Emergency call that does not require the use of lights and sirens to respond
- ❖ Code 3 Call - Emergency call that requires the use of lights and sirens to respond
- ❖ Code 8 Call - A term used when an ambulance is staged (parked) between two response areas. (Summit/Villa Creek)
- ❖ Code 11 Call – A term used when an ambulance is staged (parked) between two response areas. (Areas 2, 3 & 5)

- **Monterey County Calls** – District crews responded to one (1) call in Monterey County during December 2024 compared to zero (0) calls in December 2023. Currently, CCHD is the only ALS Agency to cover the southern area of coastal Monterey County. District staff monitor regular updates from Caltrans regarding the Highway One road closure. Highway One is not expected to be fully reopened in 2024.
- **Staffing/Employees** – Our employees have been doing an excellent job of filling open positions as needed. The District hired a reserve EMT who began training in December and is expected to complete training in January 2025. Additionally, the CCHD has completed testing and interviews for the open full-time paramedic position and has hired a full-time paramedic who will start in January 2025.
- **Recruitment** – Currently, there is nothing to report.
- **Training** – Employees have been assigned a District-specific training module in Vector Solutions to align with the new protocols and medications added to the EMSA policies effective January 1, 2025.
- **IT** – Nothing to report
- **Outreach** – District crew members attended the Farmer’s Market for Hands-On CPR (HOCPR) on December 13, which may have had low attendance possibly due to the holidays and winter weather. The next HOCPR is scheduled for February 7, 2025.
- **Other** – We are continuing to work with the SEIU Local 620 on updating the Policy Manual and SOP Manual.

Prepared Key Performance Indicator (KPI) biannual report.

Supervisor Bryant:

Equipment/ Medications:

- All expired supplies and medications have been replaced, ensuring that all ambulances are fully stocked.
- The inventory for the Q4 Emergency Worker Exposure Control (EWEC) kit has been completed and submitted to the SLO County Office of Emergency Services (OES).
- New medications required for the updated SLO County Emergency Medical Services Authority (EMSA) protocols are now in service and effective January 2025.

SLO County Emergency Medical Services Authority (EMSA):

- The nationwide shortage of IV fluids continues, and allocations are expected to be lifted in the first quarter of 2025.

- The District maintains an adequate supply of IV fluids by using multiple suppliers and ordering up to the maximum limit.
- Current conservation strategies, such as discontinuing intravenous (IV) fluids for "to keep open" (TKO) administration, continue to be effective.
- Supervisor Bryant is actively monitoring the IV fluid supply shortage and will inform the Board of any changes that may affect the District.

Supervisor Hoover:

Ambulance Unit Performance/Maintenance:

- Unit 22 is experiencing issues with the A/C and heating controls. Perry Ford has performed a service check and repair. The Vallum line was replaced due to rodent damage.
- Unit-20 – New tires
- Rodent deterrents have been installed under the hoods of all ambulance units.

Ambulance Unit	Current Mileage
18	237,680
20	105,304
21	44,202
22	34,790

Controlled Substance:

- The Controlled Substance Report for the 4th quarter has been submitted to SLO EMSA.
- All units are stocked with the appropriate amounts of Ketamine according to the new SLO County EMSA pain management policy, which took effect on January 1, 2025.

Facility/Station Repairs:

- There were no maintenance issues or repairs reported for the facilities in the month of December.

Equipment:

- No Report

DISTRICT ACTIVITY REPORT PAGE 1
12/01/2024 through 12/31/2024

Incident Totals				Transport Totals			
	2024	2023	Change		2024	2023	Change
Dry Runs - w/Treatment	17	16	1	Local Patients	38	42	-4
Dry Runs - CX Enroute	20	18	2	Non-Local Patients	11	13	-2
Total Dry Runs	37	34	3	Total Patients	49	55	-6
Stand-bys	38	27	11	Medical Transports	41	49	-8
Public Assists/Relations	1	0	1	Trauma Transports	8	6	2
Walk-in Public Relations	2	2	0	Traffic Accidents	0	0	0
Total Incidents	127	118	9	Total Transports	49	55	-6

Hospital Destinations			
	2024	2023	Change
French	22	18	4
Sierra Vista	25	33	-8
Twin Cities	1	4	-3
Rendezvous w/Heli	1	0	1
Facility Not-Listed	0	0	0
Trauma Center (Sierra Vista)	5	7	-2
STEMI Center (French)	2	0	2

Monterey County Responses			
	2024	2023	Change
Medical Transports	0	0	0
Trauma Transports	0	0	0
Dry Runs	1	0	1
Stand-bys	0	0	0
Total Incidents	1	0	1

Year-to-Date Comparison
Ambulance Response Statistics
From January 2024 to December 31 2024

	2024	2023	Change
Total Responses	1417	1792	-375
Patients Transported	618	614	4
Total Dry Runs	359	428	-69
Dry Runs - w/Treatment	175	165	10
Dry Runs - CX Enroute	182	263	-81
Stand-bys	424	729	-305
Total Monterey County Incidents	16	15	1

DISTRICT ACTIVITY REPORT PAGE 2
12/01/2024 through 12/31/2024

San Luis Ambulance Activity

Code 8	=	9	
Code 11	=	0	
Code 2 calls	=	0	}
Code 3 calls	=	1	
(calls into CCHD response area)			
Total time SLAS covered CCHD area =		6 hrs	1 mins

Cambria Community Healthcare District Activity

Total time CCHD committed to other incidents (Month) =		96 hrs	47 mins
Code 8	=	35	
Code 11	=	2	
Code 2 calls	=	0	}
Code 3 calls	=	6	
(calls into SLAS response area)			
Total time CCHD covered SLAS area =		9 hrs	50 mins

Definitions:

Code 8 : Cover two areas

Example: -Code 8 Villa Creek means covering Morro Bay response area and Cambria response area

-Code 8 Hwy 46 Summit means covering Cambria response area and covering North County response area (i.e. Paso Robles, Templeton, Atascadero and outlying areas)

Code 11 : Covering one area

Example: -Code 11 Morro Bay means we are now only covering the Morro Bay response area (i.e. Cayucos, Morro Bay, Los Osos)

Code 2 : Non-Emergency Call

Code 3 : Emergency Call

Time-On-Task : TOT Refers to the amount of time committed to a call or task, more specifically, this is the amount of time a unit is unavailable to respond to a call in the District's response area only. Units may still be available for calls outside the District's response area during TOT periods depending on SLO County needs for mutual aid.



**Administrator/Finance Report
Board of Directors Meeting
January 28, 2025**

Linda Hendy, Administrator/Finance

Finance:

Reporting financial performance for December 2024 and the year-to-date fiscal year 2024/2025.

Income Statement:

December 2024 Monthly/Year-To-Date vs Budget

- **Income:** In December, net ambulance billing amounted to \$76,076, which was \$5,328 favorable to the budget. This brings the year-to-date ambulance net billing total to \$528,599, which is favorable to the budget by \$25,109. Accounts receivable adjustments for Bad Debt and Sent to Collections will be recorded in January. Office Manager Harley has resubmitted insurance claims and is currently awaiting reimbursement amounts.
 - In December, there were 49 ambulance transport activities, compared to 55 during the same month the previous year.
 - In December, the District received a General and Special Tax revenue deposit of \$193,405 unfavorable to budget in the amount of \$8,595. Total year-to-date tax revenue of \$416,163 is favorable to budget in the amount of \$27,163.
- **Other Income:** One dispatched call was provided to Monterey County in December, noting a decrease in budgeted revenue in the amount of \$2,000 and year-to-date unfavorable to budget in the amount of \$8,000.
- **Expense:** Total expenses in December were \$8,392, unfavorable to budget, resulting in a favorable year-to-date variance of \$60,058.
 - Payroll Expenses: In December, payroll expenses were favorable compared to the budget, showing a positive variance of \$5,618. However, the PERS Unfunded Liability expense has increased by \$5,978 monthly, resulting in a year-to-date unfavorable variance of \$29,908. A proposed budget adjustment for this increased expense will be presented to the Board of Directors during the Mid-Year Budget Review in January.
 - Operating Expenses: In December, operating expenses were \$231 below the budget and year-to-date expenses were favorable by \$3,068.
 - Fleet Expenses: In December, expenses exceeded the budget by \$1,248; however, year-to-date, they were favorable by \$3,559.
 - Other Expenses: In December, the line item for Miscellaneous expenses amounting to \$3,488 included a payment to Accurate Mailing Service for the District Trust's annual donation letter. A reimbursement from the District Trust was received and deposited in January to cover this expense.

- **Net Income:** The December financials show a positive net income of \$13,679 for the month, mainly due to reduced expenses. Additionally, the year-to-date net income is favorable to the budget by \$111,494.
- **Asset Payments/Cash Flow:** December financials reflect the monthly payments of \$2,100 for medical equipment (Zoll Monitors) and \$3,625 for Ambulance Unit-22.

Other Business:

- The fiscal year 2023-2024 annual audit is complete and will be presented by Adam Guise, C.P.A., from Moss, Levy & Hartzheim during the January board meeting.
- The District issued a Request for Proposals (RFP) for Legal Counsel in December, with a final submission date of January 17, 2025. The Board of Directors will review the candidate's contract for approval upon final selection.
- Administrator Hendy and Office Manager Harley have provided administrative services to the Property and Facility Committee, assisting with the issue of the Owner Advisor RFP.
- Work continues to update the District Standard Operating Procedures (SOP). Administrator Hendy and the Operations Manager Nurge have met with SEIU representatives and are finalizing the SOP. District employees will receive a final copy in February.
- Administrator Hendy prepared the necessary documents to establish the Independent Citizens' Bond Oversight Committee.
- Employee records for the District have been updated with CalPERS insurance premium rates for 2025.

Cambria Community Healthcare District
Summary of Revenues and Expenses
DECEMBER 2024, and Year-To-Date JULY-DECEMBER 2024/2025

	December	December		July - December	July - December	
	Actual	Budget	Variance	YTD Actual	YTD Budget	Variance
Ambulance Revenue						
Ambulance Billings	295,443	346,588	(51,146)	2,050,018	2,081,588	(31,570)
Prior Year Income		-	-	2,792	-	2,792
Total Ambulance Income	295,443	346,588	(51,146)	2,052,810	2,081,588	(28,778)
Insurance Adjustments/Contra	(219,367)	(270,000)	50,633	(1,524,211)	(1,565,918)	41,707
Sent to Collections	-	(3,840)	3,840	-	(7,680)	7,680
Bad Debt	-	(2,000)	2,000	-	(4,500)	4,500
Ambulance Income	76,076	70,748	5,328	528,599	503,490	25,109
Tax Income						
General Tax	88,318	90,000	(1,682)	190,513	177,000	13,513
Special Assessment Tax	105,087	112,000	(6,913)	225,650	212,000	13,650
Total Tax Income	193,405	202,000	(8,595)	416,163	389,000	27,163
Other Income						
Monterey Contract	2,000	4,000	(2,000)	14,000	22,000	(8,000)
Rental Income	300	300	-	600	600	-
Misc. Income	15	100	(85)	105	600	(495)
Bad Debt Recovery	288	200	88	1,755	1,650	105
Grant Income	-	-	-	-	-	-
Interest Income	2	25	(23)	1,408	1,100	308
Stand By/Event Income	-	-	-	7,246	-	7,246
Donations -Amb. Procurement	-	-	-	-	-	-
Total Other Income	2,605	4,625	(2,020)	25,114	25,950	(836)
Total Income	272,085	277,373	(5,288)	969,876	918,440	51,436
Payroll Expenses						
Administration	16,933	15,420	(1,513)	97,495	92,520	(4,975)
Full Time Employees	67,937	75,500	7,563	415,271	464,000	48,729
Part Time Employees	21,228	14,000	(7,228)	117,783	84,000	(33,783)
Payroll Tax Expense	5,513	5,400	(113)	36,668	32,400	(4,268)
Employee Medical/Dental	17,627	17,500	(127)	109,029	105,000	(4,029)
PERS Pension Expense	8,224	8,200	(24)	30,567	51,200	20,633
PERS - Unfunded Liability	17,978	12,000	(5,978)	107,886	78,000	(29,886)
Uniforms	444	750	306	1,224	4,500	3,276
Workers Comp. Insurance	7,218	8,500	1,282	19,288	51,000	31,712
Retiree Health	8,535	8,750	215	51,814	52,500	686
Total Payroll Expense	171,638	166,020	(5,618)	987,026	1,015,120	28,094
Operating Expenses						
Contacted Services	-	-	-	-	-	-
Audit Fees	-	-	-	-	-	-
Billing Services	790	700	(90)	4,092	4,200	108
Other	-	360	360	-	2,160	2,160
Payroll Services	564	525	(39)	2,350	3,150	800
Total Contracted Services	1,354	1,585	231	6,442	9,510	3,068
Dues and Subscriptions	914	220	(694)	10,431	8,420	(2,011)
Education/Travel/Mileage	324	350	26	1,299	2,100	801
Election Expense	-	-	-	-	-	-
Facility Maintenance	553	1,000	447	4,343	6,000	1,657
Legal	-	1,000	1,000	1,350	6,000	4,650
Liability Insurance	6,443	6,500	57	24,443	39,000	14,557
License/Permits	486	500	14	1,907	3,000	1,093
Office and Computer Supplies	1,143	1,625	482	10,080	9,750	(330)
Storage	-	-	-	480	480	-
Training	11	450	439	674	2,700	2,026
Utilities	3,214	2,500	(714)	16,577	14,700	(1,877)
Total Operating Expenses	14,441	15,730	1,289	78,026	101,660	23,634

Cambria Community Healthcare District
Summary of Revenues and Expenses
DECEMBER 2024, and Year-To-Date JULY-DECEMBER 2024/2025

	December	December		July - December	July - December	
	Actual	Budget	Variance	YTD Actual	YTD Budget	Variance
Fleet Expenses:						
Communication Equipment	792	-	(792)	792	-	(792)
Fuel	1,990	3,000	1,010	14,880	18,000	3,120
Unit - 18	14	650	636	6,125	4,100	(2,025)
Unit - 20	1,154	-	(1,154)	1,710	500	(1,210)
Unit - 21	173	250	77	633	1,500	867
Unit - 22	-	200	200	1,686	2,300	614
Interest Expense	-	-	-	-	775	775
Medical Supplies/Equipment	6,226	5,000	(1,226)	27,789	30,000	2,211
Total Fleet Expenses	10,348	9,100	(1,248)	53,616	57,175	3,559
Total Operating Expenses	24,789	24,830	41	131,641	158,835	27,194
Other Expenses						
Bank and Credit Card Charges	201	300	99	1,603	1,800	197
Bond Expense	195	-	(195)	6,513	5,000	(1,513)
Contingency/Outreach/Public Ed.	38	500	462	899	3,000	2,101
Equipment	-	-	-	-	-	-
Miscellaneous	3,488	300	(3,188)	3,488	1,800	(1,688)
PP-GEMT Fee	-	-	-	18,372	24,000	5,628
Sales Tax	107	115	8	643	690	47
Total Other Expenses	4,030	1,215	(2,815)	31,520	36,290	4,770
Total Expenses	200,457	192,065	(8,392)	1,150,187	1,210,245	60,058
Net Operating Income	71,629	85,308	(13,679)	(180,311)	(291,805)	111,494
Other Income/Expense						
Grant /Equipment Procurement	-	-	-	-	-	-
Covid Relief	-	-	-	-	-	-
Total Other Income	-	-	-	-	-	-
Net Income	71,629	85,308	(13,679)	(180,311)	(291,805)	111,494

Asset Payments - Cash Flow 2024-2025

Asset Monthly Payments	Dec Actual		July - December			
Zoll Monitors	(2,100)	(2,100)	-	(8,400)	(8,400)	-
Ambulance Unit 22	(3,625)	(3,625)	-	(14,500)	(14,500)	-
Net Income less Asset Expense	65,904	79,583	(13,679)	(203,211)	(314,705)	111,494

Cambria Community Healthcare District Monthly Banking Financial Report

DECEMBER 2024

Pacific Premier Bank Operating Account

Beginning Balance	\$	137,486.37	
Income		273,355.51	
Tax Income			
Less Checking Expenses		(290,825.58)	
Bank Fee(s)		(5.25)	
Ending Balance			<u>\$ 120,011.05</u>

Pacific Premier Bank Money Market Account

Reserve Account			
Beginning Balance	\$	20,190.83	
Transfer from Operating Account		50,000.00	
Interest		1.95	
Ending Balance			<u>\$ 70,192.78</u>

Local Agency Investment Fund Account

Operating Reserves			
Beginning Balance	\$	59,845.92	
Transfer from Operating Account		(50,000.00)	
Interest		709.71	
Ending Balance			<u>\$ 10,555.63</u>

ALL ACCOUNTS TOTAL			<u><u>\$ 200,759.46</u></u>
---------------------------	--	--	-----------------------------

PPB Trust Account

Beginning Balance	\$	54,975.72	
Deposit		12,819.56	
Less Checking Expense		-	
Bank fee (paper statement)		(2.00)	
Withdrawal payables(Qgiv)		-	
Ending Balance			<u>\$ 67,793.28</u>

Accounts Prior Year Total Comparison (Not including Trust Account)

DECEMBER	2024		\$	200,759.46	
DECEMBER	2023		\$	259,541.15	
Difference			\$	<u>(58,781.69)</u>	

Cambria Community Healthcare District

Transaction Detail by Account

December 2024

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	AMOUNT
11200 PP (5645) Operating					
12/04/2024	Bill Payment (Check)	3601	Streamline		-249.00
12/04/2024	Bill Payment (Check)	3592	BoundTree Medical		-115.42
12/04/2024	Bill Payment (Check)	3595	Graybar Financial Services	Contract# 100-5910031-001	-163.24
12/04/2024	Bill Payment (Check)	3599	Robert W Sayers		-1,051.92
12/04/2024	Bill Payment (Check)	3596	Keith Bergher		-45.00
12/04/2024	Bill Payment (Check)	3602	Wells Fargo Vendor Financial Services	Cust# 1051980762	-191.98
12/04/2024	Bill Payment (Check)	3597	Matthew Hallmark		-36.00
12/04/2024	Bill Payment (Check)	3600	SDRMA P/L	Member# 7576 P/L invoice	-2,983.54
12/04/2024	Bill Payment (Check)	3593	Cal-Tec Computers		-679.00
12/04/2024	Bill Payment (Check)	3590	Airgas West		-484.80
12/04/2024	Bill Payment (Check)	3594	Coastal Copy	Acct# CC45	-197.63
12/04/2024	Bill Payment (Check)	3591	Antonio Mercado		-150.00
12/04/2024	Bill Payment (Check)	3598	Nelsons Garage, Inc.		-147.42
12/05/2024	Check		Payroll People	Payroll 10/16/24-10/31/2024 Pay Day 11/05/2024	-51,065.66
12/06/2024	Bill Payment (Check)	ACH	PG&E - ending 135-3	Acct# 4378486135-3	-11.48
12/06/2024	Check		CalPERS Fiscal Services Division		-75.00
12/09/2024	Bill Payment (Check)	ACH	CalPERS Fiscal Services Division		-20,281.62
12/09/2024	Bill Payment (Check)	ACH	PG&E - #A ending 348-9	Acct# 9976402348-9	-522.45
12/09/2024	Bill Payment (Check)	ACH	FNBO	Acct #s ending in 1532 & 1585	-248.48
12/09/2024	Bill Payment (Check)	ACH	FNBO	Acct #s ending in 1532 & 1585	-110.99
12/09/2024	Bill Payment (Check)	ACH	FNBO	Acct #s ending in 1532 & 1585	-999.81
12/09/2024	Bill Payment (Check)	ACH	PG&E - ending in 816-2	Acct# 3886196816-2	-1,123.03
12/09/2024	Bill Payment (Check)	ACH	PG&E - ending 810-8	Acct# 5179258810-8	-126.32
12/10/2024	Expense		WORLDPAY CC		-156.00
12/10/2024	Bill Payment (Check)	3604	Matthew Hallmark		-70.00
12/10/2024	Check	ACH	CalPERS Fiscal Services Division		-5,602.62
12/10/2024	Check	ACH	CalPERS Fiscal Services Division		-1,324.50
12/10/2024	Check	ACH	CalPERS Fiscal Services Division		-1,139.56
12/10/2024	Bill Payment (Check)	3603	Dana Brancati	Boot purchase reimbursement	-180.00
12/11/2024	Bill Payment (Check)	3607	BoundTree Medical		-228.01
12/11/2024	Bill Payment (Check)	3609	Hinson's Tire & Auto, Inc.		-1,153.50
12/11/2024	Bill Payment (Check)	3606	Airgas West		-714.51
12/11/2024	Bill Payment (Check)	3614	Trophy Hunters		-43.81
12/11/2024	Bill Payment (Check)	3611	MP Cloud Technologies		-599.00
12/11/2024	Bill Payment (Check)	3610	Mission Country Disposal	Acct# 4130-8101951	-211.02
12/11/2024	Bill Payment (Check)	3613	SEIU Local 620		-209.52
12/11/2024	Bill Payment (Check)	3605	Adamski Moroski Madden Cumberland & Green		-100.00
12/11/2024	Bill Payment (Check)	3608	Cambria Hardware Center	Acct# 205	-86.70
12/11/2024	Bill Payment (Check)	3612	Mr. Jeremy Kantner		-58.56
12/11/2024	Bill Payment (Check)	3615	Dana Brancati		-32.56
12/13/2024	Expense		EDIS		-250.00
12/17/2024	Expense		EDIS		-15.00
12/17/2024	Expense		EDIS		-120.00
12/19/2024	Bill Payment (Check)	3616	Jami Ray	Vacc incentive	-152.83
12/19/2024	Expense		Pacific Premier Bank	LAIF Wire Transfer Fee	-40.00
12/19/2024	Bill Payment (Check)	3617	John Lisberg	EMT Lic. renewal & Livescan reimbursement	-200.00
12/19/2024	Bill Payment (Check)	3618	Kitzman Water (Culligan)	Acct# 190231	-67.95
12/19/2024	Bill Payment (Check)	3619	SEIU Local 620		-209.52
12/20/2024	Check		CalPERS Fiscal Services Division		-75.00
12/20/2024	Check	ACH	Payroll People	Payroll 12-01-24 to12-15-24 Payday 12-20-24	-49,255.00
12/20/2024	Bill Payment (Check)	3620	Association of CA Healthcare Districts		-986.00
12/23/2024	Bill Payment (Check)	3622	BoundTree Medical		-2,138.08
12/23/2024	Bill Payment (Check)	3626	Donald Melendy		-809.12
12/23/2024	Bill Payment (Check)	3624	Danny Takaoka		-2,491.83
12/23/2024	Bill Payment (Check)	3623	Daniel Cariaga		-1,522.24

Cambria Community Healthcare District

Transaction Detail by Account

December 2024

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	AMOUNT
12/23/2024	Bill Payment (Check)	3627	Heidi Holmes-Nagy		-1,064.95
12/23/2024	Bill Payment (Check)	3625	Denise Codding		-600.74
12/23/2024	Bill Payment (Check)	3630	Verizon Wireless	Acct# 271000184-00002	-445.65
12/23/2024	Bill Payment (Check)	3621	Ameritas Life Insurance Corp.	Policy# 58022-00001 and 00002	-1,395.60
12/23/2024	Bill Payment (Check)	3631	Zoll Medical Corp.		-2,091.08
12/23/2024	Bill Payment (Check)	3629	Sign Here-Low Cost Signs		-172.73
12/23/2024	Bill Payment (Check)	3628	Mutual of Omaha	Group ID# G000BZ6W	-168.00
12/26/2024	Expense		Jack Byrne	Payroll 12-01-24 to12-15-24 Payday 12-20-24	-270.11
12/27/2024	Bill Payment (Check)	ACH	CalPERS Fiscal Services Division		-76.83
12/27/2024	Bill Payment (Check)	ACH	CalPERS Fiscal Services Division		-15,398.33
12/27/2024	Bill Payment (Check)	ACH	CalPERS Fiscal Services Division		-652.75
12/27/2024	Bill Payment (Check)	ACH	CalPERS Fiscal Services Division		-490.58
12/27/2024	Bill Payment (Check)	ACH	CalPERS Fiscal Services Division		-1,359.17
12/30/2024	Check		CalPERS Fiscal Services Division		-1,324.50
12/30/2024	Check		CalPERS Fiscal Services Division		-5,180.71
12/30/2024	Bill Payment (Check)	3636	JB Dewar, Inc.	Invoice# 334394	-48.48
12/30/2024	Bill Payment (Check)	3637	Life Assist		-1,578.98
12/30/2024	Bill Payment (Check)	3634	Charter Communications	Acct# 8413120780044228	-426.50
12/30/2024	Bill Payment (Check)	3633	BoundTree Medical		-695.28
12/30/2024	Bill Payment (Check)	3632	Airgas West		-408.37
12/30/2024	Bill Payment (Check)	3638	SDRMA P/L	Member# 7576 P/L invoice	-5,134.03
12/30/2024	Bill Payment (Check)	3639	SDRMA WC	Member# 7576 W/C invoice	-5,543.36
12/30/2024	Bill Payment (Check)	3640	Accurate Mailing Service	Invoice# 15486	-3,488.32
12/30/2024	Bill Payment (Check)	ACH	KS StateBank		-3,621.48
12/30/2024	Expense		EDIS		-60.50
12/30/2024	Check		CalPERS Fiscal Services Division		-981.10
12/30/2024	Bill Payment (Check)	3635	Helping Hand Health Education	Invoice# 4385	-11.00
12/31/2024	Expense		Pacific Premier Bank		-5.25
Total for 11200 PP (5645) Operating					\$ -203,996.61



CAMBRIA COMMUNITY HEALTHCARE DISTRICT
BOARD AGENDA STAFF REPORT – 01

TO: Board of Directors
FROM: Jon Isom, Financial Advisor, Isom Advisors
Dr. Laurie Mileur, Director
DATE: January 28, 2025
DESCRIPTION: Actions Related to the Sale of General Obligation Bonds – Resolutions 53-25 and 51-25

FISCAL IMPACT

No financial impact on the District’s operating accounts.

DISCUSSION

On November 5, 2024, two-thirds of the qualified voters of the District approved Bond Measure C-24, authorizing the Cambria Community Healthcare District to issue general obligation bonds in the maximum original principal amount of \$5,900,000.

Resolution 53-25 is presented to the District’s Board of Directors for approval to certify the results of Bond Measure C-24, which was approved by more than two-thirds of the District’s voters.

Resolution 51-25 is presented to the District’s Board of Directors for approval to authorize the issuance and sale of the general obligation bonds by a negotiated sale to Oppenheimer Inc., and to approve related documents and actions regarding the issuance. Approved in form by adoption of Resolution 51-25 are the Fiscal Agent Agreement, Bond Purchase Agreement and Preliminary Official Statement. These documents are available for review.

ATTACHMENT(S)

1. Resolution 53-25
2. Resolution 51-25
3. Fiscal Agent Agreement
4. Preliminary Official Statement
5. Bond Purchase Agreement

BOARD ACTION

Motion to approve Resolution 53-25.

Motion to approve Resolution 51-25.

RESOLUTION NO. 53-25**RESOLUTION OF THE BOARD OF DIRECTORS OF THE CAMBRIA COMMUNITY HEALTHCARE DISTRICT CONFIRMING CANVASS OF VOTES CAST IN GENERAL ELECTION AND DECLARING ELECTION RESULTS FOR BOND MEASURE**

WHEREAS, the Board of Directors (the "Board") of the Cambria Community Healthcare District (the "District"), in the County of San Luis Obispo ("San Luis Obispo County"), State of California, duly passed and adopted Resolution No. 44-24 (the "Election Resolution") calling a general election within the boundaries of the District on November 5, 2024 (the "Bond Election"), which was ordered to be consolidated with the State of California general election, for the purpose of submitting to the electors the following measure (the "Bond Measure"):

"To replace the 67-year-old ambulance station/ healthcare facility to meet current County codes and standards and improve safety and security for residents, emergency responders, and visitors, shall Cambria Community Healthcare District's measure be adopted authorizing \$5,900,000 of bonds at legal rates, generating on average \$423,300 annually at rates of approximately \$7.90 per \$100,000 assessed value, while bonds are outstanding, with annual audits, independent citizens' oversight committee, NO money for salaries and all funds spent locally?"

WHEREAS, notice of the Bond Election was thereafter duly given as required by law and by the Election Resolution; and the Bond Election was duly held in accordance with law and with the Election Resolution;

WHEREAS, the Registrar of Voters of San Luis Obispo County has canvassed the votes cast at the election and submitted a report of the returns of the election (a "Canvass and Statement of Results") to this Board;

WHEREAS, the Board has reviewed the Canvass and Statement of Results as required by law, and it appears from the Canvass and Statement of Results that the Bond Measure was approved by more than two-thirds of the votes cast;

NOW, THEREFORE, IT IS HEREBY FOUND, DETERMINED AND ORDERED, as follows;

Section 1. This Board hereby finds and determines that the foregoing recitals are true and correct.

Section 2. At the Bond Election held on Tuesday, November 5, 2024, the Bond Measure appeared on the ballot thereof and the total number of votes cast for the Bond Measure were as follows:

Yes: 3,134 (76.78%)

No: 948 (23.22%)

Section 3. The Clerk of the Board is hereby instructed to enter this Resolution confirming the canvass of returns upon the minutes of this Board as a statement of the results of the Bond Election held on November 5, 2024.

Section 4. This Resolution shall take effect from and after its date of adoption.

PASSED AND ADOPTED by the Board of Directors of the Cambria Community Healthcare District at a regular meeting thereof held this 28th day of January 2025, by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

Cecilia Montalvo
Board President

ATTEST:

Igor Fedoroff
Secretary of the Board

RESOLUTION NO. 51-25**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
CAMBRIA COMMUNITY HEALTHCARE DISTRICT
AUTHORIZING THE ISSUANCE AND SALE OF GENERAL
OBLIGATION BONDS AND APPROVING RELATED
DOCUMENTS AND ACTIONS WITH RESPECT THERETO**

WHEREAS, pursuant to California Health and Safety Code Sections 32000 *et seq.* (the “Local Health Care District Law”), the Board of Directors (the “Board”) of the Cambria Community HealthCare District (the “District”), in the County of San Luis Obispo, State of California, ordered a special district election on November 5, 2024, for the purpose of submitting to the electors within the District the following measure (the “Bond Measure”):

“To replace the 67-year-old ambulance station/ healthcare facility to meet current County codes and standards and improve safety and security for residents, emergency responders, and visitors, shall Cambria Community Healthcare District’s measure be adopted authorizing \$5,900,000 of bonds at legal rates, generating on average \$423,300 annually at rates of approximately \$7.90 per \$100,000 assessed value, while bonds are outstanding, with annual audits, independent citizens’ oversight committee, NO money for salaries and all funds spent locally?”

WHEREAS, more than two-thirds of the qualified voters of the District, voting at the election, approved the Bond Measure, which authorized the issuance by the District of general obligation bonds in the aggregate principal amount of \$5,900,000 to finance the replacement of the ambulance station/healthcare facility and all related projects that may be undertaken by the District in accordance with the Bond Measure (the “Project”);

WHEREAS, the District is empowered to issue general obligation bonds which are authorized by two-thirds of the qualified electors of the District pursuant to the Local Health Care District Law and Article 4.5, commencing with Section 53506, of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (collectively, the “Act”);

WHEREAS, for the purpose of financing a portion of the Project, the District has determined at this time to issue its General Obligation Bonds, Election of 2024, Series A, in the maximum original principal amount of \$5,900,000 (the “Bonds”) as the first series of bonds issued under the Bond Measure;

WHEREAS, the Bonds are proposed to be issued under a Fiscal Agent Agreement by and between the District and a fiscal agent to be named therein (the “Fiscal Agent”);

WHEREAS, the District has determined that a negotiated sale of the Bonds to Oppenheimer & Co., Inc., (the “Underwriter”) in accordance with the terms of a Bond Purchase Agreement between the District and the Underwriter (the “Bond Purchase Agreement”) will result in a lower overall cost to the District than a public sale;

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), the Board has, following notice duly given, held a public hearing regarding the issuance of the Bonds, and now desires to approve the issuance of the Bonds; and

WHEREAS, in accordance with Government Code Section 5852.1, the District has obtained and disclosed the information the information set forth in Appendix A hereto;

NOW, THEREFORE, IT IS HEREBY FOUND, DETERMINED AND ORDERED, as follows;

Section 1. Recitals. Each of the above recitals is true and correct and is adopted by the Board.

Section 2. Issuance of Bonds; Fiscal Agent Agreement. The issuance of the Bonds in a principal amount not to exceed \$5,900,000, with a true interest cost not to exceed 8.00%, a final maturity not to exceed 30 years from their date of issuance, and an Underwriter's discount not to exceed 1.00% of the original principal amount of the Bonds, is hereby authorized with the exact principal amount to be determined by the official signing the Bond Purchase Agreement in accordance with Section 7 below. The Board hereby determines that it is prudent in the management of its fiscal affairs to issue the Bonds. The Bonds shall mature on the dates and pay interest at the rates set forth in the Bond Purchase Agreement to be executed on behalf of the District in accordance with Section 7 hereof. All other provisions of the Bonds shall be governed by the terms and conditions set forth in the Fiscal Agent Agreement, the form of which is on file with the Secretary of the Board and presented to this meeting, and which is hereby approved. The Fiscal Agent Agreement shall be executed by the President of the Board, the Vice President of the Board or the District Administrator (each an "Authorized Officer"), and attested by the Secretary of the Board, with such additions thereto and changes therein as the Authorized Officer executing the same deems necessary to enhance the security for the Bonds, to cure any ambiguity or defect therein if such addition or change does not materially alter the substance or content thereof, to insert the offering price(s), interest rate(s), selling compensation, principal amount per maturity, redemption dates and prices and such other related terms and provisions as limited by Section 7 hereof, or to conform any provisions therein to the Bond Purchase Agreement (defined below). Approval of such changes shall be conclusively evidenced by the execution and delivery of the Fiscal Agent Agreement by an Authorized Officer.

The Bonds may be issued in one or more series, and any series may be issued on a federally taxable basis pursuant to Government Code Section 5900 et seq. If multiple series of the Bonds are issued, each Authorized Officer is hereby authorized to give unique series designations to each such series as may be necessary or appropriate.

Section 3. Preliminary and Final Official Statement. The Board hereby approves the Preliminary Official Statement describing the Bonds in substantially the form on file with the Secretary of the Board, with such additions and such changes therein an Authorized Officer may approve. The Board hereby approves the distribution of the Preliminary Official Statement by the Underwriter, and, prior to the distribution of the Preliminary Official Statement, each Authorized Officer is authorized and directed, on behalf of the District, to execute a certificate on behalf of the District that deems the Preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule").

Following the sale of the Bonds, the Board hereby approves the execution of a final Official Statement, which shall include the information permitted to be excluded from the Preliminary Official Statement pursuant to the Rule (consisting of final pricing information with respect to the Bonds), and such changes and additions thereto deemed advisable by any Authorized Officer upon consultation with Disclosure Counsel (as defined herein). The final Official Statement will be delivered by the Underwriter to the purchasers of the Bonds. Each Authorized Officer is authorized and directed to execute the final Official Statement on behalf of the District, and to deliver to the Underwriter a certificate with respect to the information set forth in the final Official Statement.

Section 4. Continuing Disclosure Certificate. The Board hereby approves the form of the Continuing Disclosure Certificate attached as an appendix to the Preliminary Official Statement on

file with the Secretary of the Board. Each Authorized Officer is hereby authorized and directed to execute the Continuing Disclosure Certificate on behalf of the District in substantially the form attached to the Preliminary Official Statement, with such changes therein as an Authorized Officer may approve, upon consultation with Disclosure Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. Execution of Bonds. The Bonds shall be executed on behalf of the District by the manual or facsimile signature of an Authorized Officer, and attested with the manual or facsimile signature of the Secretary of the Board.

Section 6. Covenants. The covenants set forth in the Fiscal Agent Agreement to be executed in accordance with Section 2 above are hereby approved, shall be deemed to be covenants of the Board and shall be complied with by the District and its officers. The Fiscal Agent Agreement shall constitute a contract between the District and the Owners of the Bonds.

Section 7. Bond Purchase Agreement. The form of the Bond Purchase Agreement between the District and the Underwriter, on file with the Secretary of the Board and presented to this meeting, is hereby approved and any Authorized Officer is hereby authorized to execute the Bond Purchase Agreement, with such additions thereto and changes therein relating to dates and numbers as are necessary to conform the Bond Purchase Agreement to the dates, amounts and interest rates applicable to the Bonds as of the sale date; provided, however, that the principal amount of the Bonds, the true interest cost with respect to the Bonds and the Underwriter's discount shall not exceed the maximums set forth in Section 2 above. Approval of such additions and changes shall be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement. Subject to Section 2, each Authorized Officer is authorized to determine the day on which the Bonds are to be priced in order to attempt to produce the lowest borrowing cost for the District and may reject any terms presented by the Underwriter if determined not to be in the best interest of the District.

Section 8. Professional Services. In connection with the sale and issuance of the Bonds, the Board hereby confirms the engagement of Isom Advisors, a Division of Urban Futures, Inc., to act as municipal advisor ("Municipal Advisor") to the District, and the firm of Jones Hall, A Professional Law Corporation, to act as bond counsel ("Bond Counsel") and disclosure counsel ("Disclosure Counsel") to the District. Any Authorized Officer is hereby authorized and directed to execute an agreement with each such firm, in the respective forms on file with the Secretary of the Board.

Section 9. Other Actions. Each Authorized Officer and the other officers and staff of the District responsible for the fiscal affairs of the District are hereby authorized and directed to take any actions and execute and deliver any and all documents as are necessary to accomplish the issuance, sale and delivery of the Bonds in accordance with the provisions of this Resolution and the fulfillment of the purposes of the Bonds as described in the Fiscal Agent Agreement, including without limitation any actions necessary or convenient to obtain municipal bond ratings. Each Authorized Officer may approve the purchase of a municipal bond insurance policy if the Authorized Officer, in consultation with the District's municipal advisor and Bond Counsel, concludes such purchase would be beneficial for the District and the Bonds. Any actions previously taken by an Authorized Officer in connection with the issuance of the Bonds is hereby ratified and confirmed. If any Authorized Officer is unavailable to sign any document authorized for execution herein, any other member of the Board or any Authorized Officer, or his or her written designee, may sign such document.

Section 10. Effective Date. This Resolution shall be effective as of the date of its adoption.

PASSED AND ADOPTED by the Board of Directors of the Cambria Community Healthcare District at a regular meeting thereof held this 28th day of January 2025, by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

Cecilia Montalvo
Board President

ATTEST:

Igor Fedoroff
Secretary of the Board

APPENDIX A

GOVERNMENT CODE SECTION 5852.1 DISCLOSURE*

1. True Interest Cost of the Bonds: 4.803419%
2. Finance charge of the Bonds, being the sum of all fees and charges paid to third parties, consisting of costs of issuing the Bonds in the amount of approximately \$323,507.99, which includes an estimate for bond insurance premium, which may be obtained if recommended for the purpose of achieving interest rate savings, plus estimated underwriter's compensation of \$59,000.00.
3. Proceeds of the Bonds expected to be received by the District, net of proceeds for Costs of Issuance in (2) above to be paid from principal, capitalized interest and reserves (if any) from the principal amount of the Bonds: \$5,700,000.00.
4. Total Payment Amount for the, being the sum of all debt service to be paid on the Bonds to final maturity: \$13,003,194.44.

**All amounts and percentages are estimates and are made in good faith by the District based on information available as of the date of adoption of this Resolution. Estimates include certain assumptions regarding interest rates available in the bond market and assume the issuance Bonds in a principal amount of \$5,900,000.*

FISCAL AGENT AGREEMENT

Between the

CAMBRIA COMMUNITY HEALTHCARE DISTRICT

and

_____,
as Fiscal Agent

Dated as of _____ 1, 2025

Relating to

\$ _____
Cambria Community Healthcare District
General Obligation Bonds
Election of 2024, Series A

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Exhibit A Form of Bond
Exhibit B Form of Costs of Issuance Account Requisition

FISCAL AGENT AGREEMENT

This Fiscal Agent Agreement (this "Agreement") is made and entered into and dated as of _____ 1, 2025, between the Cambria Community Healthcare District, a health care district organized and existing under the laws of the State of California (the "District") and _____, a national banking association duly organized and existing under the laws of the United States of America, as Fiscal Agent (the "Fiscal Agent").

WHEREAS, more than two-thirds of the qualified voters of the District, voting at a special district election held on November 5, 2024, authorized the issuance by the District of general obligation bonds in the principal amount of \$5,900,000 (the "Authorization") to finance the replacement of the District's ambulance station/healthcare facility (as more particularly defined herein, the "Project"); and

WHEREAS, the District is empowered to issue general obligation bonds which are authorized by two-thirds of the qualified electors of the District pursuant to Chapter 4, commencing with Section 32300, of Division 23 of the California Health and Safety Code, and Article 4.5, commencing with Section 53506, of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (collectively, the "Act"); and

WHEREAS, for the purpose of financing a portion of the Project, the District has determined at this time to issue its General Obligation Bonds, Election of 2024, Series A, in the aggregate principal amount of \$_____ (the "Bonds"), as the first series of bonds issued under the Authorization and the Act; and

NOW THEREFORE, the District and the Fiscal Agent agree as follows:

ARTICLE I

DEFINITIONS; AUTHORITY

Section 1.01. Definitions. The terms defined in this Section 1.01, as used and capitalized herein, shall, for all purposes of this Agreement, have the meanings ascribed to them below, unless the context clearly requires some other meaning.

“Act” means, collectively, Chapter 4, commencing with Section 32300, of Division 23 of the California Health and Safety Code, and Article 4.5, commencing with Section 53506, of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code.

“Agreement” means this Fiscal Agent Agreement, as now or hereafter amended in accordance with its terms.

“Authorization” means the approval by more than two-thirds of the qualified voters of the District, voting at a special district election held on November 5, 2024, authorized the issuance by the District of general obligation bonds in the maximum principal amount of \$5,900,000 to finance the Project.

“Beneficial Owner” means any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds, including persons holding Bonds through nominees or depositories including, but not limited to, through the Nominee.

“Board” means the Board of Directors of the District.

“Bond Counsel” means any attorney or firm of attorneys nationally recognized as expert in matters pertaining to the legality and tax exempt status of securities issued by public entities.

“Bond Proceeds Fund” means the Fund by that name established by Section 4.02 hereof.

“Bond Year” means the one-year period beginning on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary of the Closing Date in the following year, except that the first Bond Year shall begin on the Closing Date.

“Bonds” means the Cambria Community Health Care District General Obligation Bonds, Election of 2024, Series A, at any time Outstanding under this Agreement.

“Business Day” means a day that is not a Saturday or Sunday or legal holiday on which a banking institution in California or any state in which a Principal Office of the Fiscal Agent is located.

“Capitalized Interest Account” means the account by that name within the Bond Fund established by Section 4.04 hereof.

“CDIAC” means the California Debt and Investment Advisory Commission of the office of the State Treasurer of the State of California or any successor agency or bureau thereto.

“Closing Date” means _____, 2025, being the date upon which there is delivery of the Bonds in exchange for the amount representing the purchase price of the Bonds by the Original Purchaser.

“Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate referenced in Section 5.06, executed by the District and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Costs of Issuance Account” means the account within the Bond Proceeds Fund by that name established by Section 4.02 hereof.

“County” means the County of San Luis Obispo, California.

“County Auditor” means the County Auditor-Controller Treasurer Tax Collector.

“Debt Service” means, during any period of computation, the amount obtained for such period by totaling (a) the principal amount of all Outstanding Bonds coming due and payable by their terms in such period, and (b) the interest which would be due during such period on the Bonds which would be Outstanding in such period if the Bonds are retired as scheduled, but deducting and excluding from such aggregate amount the amount of Bonds no longer Outstanding.

“Defeasance Obligations” means any of the following which at the time acquired or made are legal investments for the District (under applicable State of California laws and the investment policy of the District) for the moneys held hereunder then proposed to be invested therein:

- (a) cash;
- (b) Federal Securities;
- (c) Direct obligations of the Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities;
- (d) The interest component of Resolution Funding Corporation strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form; and
- (e) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself): (i) direct obligations or fully guaranteed certificates of beneficial ownership of the U.S. Export-Import Bank; (ii) certificates of beneficial ownership of the Rural Economic Community Development Administration (formerly the Farmers Home Administration); (iii) obligations of the Federal Financing Bank; (iv) debentures of the Federal Housing Administration; (v) participation certificates of the General Services Administration; (vi) guaranteed Title XI financings of the U.S. Maritime Administration; and (vii) project notes, local authority bonds, new communities debentures and U.S. public housing notes and bonds of the U.S. Department of Housing and Urban Development.

“District” means the Cambria Community Healthcare District, located within the County of San Luis Obispo, California, organized and operating as a health care district under the California Health and Safety Code, and any successor to the District.

“District Administrator” means the duly appointed and acting financial officer of the District.

“District Officer” means the President of the Board, the Vice President of the Board, the Clerk of the Board, the District Administrator, or any other officer or person authorized by resolution of the Board of Directors of the District to act on behalf of the District with respect to this Agreement and the Bonds.

“Event of Default” has the meaning assigned to such term in Section 7.01.

“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 Tax 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 Tax 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 Tax 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) any commingled investment fund in which the District and related parties do not own more than a 10% beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

“Federal Securities” means United States Treasury notes, bonds, bills or certificates of indebtedness or any other obligations the timely payment of which is directly or indirectly guaranteed by the faith and credit of the United States.

“Fiscal Agent” means _____, the fiscal agent appointed by the District for the Bonds, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, all as provided in this Agreement.

“Information Service” means the Electronic Municipal Market Access (EMMA) system maintained by the Municipal Securities Rulemaking Board, accessible at the emma.msrb.org website, and, in accordance with then current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the District may designate in a written request delivered to the Fiscal Agent.

“Interest Payment Dates” means each August 1 and February 1, commencing on August 1, 2025.

“Issuance Expenses” means all items of expense payable or reimbursable directly or indirectly by the District and related to the authorization, sale and issuance of the Bonds, which include, without limitation: printing costs; costs of reproducing and binding documents; closing costs; filing and recording fees; initial fees and charges of the Fiscal Agent including its first annual

administration fee and fees and expenses of its counsel; expenses incurred by the District in connection with the Authorization and the issuance of the Bonds; Original Purchaser's discount; legal fees and charges, including bond counsel, disclosure counsel, and municipal advisor; charges for execution, transportation and safekeeping of the Bonds; and other costs, charges and fees in connection with the foregoing. For purposes of the Tax Code, the Issuance Expenses shall constitute "costs of issuance" for the Bonds.

"Local Health Care District Law" means Chapter 4, commencing with Section 32300, of Division 23 of the California Health and Safety Code.

"Nominee" means the nominee of the Securities Depository as determined from time to time in accordance with Section 2.11.

"Officer's Certificate" means a written certificate, order, requisition or statement signed by a District Officer.

"Original Purchaser" means Oppenheimer & Co., Inc., the first purchaser of the Bonds from the District.

"Outstanding" means, when used as of any particular time with reference to Bonds, all Bonds except:

- (i) Bonds theretofore canceled by the Fiscal Agent or surrendered to the Fiscal Agent for cancellation;
- (ii) Bonds paid or deemed to have been paid within the meaning of Section 9.02 hereof; and
- (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the District pursuant to the Agreement.

"Owner or Bondowner" means any person who shall be the registered owner of any Outstanding Bond.

"Participant" means those broker-dealers, banks and other financial institutions from time to time for which the Securities Depository holds Bonds as a securities depository.

"Participating Underwriter" has the meaning given in the Continuing Disclosure Certificate.

"Permitted Investments" means any of the following which at the time acquired or made are legal investments for the District (under applicable State of California laws and the District's investment policy) for the moneys held hereunder then proposed to be invested therein:

- (i) Federal Securities;
- (ii) obligations of any of the following federal agencies, which obligations represent the full faith and credit of the United States of America:
(A) Export-Import Bank, (B) Farm Credit System Financial Assistance Corporation,
(C) Rural Economic Community Development Administration (formerly the

Farmers Home Administration), (D) General Services Administration, (E) U.S. Maritime Administration, (F) Small Business Administration, (G) Government National Mortgage Association (GNMA), (H) U.S. Department of Housing & Urban Development (PHA's), (I) Federal Housing Administration, and (J) Federal Financing Bank;

(iii) direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America: (A) senior debt obligations rated Aaa by Moody's and AAA by S&P issued by Fannie Mae, the Federal Home Loan Mortgage Corporation (FHLMC) or the Student Loan Marketing Association (SLMA), (B) obligations of the Resolution Funding Corporation (REFCORP), (C) senior debt obligations of the Federal Home Loan Bank System, (D) consolidated systemwide bonds and notes of the Farm Credit System, and (E) senior debt obligations of other government-sponsored agencies;

(iv) U.S. dollar denominated interest-bearing demand or time deposits (including certificates of deposit), including those placed by a third party pursuant to a separate agreement between the District and the Fiscal Agent, banking deposit products, trust funds, trust accounts, overnight bank deposits, interest bearing deposits, interest bearing money market accounts or deposit accounts in federal or state chartered savings and loan associations or in federal or State of California banks (including the Fiscal Agent, its parent, if any, and affiliates), provided that (i) the unsecured short-term obligations of such commercial bank or savings and loan association shall be rated in the highest short-term rating category by S&P and Moody's, or (ii) such demand or time deposits shall be fully insured by the Federal Deposit Insurance Corporation;

(v) commercial paper which is rated at the time of purchase in the single highest classification, A-1+ by S&P and P-1 by Moody's and which matures not more than 270 days after the date of purchase;

(vi) investments in a money market fund registered under the Federal Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, comprised of investments described in clauses (i), (ii) or (iii) or of repurchase agreements comprised of such investments, and having a rating of "AAAm-G" or "AAAm" by S&P or "AAA" by Moody's, which fund may include a fund for which the Fiscal Agent, its affiliates or subsidiaries provide investment, advisory or other services;

(vii) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local government unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice, and (A) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of S&P and Moody's or any successors thereto; or (B) with the prior written consent of S&P, which are fully secured as to principal and interest and redemption premiums, if any, by an escrow consisting only of cash or obligations described in paragraph (ii) of this definition, above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other

obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(viii) municipal obligations with a rating of at least A2/A or higher by both Moody's and S&P;

(ix) investment agreements, supported by appropriate opinions of counsel, with notice to S&P and Moody's;

(x) the Local Agency Investment Fund of the State of California, created pursuant to 11429.1 of the California Government Code, but only, in the case of funds held by the Fiscal Agent, to the extent any monies invested by the Fiscal Agent are subject to deposit and withdrawal solely by the Fiscal Agent;

(xi) obligations with a maximum remaining maturity of not more than five years issued by any corporation organized and operating within the United States of America having assets in excess of \$500,000,000, which obligations are rated in one of the two highest rating categories (without regard to numeric or other modifier) by Moody's and S&P;

(xii) shares in a joint exercise of powers authority or California common law trust (including the California Asset Management Program) established pursuant to Title 1, Division 7, Chapter 5 of the Government Code of the State of California which invests exclusively in investments permitted by Section 53601(p) of Title 5, Division 2, Chapter 4 of the Government Code of the State of California, as it may be amended; and

(xiii) other forms of investments (including repurchase agreements) with notice to S&P and Moody's.

"Person" means an individual, corporation, firm, association, partnership, trust or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

"Principal Office" means the principal corporate trust office of the Fiscal Agent in _____, _____, provided that for purposes of payment, transfer, exchange, surrender and cancellation of Bonds such term means the principal corporate trust office of the Fiscal Agent in St. Paul, Minnesota or such other office as the Fiscal Agent may from time to time designate.

"Project" means, collectively, improvements to the District ambulance station/healthcare facility, and all related projects that may be undertaken by the District under the Authorization.

"Project Account" means the Account within the Bond Proceeds Fund by that name established by Section 4.02 hereof.

"Project Costs" means all eligible costs of payment of, or reimbursement for, acquisition, construction, and improvement of any portion of the Project including, but not limited to, architect

and engineering fees, contractor payments, costs of feasibility and other reports, inspection costs, performance bond premiums, permit fees, and Issuance Expenses (provided that the total amount of Bond proceeds allocated to Issuance Expenses does not exceed the limitation set forth in Section 5.05(h)); provided that any such costs are directly related to the acquisition, construction or improvement of real property, and that such costs are treated as capital costs on the books of the District.

“Qualified Project Costs” means Project Costs that are properly chargeable to a capital account and, to the extent that such expenditures do not exceed 5% of the sale proceeds of the Bonds, non-capital costs that are directly related to the Project. Qualified Project Costs do not include (a) costs and expenses for portions of the Project to be used for activities constituting unrelated trades or businesses determined by applying section 513(a) of the Code, (b) amounts to be used to reimburse expenditures paid before the date of issuance of the Bonds, or (c) costs of issuance of the Bonds. In addition, interest during the construction period will be allocated between Qualified Project Costs and other costs and expenses to be paid from the proceeds of the Bonds, and interest following the construction period will not constitute a Qualified Project Cost. Letter of credit fees and municipal bond insurance premiums which represent a transfer of credit risk will be allocated between Qualified Project Costs and other costs and expenses to be paid from the proceeds of the Bonds; and letter of credit fees and municipal bond insurance premiums which do not represent a transfer of the credit risk will not constitute Qualified Project Costs.

“Record Date” means the 15th calendar day of the month preceding each Interest Payment Date, whether or not such day is a Business Day.

“Resolution” means Resolution No. _____ adopted by the Board on January 28, 2025.

“Secretary of the Board” means the Secretary of the Board of Directors of the District.

“Securities Depository” means any securities depository appointed to act as Depository under Section 2.11 hereof.

“Supplemental Agreement” means any agreement supplemental to or amendatory of this Agreement, entered into in accordance with Article VIII hereof.

“Tax Code” means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Tax Code.

Section 1.02. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof.

Section 1.03. Authority for this Agreement. This Agreement is being entered into pursuant to the authority set forth in the Act and this Agreement constitutes a continuing agreement with the Owners of all of the Bonds issued or to be issued hereunder and then Outstanding to secure the full and timely payment of principal of and interest and redemption premium, if any, on all the Bonds pursuant to the provisions of the Act.

ARTICLE II
THE BONDS

Section 2.01. Authorization. The Bonds are hereby authorized to be issued by the District in the initial aggregate principal amount of \$_____, each under and subject to the terms of the Act and which may from time to time be executed and delivered hereunder, subject to the covenants, agreements, provisions and conditions herein contained.

Section 2.02. Terms of Bonds.

(a) Denominations; Numbering. The Bonds shall be issued as fully registered Bonds, without coupons, in the denomination of \$5,000 each or any integral multiple of \$5,000. Bonds shall be lettered and numbered as the Fiscal Agent shall prescribe.

(b) Date of Bonds. The Bonds shall be dated as of the Closing Date.

(c) CUSIP Identification Numbers: "CUSIP" identification numbers shall be imprinted on the Bonds, but such numbers shall not constitute a part of the contract evidenced by the Bonds and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and pay for the Bonds. In addition, failure on the part of the District to use such CUSIP numbers in any notice to Owners of the Bonds shall not constitute an event of default or any violation of the District's contract with such Owners and shall not impair the effectiveness of any such notice.

(d) Maturities. The Bonds shall bear interest at the rate or rates set forth below, payable on each Interest Payment Date, and shall mature and become payable as to principal on August 1 of the years and in the amounts as set forth below.

Maturity Date <u>(August 1)</u>	Principal <u>Amount</u>	Interest <u>Rate</u>
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^T Term Bond.

(e) Calculation of Interest. Each Bond shall bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless

(i) it is registered and authenticated as of an Interest Payment Date, in which event it shall bear interest from such date, or

(ii) it is registered and authenticated prior to an Interest Payment Date and after the close of business on the 15th day of the month preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or

(iii) it is registered and authenticated on or prior to July 15, 2025, in which event it shall bear interest from the date of original issuance and authentication of the Bonds;

provided, however, that if at the time of registration and authentication of a Bond, interest is in default thereon, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Interest on the Bonds shall be calculated on the basis of a 360-day year composed of twelve 30-day months.

(f) Payment. Interest on the Bonds (including the final interest payment upon maturity) is payable by check mailed on the applicable Interest Payment Date to the Owner thereof at his or her address as it appears on the registration books maintained by the Fiscal Agent at the close of business on each Record Date, or at such other address as the Owner may have filed with the Fiscal Agent for that purpose; provided that an Owner of \$1,000,000 or more aggregate principal amount of Bonds, or the Owner of all of the Bonds at the time Outstanding, shall, at his or her option, receive payment of interest by wire transfer to an account in the United States of America designated by such Owner to the Fiscal Agent no later than the Record Date immediately preceding the applicable Interest Payment Date. Principal of the Bonds is payable in lawful money of the United States of America at the Office of the Fiscal Agent.

Section 2.03. Redemption.

(a) Redemption.

(i) Optional Redemption. The Bonds are subject to redemption prior to their respective maturity dates as a whole, or in part, on any date, from any moneys provided at the option of the District, in each case on and after August 1, 20__, at a redemption price equal to the principal amount of Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium.

(ii) Mandatory Sinking Payment Redemption. The Bonds maturing on August 1, 20__ (the "20__ Term Bonds"), are subject to mandatory sinking payment redemption in part on August 1, 20__, and on each August 1 thereafter to maturity, by lot, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, from sinking payments as follows:

Term Bonds

Redemption Date (August 1)	Sinking Payments
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The Bonds maturing on August 1, 20__ (the "20__ Term Bonds"), are subject to mandatory sinking payment redemption in part on August 1, 20__, and on each August 1 thereafter to maturity, by lot, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, from sinking payments as follows:

Term Bonds

Redemption Date (August 1)	Sinking Payments
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The amounts in the foregoing tables shall be reduced as a result of any prior partial optional redemption of the Bonds under Section 2.03(a)(i) as specified in writing by a District Officer to the Fiscal Agent.

(b) Notice to Fiscal Agent. The District shall give the Fiscal Agent written notice of its intention to optionally redeem Bonds under Section 2.03(a)(i) not less than 45 days prior to the applicable redemption date and shall specify the principal amount of Bonds to be redeemed.

(c) Purchase of Bonds in Lieu of Redemption. In lieu of any redemption under Section 2.03(a), moneys in the Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding Bonds, upon the filing with the Fiscal Agent of a written direction of a District Officer requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such written direction may provide, but in no event may Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase and any premium which would otherwise be due if such Bonds were to be redeemed in accordance with this Agreement.

(d) Redemption Procedure by Fiscal Agent. The Fiscal Agent shall cause notice of any redemption to be mailed by first class mail, postage prepaid, at least 20 days but not more than 60 days prior to the date fixed for redemption, to the Original Purchaser, to the Securities Depositories, to the Information Service, and to the respective registered Owners of any Bonds designated for redemption, at their addresses appearing on the Bond registration books in the Principal Office of the Fiscal Agent; but such mailing shall not be a condition precedent to such redemption and failure to mail or to receive any such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of such Bonds.

Such notice shall

(i) state the redemption date and the redemption price and, if less than all of the then Outstanding Bonds are to be called for redemption, shall designate the CUSIP numbers and Bond numbers of the Bonds to be redeemed by giving the individual CUSIP number and Bond number of each Bond to be redeemed or shall state that all Bonds between two stated Bond numbers, both inclusive, are to be redeemed or that all of the Bonds of one or more maturities have been called for redemption;

(ii) state as to any Bond called in part the principal amount thereof to be redeemed;

(iii) require that the Bonds be then surrendered at the Principal Office of the Fiscal Agent for redemption at the said redemption price or such other place of payment as may be designated in said notice;

(iv) state that further interest on the Bonds will not accrue from and after the redemption date; and

(v) for optional redemption state whether the notice is conditioned on the availability of funds.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall, to the extent practicable, bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Upon surrender of Bonds redeemed in part only, the District shall execute and the Fiscal Agent shall authenticate and deliver to the Owner, at the expense of the District, a new Bond or

Bonds, of the same series and maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond or Bonds.

(e) Selection of Bonds for Redemption. Whenever provision is made in this Agreement for the redemption of less than all of the Bonds of a single maturity, the Fiscal Agent shall select the Bonds of that maturity to be redeemed by lot in any manner which the Fiscal Agent in its sole discretion deems appropriate. For purposes of such selection, the Fiscal Agent shall treat each Bond as consisting of separate \$5,000 portions and each such portion shall be subject to redemption as if such portion were a separate Bond.

(f) Conditional Redemption Notice and Rescission of Redemption. Any notice of optional redemption under Section 2.03(a)(i) may specify that redemption of the Bonds designated for redemption on the specified date will be subject to the receipt by the District or the Fiscal Agent, as applicable, of moneys sufficient to cause such redemption (and will specify the proposed source of such moneys), and neither the District nor the Fiscal Agent will have any liability to the Owners of any Bonds, or any other party, as a result of the District's failure to redeem the Bonds designated for redemption as a result of insufficient moneys therefor.

Additionally, the District may rescind any optional redemption of the Bonds under Section 2.03(a)(i), and notice thereof, for any reason on any date prior to the date fixed for such redemption by causing written notice of the rescission to be given to the Owners of the Bonds so called for redemption. Notice of rescission of redemption will be given in the same manner in which notice of redemption was originally given. The actual receipt by the Owner of any Bond of notice of such rescission will not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice will not affect the validity of the rescission. Neither the District nor the Fiscal Agent will have any liability to the Owners of any Bonds, or any other party, as a result of the District's decision to rescind a redemption of any Bonds under this Agreement.

(g) Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and premium, if any, on the Bonds so called for redemption have been deposited in the Bond Fund, such Bonds so called shall cease to be entitled to any benefit under this Agreement other than the right to receive payment of the redemption price, and no interest shall accrue thereon on or after the redemption date specified in such notice.

All Bonds redeemed and purchased by the Fiscal Agent under this Section shall be canceled by the Fiscal Agent. The Fiscal Agent shall destroy the canceled Bonds and issue a certificate of destruction thereof to the District, upon request of the District.

Section 2.04. Form of Bonds. The Bonds, the form of the Fiscal Agent's certificate of authentication and registration and the form of assignment to appear thereon shall be substantially in the form, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Agreement, as set forth in Exhibit A attached hereto and hereby made a part hereof.

Section 2.05. Execution of Bonds. The Bonds shall be executed on behalf of the District by the facsimile signature of the Chair of the Board and countersigned by the facsimile of its Secretary of the Board who are in office on the date hereof or at any time thereafter. If any officer whose signature appears on any Bond ceases to be such officer before delivery of the Bonds to the purchaser, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the Bonds to the purchaser. Any Bond may be signed and countersigned

on behalf of the District by such persons as at the actual date of the execution of such Bond are the proper officers of the District although at the nominal date of such Bond any such person was not such officer of the District.

Only such Bonds as bear thereon a certificate of authentication and registration in the form set forth in Exhibit A executed and dated by the Fiscal Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Agreement, and such certificate of the Fiscal Agent shall be conclusive evidence that the Bonds so registered have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of this Agreement.

Section 2.06. Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 2.08 hereof, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the Principal Office at the Fiscal Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Fiscal Agent, duly executed. The District may charge a reasonable sum for each new Bond issued upon any transfer and the Fiscal Agent shall require the payment by the Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Bond or Bonds shall be surrendered for transfer, the District shall execute and the Fiscal Agent shall authenticate and deliver a new Bond or Bonds of the same series and maturity, for like aggregate principal amount.

Section 2.07. Exchange of Bonds. Bonds may be exchanged at the Principal Office of the Fiscal Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same series and maturity. The District may charge a reasonable sum for each new Bond issued upon any exchange (except in the case of any exchange of temporary Bonds for definitive Bonds) and the Fiscal Agent shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

Section 2.08. Bond Register. The Fiscal Agent shall keep or cause to be kept sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the District upon reasonable notice; and, upon presentation for such purpose, the Fiscal Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Bonds as herein before provided.

Section 2.09. Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the District, and may contain such reference to any of the provisions of this Agreement as may be appropriate. Every temporary Bond shall be executed by the District upon the same conditions and in substantially the same manner as the definitive Bonds. If the District issues temporary Bonds it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Principal Office of the Fiscal Agent and the Fiscal Agent shall deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits pursuant to this Agreement as definitive Bonds executed and delivered hereunder.

Section 2.10. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the District, at the expense of the Owner of such Bond, shall execute, and the Fiscal

Agent shall thereupon authenticate and deliver, a new Bond of like maturity and principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Fiscal Agent of the Bond so mutilated. Every mutilated Bond so surrendered to the Fiscal Agent shall be canceled by it and delivered to, or upon the order of, the District. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the District and, if such evidence be satisfactory to the District and indemnity satisfactory to the District and the Fiscal Agent shall be given, the District, at the expense of the Owner, shall execute, and the Fiscal Agent shall thereupon authenticate and deliver, a new Bond of like maturity and principal amount in lieu of and in substitution for the Bond so lost, destroyed or stolen. The District may require payment of a sum not exceeding the actual cost of preparing each new Bond issued under this Section and of the expenses which may be incurred by the District and the Fiscal Agent in the premises. Any Bond issued under the provisions of this Section 2.10 in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the District whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Agreement with all other Bonds issued pursuant to this Agreement.

Section 2.11. Book-Entry; Limited Obligation of District. The Bonds may be issued in the form of a separate single fully registered Bond (which may be typewritten) for each maturity. The ownership of such Bond shall be registered in the registration books kept by the Fiscal Agent in the name of the Nominee, as nominee of the Securities Depository. The initial Securities Depository is The Depository Trust Company and the initial Nominee is Cede & Co.

With respect to Bonds registered in the registration books kept by the Fiscal Agent in the name of the Nominee, the District and the Fiscal Agent shall have no responsibility or obligation to such Participant or to any Person on behalf of which such a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the District and the Fiscal Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Securities Depository, the Nominee, or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other Person, other than as shown in the registration books kept by the Fiscal Agent, of any notice with respect to the Bonds, (iii) the payment to any Participant or any other Person, other than a Nominee as shown in the registration books kept by the Fiscal Agent, of any principal of, premium, if any, or interest on the Bonds, or (iv) the selection by the Securities Depository or any direct or indirect Participant of any Person to receive payment in the event of a partial redemption of the Bonds. The District and the Fiscal Agent may treat and consider the Person in whose name each Bond is registered in the registration books kept by the Fiscal Agent as the absolute Owner of such Bond for the purpose of payment of principal of and interest and redemption premium, if any, on such Bond, for the purpose of giving notices of matters with respect to such Bond, for the purposes of registering transfers with respect to such Bond, and for all other purposes whatsoever.

The Fiscal Agent shall pay all principal of and interest and redemption premium, if any, on the Bonds only to or upon the order of the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of and interest and redemption premium, if any, on the Bonds to the extent of the sum or sums so paid. No person other than an Owner shall receive a Bond evidencing the obligation of the District to make payments of principal of and interest and redemption premium, if any, pursuant to this Fiscal Agent Agreement. Upon delivery by the Securities Depository to the Nominee, the Fiscal Agent and the District of written notice to the effect that the Securities Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions regarding the

payment of the principal of and interest and redemption premium, if any, on the Bonds set forth in Section 2.02(e), the word Nominee in this Agreement shall refer to such new nominee of the Securities Depository.

Section 2.12. Representation Letter. In order to qualify the Bonds for the Securities Depository's book-entry system, the District has executed, or shall execute, and deliver to such Depository a letter from the District representing such matters as shall be necessary to so qualify the Bonds (the "Representation Letter"). The execution and delivery of the Representation Letter shall not in any way limit the provisions of Section 2.11 hereof or in any other way impose upon the District or the Fiscal Agent any obligation whatsoever with respect to Persons having interests in the Bonds other than the Owners. In the written acceptance of the Fiscal Agent, such Fiscal Agent shall agree to take all actions necessary for all representations of the District in the Representation Letter with respect to the Fiscal Agent to at all times be complied with. In addition to the execution and delivery of the Representation Letter, the District shall take any other actions, not inconsistent with this Agreement, to qualify the Bonds for the Securities Depository's book-entry system.

Section 2.13. Transfers Outside Book-Entry System. The District may, by written request, at any time or for any reason, remove the Securities Depository and appoint a successor or successors thereto. In the event (i) the Securities Depository determines not to continue to act as securities depository for the Bonds, or (ii) the District determines that the Securities Depository shall no longer so act, then the District will discontinue the book-entry system with the Securities Depository. If the District fails to identify another qualified securities depository to replace the Securities Depository then the Bonds shall no longer be restricted to being registered in the registration books kept by the Fiscal Agent in the name of the Nominee, but shall be registered in whatever name or names Owners of such Bonds transferring or exchanging such Bonds shall designate, in accordance with the provisions of Section 2.06.

Section 2.14. Payments and Notices to the Nominee. Notwithstanding any other provision of this Agreement to the contrary, so long as any Bond is registered in the name of the Nominee, all payments of principal of and interest and redemption premium, if any, on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed in writing by the Securities Depository.

ARTICLE III

ISSUE AND SALE OF BONDS; APPLICATION OF PROCEEDS

Section 3.01. Issuance and Delivery of Bonds. At any time after the execution of this Agreement the District may issue and deliver the Bonds in the initial aggregate principal amount of \$_____.

The District Officers are hereby authorized and directed to deliver any and all documents and instruments necessary to cause the issuance of the Bonds in accordance with the provisions of the Act, the Resolution and this Agreement, to authorize the payment of Issuance Costs and costs of the Project from the proceeds of the Bonds, and to do and cause to be done any and all acts and things necessary or convenient for delivery of the Bonds to the Original Purchaser.

The Fiscal Agent shall deliver the Bonds to or upon the order of the Original Purchaser, upon receipt of a written request of the District.

Section 3.02. Application of Proceeds of Sale of Bonds.

Upon the receipt of the purchase price for the Bonds, the proceeds thereof shall be paid to the Fiscal Agent who shall forthwith set aside, pay over and deposit and transfer (the Fiscal Agent authorized to establish a temporary fund or account to make such transfers) such proceeds as follows:

- (i) Deposit \$_____ in the Capitalized Interest Account of the Bond Fund.
- (ii) Deposit \$_____ in the Costs of Issuance Account of the Bond Proceeds Fund.
- (iii) Deposit \$_____ in the Project Account of the Bond Proceeds Fund, representing the remainder of the proceeds of the Bonds.

The purchase price of the Bonds is \$_____, representing the original principal amount of \$_____, plus [net] original issue premium of \$_____, less an Original Purchaser's discount of \$_____.

ARTICLE IV

SECURITY FOR THE BONDS; FUNDS AND ACCOUNTS

Section 4.01. Security for the Bonds.

(a) General. The Bonds are general obligations of the District. The Board has the power to direct each County to levy *ad valorem* taxes upon all property within the District that is subject to taxation by the District, without limitation of rate or amount, for the payment of the principal of and interest and redemption premium, if any, on the Bonds and any other bonds of the District, including refunding bonds, hereafter issued pursuant to voter approved measures of the District when due.

The Bonds are secured as follows:

(i) The District pledges to the Fiscal Agent, and grants to the Fiscal Agent a security interest in and lien on, all revenues collected from the levy by each County of the *ad valorem* taxes for the District's payment of the Bonds, the Bond Proceeds Fund and the Bond Fund, and all money, instruments, investments and other property on deposit therein or credited thereto (collectively, the "Collateral"), in order to secure the District's payment of the principal of and interest and premium, if any, on the Bonds. The Collateral shall be immediately subject to this pledge, and the pledge shall constitute a lien and security interest which shall immediately attach to the Collateral and shall be effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act.

(ii) In addition to the pledge in paragraph (i) above, pursuant to California Government Code Section 53515, voter-approved general obligation bonds which are secured by *ad valorem* tax collections, including the Bonds, are secured by a statutory lien on all revenues received pursuant to the levy and collection of the property tax imposed to service those bonds. This lien shall automatically arise without the need for any action or authorization by the District or its governing body. The lien shall be valid and binding from the time the Bonds are executed and delivered. The revenues received pursuant to the levy and collection of the tax shall be immediately subject to the lien, and the lien shall immediately attach to the revenues and be effective, binding, and enforceable against the District, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any physical delivery, recordation, filing, or further act.

(b) Limitation of Liability. No part of any fund or account of either County is pledged or obligated to the payment of the Bonds, and the principal of and interest on Bonds do not constitute a debt of either County, the State of California, or any of its political subdivisions other than the District, or any of the officers, agents or employees thereof.

In no event are the Bonds secured by a pledge, lien or security interest in any funds or properties of the District other than *ad valorem* taxes levied on taxable property in the District and the funds and accounts pledged for the security of the Bonds under this Agreement. However, in the event there is a shortfall in *ad valorem* property taxes to pay principal of and interest on the Bonds, the District is required by Section 32127 of the Local Health Care District Law to use

moneys, if any, in its maintenance and operation fund to make up any shortfall; provided, however, that the Bonds are not secured by a pledge, lien or security interest in any of such revenues.

Section 4.02. Bond Proceeds Fund.

(a) Creation. There is hereby created a fund to be known as the “Cambria Community Healthcare District General Obligation Bonds Bond Proceeds Fund” (the “Bond Proceeds Fund”). Within the Bond Proceeds Fund, the Fiscal Agent shall establish a separate account designated the “Project Account” and the “Costs of Issuance Account.” Each such fund and account shall be maintained by the Fiscal Agent as a separate fund or account, distinct from all other funds and accounts of the District, into which shall be paid on receipt thereof, the portion of the Bond proceeds designated in Section 3.02 hereof.

(b) Application of Project Account. Moneys in the Project Account shall be held by the Fiscal Agent for the benefit of the District and shall be disbursed for the payment or reimbursement of Project Costs. The Fiscal Agent shall disburse amounts in the Project Account for Project Costs upon receipt of a certificate requesting disbursement executed or approved by a District Officer substantially the form set forth in Exhibit C hereto. The Fiscal Agent shall be fully protected in relying upon any such certificate without independent inquiry or investigation.

Moneys in the Project Account shall be invested in accordance with Section 4.04. Interest earnings and profits from such investment shall be deposited and credited by the Fiscal Agent to the Project Account.

Upon the filing of written direction of a District Officer stating that the Project has been completed and that all costs of the Project have been paid, or that any such costs are not required to be paid from the Project Account, the Fiscal Agent shall transfer the amount, if any, remaining in the Bond Fund to be used to pay to pay interest on the Bonds on the next Interest Payment Date. Following such transfer, the Fiscal Agent shall close the Project Account.

(c) Application of Costs of Issuance Account. At any time on or after the Closing Date, the Fiscal Agent shall disburse amounts in the Costs of Issuance Account for Issuance Expenses upon receipt of a certificate requesting disbursement executed or approved by a District Officer substantially the form set forth in Exhibit B hereto. The Fiscal Agent shall be fully protected in relying upon any such certificate without independent inquiry or investigation. On the date falling six months after the Closing Date, the Fiscal Agent shall transfer any amounts remaining in the Costs of Issuance Account to the Project Account. Following such transfers the Fiscal Agent shall close the Costs of Issuance Account.

Section 4.03. Levy and Collection of Taxes.

(a) Levy, Collection and Deposit. The Board of Supervisors and officers of each County are obligated by statute to provide for the levy and collection of property taxes in each year sufficient to pay all principal and interest coming due on the Bonds in such year. Annually on or before the date specified by law (unless such information is provided to each County Auditor for the full term of the Bonds following the sale thereof), the District shall furnish to each County Auditor an estimate in writing of the amount of money, if any, necessary to be raised by taxation for all purposes required under the provisions of the Local Health Care District Law during the next ensuing fiscal year, including a tax sufficient to pay the principal of and interest and premium, if any, on all of the Bonds when due.

In order to further secure the payment of debt service on the Bonds, the District has requested and irrevocably directed each County Auditor to remit all property taxes levied to pay the principal of and interest and premium, if any, on all of the Bonds when due, less any amounts the County is entitled to retain or deduct for administrative or other processing expenses, fees and costs or assessments or charges by the State of California, to the Fiscal Agent, within the time periods set forth in the California Revenue and Taxation Code.

The Fiscal Agent shall deposit all such property tax receipts in the Bond Fund.

(b) Excess Collections. In the event of an excess collection of property taxes due to the inability to predict accurately the exact amount of property taxes to be collected in any year, the excess amount will be segregated into a separate account within the Bond Fund and held as a reasonably required reserve for debt service on the Bonds during the next following year, and the amount established to be collected from property taxes for such year will be reduced by the amount held in such reserve. Amounts in such segregated account will not exceed the lesser of maximum annual debt service on the Bonds, 10% of the issue price of the Bonds, and 125% of average annual debt service on the Bonds. Interest earnings and gains will be deposited in the Bond Fund and applied to the payment of debt service on the Bonds.

Section 4.04. Bond Fund.

(a) Creation. There is hereby created a fund to be known as the “Cambria Community Healthcare District General Obligation Bonds Bond Fund” (the “Bond Fund”), which shall be maintained by the Fiscal Agent as a separate fund, to the credit of which deposits shall be made as required by Section 4.03, and any other amounts required to be deposited therein by this Agreement or the Act. Within the Bond Fund, the Fiscal Agent shall establish a separate account designated the “Capitalized Interest Account,” to the credit of which deposits shall be made as provided in Section 3.02. The Bond Fund shall constitute the Interest and Sinking Fund of the District within the meaning of Section 32312 of Local Health Care District Law.

Moneys in the Bond Fund and the accounts therein shall be held by the Fiscal Agent for the benefit of the Owners, shall be disbursed for the payment of the principal of, and interest and any premium on, the Bonds as provided below, and, pending such disbursement, shall be subject to a lien in favor of the Owners.

(b) Application of Bond Fund. On each Interest Payment Date, the Fiscal Agent shall withdraw from the Bond Fund and pay to the Owners the principal of, and interest and premium, if any, then due and payable on the Bonds, including any amounts due on the Bonds by reason of the mandatory sinking payments.

If, after the foregoing transfers, there are insufficient funds in the Bond Fund to make all of the payments of the principal of, and interest and any premium on, the Bonds then due, the Fiscal Agent shall apply the available funds first to the payment of interest on the Bonds, then to the payment of principal due on the Bonds other than by reason of sinking payments, and then to payment of principal due on the Bonds by reason of sinking payments. Any sinking payment not made as scheduled shall be added to the sinking payment to be made on the next sinking payment date.

(c) Application of Capitalized Interest Account.

The Fiscal Agent shall withdraw from the Capitalized Interest Account and transfer to the Bond Fund the following amounts on the following dates for the purpose of paying interest then due on the Bonds:

August 1, 20__ : \$ _____
February 1, 20__ : \$ _____

On _____, 2025, the Fiscal Agent shall transfer any remaining amounts in the Capitalized Interest Account to the Bond Fund, and the Fiscal Agent shall close the Capitalized Interest Account.

Section 4.05. Deposit and Investment of Moneys in Funds.

(a) Investments. Moneys in the Costs of Issuance Account, the Project Account and the Bond Fund shall be invested by the Fiscal Agent, at the written direction of the District Administrator, in Permitted Investments maturing prior to the date on which such moneys are required to be paid out hereunder.

Obligations purchased as an investment of moneys in any of such funds and accounts shall at all times be deemed to be part of each such respective fund and account so invested, and all interest, gain or loss on the investment of moneys in such respective fund and accounts shall be credited or charged thereto.

The Fiscal Agent or an affiliate may act as principal or agent of the District in the making or disposing of any investment. Subject to Section 6.07, the Fiscal Agent shall not be responsible for any loss in the disposing of any investment or any other consequences for investments made in accordance with this Section. The Fiscal Agent may conclusively rely upon the District's written instructions as to both the suitability and legality of the directed investments and such written direction shall be deemed to be a certification to the Fiscal Agent that such directed investments constitute Permitted Investments. The Fiscal Agent shall be entitled to assume that any investment which at the time of purchase is a Permitted Investment remains a Permitted Investment thereafter (including for reinvestment purposes), absent receipt of written notice to the contrary.

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 Fiscal Agent shall furnish the District periodic cash transaction statements which shall include detail for all investment transactions made by the District hereunder.

The Fiscal Agent may elect, but shall not be obligated, to credit the funds and accounts held by it with moneys representing income or principal payments due on, or sales proceeds due in respect of, investments in such funds and accounts, or to credit to investments intended to be purchased with such moneys, in each case before actually receiving the requisite moneys from the payment source, or to otherwise advance funds for account transactions. The District acknowledges that the legal obligation to pay the purchase price of any investment arises immediately at the time of the purchase. Notwithstanding anything else in this Agreement, (i) any such crediting of funds or assets shall be provisional in nature, and the Fiscal Agent shall be authorized to reverse any such transactions or advances of funds in the event that it does not receive good funds with respect thereto, and (ii) nothing in this Agreement shall constitute a waiver

of any of the Fiscal Agent's rights as a securities intermediary under Uniform Commercial Code § 9-206.

(b) Acquisition, Disposition and Valuation of Investments. The District covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Agreement, or otherwise containing gross proceeds of the Bonds (within the meaning of section 148 of the Tax Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Agreement or the Tax Code) at Fair Market Value. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code shall be valued at their present value (within the meaning of section 148 of the Tax Code).

ARTICLE V

OTHER COVENANTS OF THE DISTRICT

Section 5.01. Punctual Payment. The District will punctually pay, or cause to be paid, the principal of and interest and premium, if any, on the Bonds, in strict conformity with the terms of the Bonds and of this Agreement, and it will faithfully observe and perform all of the conditions, covenants and requirements of this Agreement and of the Bonds. Nothing herein contained shall prevent the District from making advances of its own moneys howsoever derived to any of the uses or purposes permitted by law, and the District shall make such advances to the extent required by Section 32127 of the Local Health Care District Law.

Section 5.02. Extension of Time for Payment. In order to prevent any accumulation of claims for interest after maturity, the District will not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the Bonds and will not, directly or indirectly, approve any such arrangement by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the District, such claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Agreement, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which have not been so extended or funded.

Section 5.03. Protection of Security and Rights of Bondowners. The District will preserve and protect the security of the Bonds and the rights of the Bondowners, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Bonds by the District, the Bonds shall be incontestable by the District.

Section 5.04. Further Assurances. The District will adopt, 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 Agreement, and for the better assuring and confirming unto the Owners of the Bonds of the rights and benefits provided in this Agreement.

Section 5.05. Continued Existence and Operations. The District will not, while the Bonds are outstanding, take any actions that would result in (a) the sale by the District of the ambulance station/healthcare facility to another entity, (b) the failure of the District to continue providing health care services at the ambulance station/healthcare facility, or (c) the dissolution of the District.

Section 5.05. Tax Covenants.

(a) Generally. The District shall not take any action or permit to be taken any action within its control which would cause or which, with the passage of time if not cured would cause, interest on the Bonds to become includable in gross income for federal income tax purposes.

(b) Private Activity Bond Limitation. The District shall assure that the proceeds of the Bonds are not used in a manner which would cause the Bonds to become "private activity bonds" within the meaning of section 141(a) of the Code or to meet the private loan financing test of Section 141(c) of the Code.

(c) 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 the Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

(d) No Arbitrage. The District shall not take, or permit or suffer to be taken by the Fiscal Agent or otherwise, any action with respect to the Bond proceeds 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 Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code.

(e) Rebate of Excess Investment Earnings. The District shall calculate or cause to be calculated all amounts of excess investment earnings with respect to the Bonds which are required to be rebated to the United States of America under Section 148(f) of the Code, at the times and in the manner required under the Code. The District shall pay when due an amount equal to excess investment earnings to the United States of America in such amounts, at such times and in such manner as may be required under the Code, such payments to be made from any source of legally available funds of the District. The District shall keep or cause to be kept, and retain or cause to be retained for a period of six years following the retirement of the Bonds, records of the determinations made under this subsection.

(f) Limitation of Expenditure of Proceeds. The District covenants that not less than 95% of the net proceeds of the Bonds (being the face amount of the Bonds, plus any premium paid on the purchase of the Bonds by the Original Purchaser, less any original issue discount), plus investment earnings thereon, will be paid for Qualified Project Costs.

(g) Costs of Issuance Limitation. The District covenants that no portion of the proceeds of the Bonds will be used for costs of issuance of the Bonds in excess of an amount equal to ___% of the proceeds of the Bonds, within the meaning of section 147(g)(1) of the Code. For this purpose, if the fees of the Original Purchaser are retained as a discount on the purchase of the Bonds, such retention shall be deemed to be an expenditure of proceeds of the Bonds for said fees.

(h) \$150,000,000 Limitation. The District covenants to comply with the provisions of section 145(b) of the Code so as to assure that the aggregate amount of bonds allocated to the District does not exceed the limits specified in that section.

The Fiscal Agent has no duty to monitor the compliance by the District with any of the covenants contained in this Section.

Section 5.06. 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 Agreement, failure of the District to comply with the Continuing Disclosure Certificate shall not be considered a default hereunder; however, any Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate to compel performance by the District of its obligations thereunder, including seeking mandate or specific performance by court order.

Section 5.07. State Reporting Requirements. No later than January 31 of each calendar year (commencing with the first January 31 following the Closing Date), a District Officer

shall provide to CDIAC the annual report information required by Section 8855(k)(1) of the California Government Code.

None of the District, its officers, agents and employees, the District Officers, or the Fiscal Agent shall be liable for any inadvertent error in reporting the information required by this Section.

ARTICLE VI

THE FISCAL AGENT

Section 6.01. Appointment of Fiscal Agent. The Fiscal Agent, at its Principal Office is hereby appointed Fiscal Agent for the Bonds to act as the agent of the District for the purpose of receiving all moneys required to be paid to the Fiscal Agent hereunder, to allocate, use and apply the same, to hold, receive and disburse fund held in the Bond Proceeds Fund, and otherwise to hold all the offices and perform all the functions and duties provided in this Agreement to be held and performed by the Fiscal Agent. The Fiscal Agent shall signify its acceptance of the duties and obligations imposed upon it by this Agreement by executing and delivering to the District a written acceptance thereof; and by executing and delivering such acceptance, the Fiscal Agent shall be deemed to have accepted such duties and obligations, but only upon the terms and conditions set forth in this Agreement.

Section 6.02. Compensation. The District shall pay to the Fiscal Agent from time to time reasonable compensation for all services rendered under this Agreement, and also all reasonable expenses, charges, counsel fees and other disbursements including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under this Agreement and the Fiscal Agent shall have a prior lien therefor on any and all funds at any time held by it under this Agreement. The District further agrees, to the extent permitted by law, to indemnify and save the Fiscal Agent harmless against all liabilities which it may incur in the exercise and performance of its powers, functions and duties under this Agreement which are not due to its own negligence or willful misconduct including but not limited to liabilities or expenses arising out of, resulting from or in any way connected with (1) any Project or the conditions, occupancy, use, possession, conduct or management of, or work done in or about, or from the planning, design, acquisition, installation, operation or construction of any Project, or any part hereof; (2) the sale of any Bonds and the carrying out of any of the transactions contemplated by the Bonds and this Agreement; (3) any untrue statement or alleged untrue statement or any material fact or omission or alleged omission to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading in any official statement or other disclosure document utilized in connection with the sale of the Bonds. The District further agrees, to the extent permitted by law, to pay or to reimburse the Fiscal Agent and its officers, employees and agents for any and all costs, reasonable attorneys fees, liabilities or expenses incurred in connection with any such liabilities or expenses. The District's obligations in this Section shall remain valid and binding notwithstanding maturity and payment (whether by maturity, redemption, defeasance or otherwise) of the Bonds.

Section 6.03. Resignation of Fiscal Agent. The Fiscal Agent may at any time resign and be discharged of the duties and obligations created by this Agreement by giving not fewer than 60 days written notice to the District. Such resignation shall take effect on the date on which the appointment of a successor Fiscal Agent under Section 6.05 becomes effective.

Section 6.04. Removal of Fiscal Agent. The Fiscal Agent shall be removed by the District if at any time so requested by an instrument or concurrent instruments, in writing, filed with the Fiscal Agent and the District, and signed by the Owners of a majority in principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the District. The District may remove the Fiscal Agent at any time, except during the existence of an Event of Default as defined in Section 7.01 hereof, by filing with the Fiscal Agent an instrument signed by a District Officer. Such removal shall take effect on the date on which the appointment of a successor Fiscal Agent under Section 6.05 becomes effective.

Section 6.05. Appointment of Successor Fiscal Agent. If at any time the Fiscal Agent resigns or is removed, or becomes incapable of acting, or is adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Fiscal Agent, or of its property or affairs is appointed, the District covenants and agrees that it will thereupon appoint a successor Fiscal Agent. The District shall file notice of any such appointment made by it pursuant to the Continuing Disclosure Certificate.

If in a proper case no appointment of a successor Fiscal Agent is made pursuant to the foregoing provisions of this Section within 45 days after the Fiscal Agent has given to the District written notice, as provided in Section 6.03, or upon removal as provided in Section 6.04 after a vacancy in the office of the Fiscal Agent has occurred by reason of its inability to act or other reason set forth in this Section, the Fiscal Agent or the Owner of any Bond may apply to any court of competent jurisdiction to appoint a successor Fiscal Agent. Said court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Fiscal Agent. Any successor Fiscal Agent shall have a capital and surplus aggregating at least \$50,000,000.

Section 6.06. Transfer of Rights and Property to Successor Fiscal Agent. Any successor Fiscal Agent appointed under this Agreement shall execute, acknowledge and deliver to its predecessor Fiscal Agent, and also to the District, an instrument accepting such appointment, and thereupon such successor Fiscal Agent, without any further act, deed or reconveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Fiscal Agent, with like effect as if originally named as Fiscal Agent; but the Fiscal Agent ceasing to act shall nevertheless, on the written request of the District, or of the successor Fiscal Agent, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Fiscal Agent all right, title and interest of the predecessor Fiscal Agent in and to any property held by it under this Agreement, and shall pay over, assign and deliver to the successor Fiscal Agent any money or other property subject to the provisions and conditions herein set forth. Should any deed, conveyance or instrument in writing from the District be required by such successor Fiscal Agent for more fully and certainly vesting in and confirming to such successor Fiscal Agent any estates, rights, powers and duties, any and all such deed, conveyances and instruments in writing shall, on request, and so far as may be authorized by law be executed, acknowledged and delivered by the District.

Any organization or entity into which the Fiscal Agent may be merged or converted or with which it may be consolidated, or any organization or entity resulting from any merger, conversion or consolidation to which the Fiscal Agent shall be a party, or any organization or entity succeeding to all or substantially all the corporate trust business of the Fiscal Agent, shall be the successor of the Fiscal Agent hereunder, provided such organization or entity shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

Section 6.07. Liability of Fiscal Agent. The recitals of facts, covenants and agreements herein and in the Bonds contained shall be taken as statements, covenants and agreements of the District, and the Fiscal Agent assumes no responsibility for the correctness of the same, or makes any representations as to the validity or sufficiency of this Agreement, or of the Bonds, or shall incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it. The Fiscal Agent shall not be

liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct.

The Fiscal Agent 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 not less than a majority of aggregate principal amount of the Bonds at the time Outstanding relating to any proceeding for any remedy available to the Bondowners, or exercising any power conferred upon the Fiscal Agent under this Agreement.

The permissive right of the Fiscal Agent to do things or omit to do things under this Agreement shall not be construed as a duty.

The Fiscal Agent shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be proved that the Fiscal Agent was negligent in ascertaining the pertinent facts. The Fiscal Agent shall not be liable for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Agreement.

Except as otherwise provided herein, the Fiscal Agent shall not be required to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein, or in any of such agreements, documents or certificates executed in connection with the Bonds, or as to the existence of an Event of Default hereunder or thereunder. The Fiscal Agent shall not be deemed to have notice of any Event of Default hereunder or in any such document or certificate until it shall have actual knowledge thereof, or shall have received written notice thereof at its Principal Office. The Fiscal Agent shall not be responsible for the validity of any collateral given to or held by it.

The Fiscal Agent has no obligation or liability to the Bondowners for the payment of interest or principal with respect to the Bonds; but rather the Fiscal Agent's sole obligations are to administer, for the benefit of the District and the Bondowners, the various funds and accounts established in the Agreement and to perform the other duties expressly provided for herein.

The Fiscal Agent shall have no responsibility for or liability in connection with assuring that all of the procedures or conditions to closing set forth herein have been met on the Closing Date or, that all documents required to be delivered on the Closing Date to the parties are actually delivered, except its own responsibility to receive the Bond proceeds and other sums required to be delivered to it and to authenticate and deliver the Bonds and other certificates expressly required to be delivered by it and its counsel. The Fiscal Agent may assume that each of the District and the Original Purchaser have waived their rights to receive documents or to require the performance of procedures if the parties to whom such documents are to be delivered or for whom such procedures are to be performed do not require delivery or performance on or prior to the Closing Date.

The Fiscal Agent shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

No provision of this Agreement shall require the Fiscal Agent to risk or expend its own funds or otherwise incur any financial liability in the performance of its duties and obligations hereunder.

The Fiscal Agent shall be responsible only for the duties specified in this Agreement and no implied duties or obligations shall be read into this Agreement against the Fiscal Agent.

The Fiscal Agent shall have the right to accept and act upon instructions or directions, including funds transfer instructions, pursuant to this Agreement sent by Electronic Means; provided, however, that the District shall provide to the Fiscal Agent an incumbency certificate listing designated persons authorized to provide such instructions ("Authorized Officers"), which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. As used in this paragraph, "Electronic Means" means a portable document format ("pdf") or other replicating image attached to an unsecured email, facsimile transmission, secure electronic transmission (containing applicable authorization codes, passwords and/or authentication keys issued by the Fiscal Agent), or another method or system specified by the Fiscal Agent as available for use in connection with its services hereunder. If the District elects to give the Fiscal Agent instructions by Electronic Means and the Fiscal Agent in its discretion elects to act upon such instructions, the Fiscal Agent's understanding of such instructions shall be deemed controlling. The District agrees that the Fiscal Agent cannot determine the identity of the actual sender of such instructions and that the Fiscal Agent shall conclusively presume that instructions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Fiscal Agent have been sent by such Authorized Officer. The District shall be responsible for ensuring that only Authorized Officers transmit such instructions to the Fiscal Agent, and the District and its Authorized Officers are responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and authentication keys provided by the Fiscal Agent, if any. The Fiscal Agent shall not be liable for any losses, costs, or expenses arising directly or indirectly from the Fiscal Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction delivered by other means. The District agrees (i) to assume all risks arising out of the use of such Electronic Means to submit instructions and direction to the Fiscal Agent, including without limitation the risk of the Fiscal Agent acting on unauthorized instructions and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting instructions to the Fiscal Agent and that there may be more secure methods of transmitting instructions than the use of Electronic Means; (iii) that the security procedures (if any) to be followed in connection with its transmission of instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) that it will notify the Fiscal Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 6.08. Notice to Fiscal Agent. The Fiscal Agent shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, warrant, Bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The Fiscal Agent may consult with counsel, who may be of counsel to the District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Fiscal Agent shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and the Owner's title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under this Agreement the Fiscal Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically

prescribed) may, in the absence of bad faith on the part of the Fiscal Agent, be deemed to be conclusively proved and established by a written certificate signed by a District Officer and such certificate shall be full warrant to the Fiscal Agent for any action taken or suffered under the provisions of this Agreement or any Supplemental Agreement upon the faith thereof, but in its discretion the Fiscal Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES OF BONDOWNERS

Section 7.01. Events of Default. The following shall constitute Events of Default under this Agreement:

(a) if default shall be made by the District in the due and punctual payment of the principal of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed or by declaration or otherwise; and

(b) if default shall be made by the District in the due and punctual payment of any installment of interest or premium on any Bond when and as such interest or premium installment shall become due and payable.

Section 7.02. Remedies of Bondowners. Upon the occurrence of an Event of Default, any Bondowner shall have the right, for the equal benefit and protection of all Bondowners similarly situated:

(a) by mandamus, suit, action or proceeding, to compel the District and its members, officers, agents or employees to perform each and every term, provision and covenant contained in this Agreement and in the Bonds, and to require the carrying out of any or all such covenants and agreements of the District and the fulfillment of all duties imposed upon it; or

(b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Bondowners' rights.

Section 7.03. Non-Waiver. Nothing in this Article VII or in any other provision of this Agreement, or in the Bonds, shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the principal of and interest and premium, if any, on the Bonds to the respective Owners of the Bonds at the respective dates of maturity, as herein provided, or affect or impair the right of action, which is also absolute and unconditional, of such Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds.

A waiver of any default by any Bondowner shall not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of any Owner of any of the Bonds 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 of any such default or an acquiescence therein, and every power and remedy conferred upon the Bondowners by this Article VII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners of the Bonds.

If a suit, action or proceeding to enforce any right or exercise any remedy be abandoned or determined adversely to the Bondowners, the District and the Bondowners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

Section 7.04. Remedies Not Exclusive. No remedy herein conferred upon the Owners of Bonds shall be exclusive of any other remedy and that each and every remedy shall be

cumulative and shall be in addition to every other remedy given hereunder or thereafter conferred on the Bondowners.

ARTICLE VIII

SUPPLEMENTAL AGREEMENTS

Section 8.01. Supplemental Agreements Effective Without Consent of the Owners.

For any one or more of the following purposes and at any time or from time to time, the District may enter into a Supplemental Agreement, which, without the requirement of consent of the Owners of the Bonds, shall be fully effective in accordance with its terms:

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

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

(c) to confirm, as further assurance, any pledge, lien or security interest under, and the subjection to any pledge, lien or security interest created or to be created by, this Agreement, of any Collateral, or to establish any additional funds or accounts to be held under this Agreement;

(d) to cure any ambiguity, supply and omission, substitute any party, or cure or correct any defect or inconsistent provision in this Agreement;

(e) to make such additions, deletions or modifications as may be necessary to assure compliance with section 148(f) of the Tax Code relating to required rebate of any amounts to the United States or otherwise as may be necessary to assure exemption from federal income taxation of interest on the Bonds, or

(f) to make any other change that does not materially adversely effect the holders of the Bonds.

Section 8.02. Supplemental Agreements Effective With Consent to the Owners. Any modification or amendment of this Agreement and of the rights and obligations of the District and of the Owners of the Bonds, in any particular, may be made by a Supplemental Agreement, with the written consent of the Owners of at least a majority in aggregate principal amount of the Bonds Outstanding at the time such consent is given. No such modification or amendment shall permit a change in the terms of maturity of the principal of any Outstanding Bonds or of any interest or premium, if any, payable thereon or a reduction in the principal amount thereof or in the rate of interest thereon, or shall reduce the percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or shall change any of the provisions in Section 7.01 hereof relating to Events of Default, or shall reduce the Collateral subject to the pledge, lien or security interest hereunder for the repayment of the Bonds without the consent of all the Owners of such Bonds, or shall change or modify any of the rights or obligations of any Fiscal Agent without its written assent thereto.

Section 8.03. Owners' Meetings. The District may at any time call a meeting of the Owners. In such event the District is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof, and to fix and adopt rules and regulations for the conduct of said meeting.

Section 8.04. Procedure for Amendment with Written Consent of Owners. The District and the Fiscal Agent may at any time enter into a Supplemental Agreement amending the provisions of the Bonds or of this Agreement or any Supplemental Agreement, to the extent that such amendment is permitted by Section 8.01, to take effect when and as provided in this Section. A copy of such Supplemental Agreement, together with a request to Owners for their consent thereto, shall be mailed by first class mail, by the Fiscal Agent to each Owner of Bonds Outstanding, but failure to mail copies of such Supplemental Agreement and request shall not affect the validity of the Supplemental Agreement when assented to as in this Section provided.

Such Supplemental Agreement shall not become effective unless there shall be filed with the Fiscal Agent the written consents of the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding (exclusive of Bonds disqualified as provided in Section 8.05) and a notice shall have been mailed as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by Section 9.03. Any such consent shall be binding upon the Owner of the Bonds 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 Fiscal Agent prior to the date when the notice hereinafter in this Section provided for has been mailed.

After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Agreement, the District shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Agreement, stating in substance that the Supplemental Agreement has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Agreement or consents thereto). Proof of the mailing of such notice shall be filed with the Fiscal Agent. A record, consisting of the papers required by this Section 8.04 to be filed with the Fiscal Agent, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Agreement shall become effective upon the filing with the Fiscal Agent of the proof of mailing of such notice, and the Supplemental Agreement shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the District and the Owners of all Bonds 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-day period.

Section 8.05. Disqualified Bonds. Bonds owned or held for the account of the District, excepting any pension or retirement fund, shall not be deemed Outstanding for the purpose of any vote, consent or other action or any calculation of Outstanding Bonds provided for in this Article VIII, and shall not be entitled to vote upon, consent to, or take any other action provided for in this Article VIII.

Section 8.06. Effect of Supplemental Agreement. From and after the time any Supplemental Agreement becomes effective pursuant to this Article VIII, this Agreement shall be

deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations under this Agreement of the District and all owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Agreement shall be deemed to be part of the terms and conditions of this Agreement for any and all purposes.

Section 8.07. Endorsement or Replacement of Bonds Issued After Amendments.

The District may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article VIII shall bear a notation, by endorsement or otherwise, in form approved by the District, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the Office of the Fiscal Agent or at such other office as the District may select and designate for that purpose, a suitable notation shall be made on such Bond. The District may determine that new Bonds, so modified as in the opinion of the District is necessary to conform to such Owners' action, shall be prepared, executed and delivered. In that case, upon demand of the Owner of any Bonds then Outstanding, such new Bonds shall be exchanged at the Office of the Fiscal Agent without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Section 8.08. Amendatory Endorsement of Bonds. The provisions of this Article VIII shall not prevent any Owner from accepting any amendment as to the particular Bonds held by him or her.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Benefits of Agreement Limited to Parties. Nothing in this Agreement, expressed or implied, is intended to give to any person other than the District, the Fiscal Agent and the Owners of the Bonds, any right, remedy, claim under or by reason of this Agreement. Any covenants, stipulations, promises or agreements in this Agreement contained by and on behalf of the District shall be for the sole and exclusive benefit of the Owners of the Bonds.

Section 9.02. Defeasance.

(a) Discharge of Agreement. Bonds may be paid off by the District in any of the following ways, provided that the District also pays or causes to be paid any other sums payable hereunder by the District:

- (i) by paying or causing to be paid the principal of and interest and premium, if any, on Bonds Outstanding, as and when the same become due and payable;
- (ii) by depositing with the Fiscal Agent or an escrow agent, at or before maturity, money or securities in the necessary amount (as provided in Section 9.02(c)) to pay Bonds Outstanding; or
- (iii) by delivering to the Fiscal Agent, for cancellation by it, Bonds Outstanding.

If the District pays all Bonds Outstanding and shall also pay or cause to be paid all other sums payable hereunder by the District, then and in that case, at the election of the District (evidenced by a certificate of a District Officer, filed with the Fiscal Agent, signifying the intention of the District to discharge all such indebtedness and this Agreement), and notwithstanding that any Bonds have not been surrendered for payment, this Agreement and all covenants, agreements and other obligations of the District under this Agreement shall cease, terminate, become void and be completely discharged and satisfied, except only as provided in Section 9.02(b) and the obligation of the District to assure that no action is taken or is found to be taken that would adversely affect the exclusion of interest on the Bonds from gross income and the Tax Code. In such event, upon request of the District, the Fiscal Agent shall cause an accounting for such period or periods as may be requested by the District to be prepared and filed with the District and shall execute and deliver to the District all such instruments as may be necessary to evidence such discharge and satisfaction, and the Fiscal Agent shall pay over, transfer, assign or deliver to the District all moneys or securities or other property held by it pursuant to this Agreement which are not required for the payment of Bonds not theretofore surrendered for such payment.

(b) Discharge of Liability on Bonds. Upon the deposit at or before maturity, of money or securities in the necessary amount (as provided in Section 9.02(c)) to pay any Outstanding Bond upon its maturity, then all liability of the District in respect of such Bond shall cease and be completely discharged, except only that thereafter the Owner thereof shall be entitled only to payment of the principal of and interest and premium, if any, on such Bond by the District, and the District shall remain liable for such payment, but only out of such money or securities

deposited with the Fiscal Agent or an escrow agent as aforesaid for such payment, provided further, however, that the provisions of Section 9.02(d) shall apply in all events.

The District may at any time surrender to the Fiscal Agent for cancellation by it any Bonds previously issued and delivered, which the District may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

(c) Deposit of Money or Securities with Fiscal Agent. Whenever in this Agreement it is provided or permitted that there be deposited with or held by the Fiscal Agent or an escrow agent money or securities in the necessary amount to pay any Bonds, the money or securities so to be deposited or held may include money or securities held by the Fiscal Agent in the funds and accounts established pursuant to this Agreement and shall be:

(i) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity; or

(ii) Defeasance Obligations (not callable by the issuer thereof prior to maturity) the principal of and interest and premium, if any, on which when due, together with any lawful money of the United States of America, in the opinion of a certified public accountant delivered to the District, will provide money sufficient to pay the principal of and all unpaid interest to maturity on the Bonds to be paid, and premium, if any, as such principal, interest and premium become due;

provided, in each case, that the Fiscal Agent shall have been irrevocably instructed (by the terms of this Agreement or by request of the District) to apply such money to the payment of such principal, interest and premium with respect to such Bonds.

(d) Payment of Bonds After Discharge of Agreement. Notwithstanding any provisions of this Agreement, any moneys held by the Fiscal Agent for the payment of the principal of, or interest or premium, if any, on, any Bonds and remaining unclaimed for two years after the principal of all of the Bonds has become due and payable (whether at maturity or upon call for redemption as provided in this Agreement), if such moneys were so held at such date, or two years after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall be repaid to the District outright, and all liability of the Fiscal Agent with respect to such moneys shall thereupon cease.

Section 9.03. Execution of Documents and Proof of Ownership by Bondowners.

Any request, declaration or other instrument which this Agreement may require or permit to be executed by Bondowners may be in one or more instruments of similar tenor, and shall be executed by Bondowners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Bondowner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number and date of holding the same shall be proved by the registry books.

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the District, the Fiscal Agent or the District Administrator in good faith and in accordance therewith.

Section 9.04. Waiver of Personal Liability. No Boardmember, District Officer, agent or employee of the District shall be individually or personally liable for the payment of the principal of or interest on the Bonds; but nothing herein contained shall relieve any such Boardmember, District Officer, agent or employee from the performance of any official duty provided by law.

Section 9.05. Destruction of Canceled Bonds. Whenever in this Agreement provision is made for the surrender to the District of any Bonds which have been paid or canceled pursuant to the provisions of this Agreement, a certificate of destruction duly executed by the Fiscal Agent shall be deemed to be the equivalent of the surrender of such canceled Bonds and the District shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Bonds therein referred to.

Section 9.06. Partial Invalidity. If any Section, paragraph, sentence, clause or phrase of this Agreement shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Agreement. The District hereby declares that it would have adopted this Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Agreement may be held illegal, invalid or unenforceable.

Section 9.07. Unclaimed Moneys. Subject at all times to applicable unclaimed property law and anything contained herein to the contrary notwithstanding, any moneys held by the Fiscal Agent for the payment and discharge of the principal of, and the interest on, the Bonds which remains unclaimed for two (2) years after the date when the payments of such principal and interest have become payable, if such moneys was held by the Fiscal Agent at such date, shall be repaid by the Fiscal Agent to the District as its absolute property, and the Fiscal Agent shall thereupon be released and discharged with respect thereto and the Owners shall look only to the District for the payment of the principal of, and interest on, such Bonds.

Section 9.08. Notices to and Demands on District and Fiscal Agent. Any notice or demand which by any provision of this Agreement is required or permitted to be given or served by the Fiscal Agent to or on the District may be given or served by being deposited postage prepaid in a post office letter box addressed (until another address is filed by the District with the Fiscal Agent) or by facsimile to:

District Administrator
Cambria Community Healthcare District
2511 Main Street
Cambria, CA 93428
Email: lhendy@cambria-healthcare.org

Any notice or demand which by any provision of this Agreement is required or permitted to be given or served by the District to or on the Fiscal Agent may be given or served by being deposited postage prepaid in a post office letter box addressed (until another address is filed by the Fiscal Agent with the District) or by facsimile to:

Attn.: _____

All notices, approvals, consents, requests and any communications to the Fiscal Agent hereunder must be in writing in English and must be in the form of a document that is signed manually or by way of an electronic signature (including electronic images of handwritten signatures and digital signatures provided by DocuSign, Orbit, Adobe Sign or any other electronic signature provider acceptable to the Fiscal Agent). Electronic signatures believed by the Fiscal Agent to comply with the ESIGN ACT of 2000 or other applicable law shall be deemed original signatures for all purposes. If the District chooses to use electronic signatures to sign documents delivered to the Fiscal Agent, the District agrees to assume all risks arising out of its use of electronic signatures, including without limitation the risk of the Fiscal Agent acting on an unauthorized document and the risk of interception or misuse by third parties. Notwithstanding the foregoing, the Fiscal Agent may in any instance and in its sole discretion require that an original document bearing a manual signature be delivered to the Fiscal Agent in lieu of, or in addition to, any document signed via electronic signature.

Section 9.09. Applicable Law. This Agreement shall be governed by and enforced in accordance with the laws of the State of California applicable to contracts made and performed in the State of California.

Section 9.10. Conclusive Evidence of Regularity. Bonds issued pursuant to this Agreement shall constitute conclusive evidence of the regularity of all proceedings under the Act relative to their issuance and the levy of the ad valorem taxes securing the payment of the Bonds.

Section 9.11. Payment on Business Day. In any case where the date of the payment of principal of or interest or premium, if any, on the Bonds or the date any action is to be taken pursuant to this Agreement is other than a Business Day, such payment or action need not be made on such date but may be made on the next succeeding day which is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period from and after such date.

Section 9.12. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the District and the Fiscal Agent have caused this Agreement to be executed as of the date first above written.

**CAMBRIA COMMUNITY HEALTHCARE
DISTRICT**

By: _____

_____,
as Fiscal Agent

By: _____

Authorized Officer

EXHIBIT A

FORM OF BOND

**UNITED STATES OF AMERICA
STATE OF CALIFORNIA**

**\$ _____
Cambria Community Healthcare District
General Obligation Bonds
Election of 2024, Series A**

INTEREST RATE: MATURITY DATE: ISSUE DATE: CUSIP:
 August 1, _____ _____, 2025

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: DOLLARS

The Cambria Community Healthcare District, a health care district duly organized and existing under and by virtue of the Constitution and laws of the State of California (the "District"), for value received, hereby promises to pay to the Registered Owner stated above, or registered assigns (the "Owner"), on the Maturity Date stated above, the Principal Sum stated above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the interest payment date next preceding the date of authentication of this Bond (unless (i) this Bond is authenticated on an interest payment date, in which event it shall bear interest from such date of authentication, or (ii) this Bond is authenticated prior to July 15, 2025, in which event it shall bear interest from the Issue Date stated above; provided however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on this Bond) until payment of such Principal Sum in full, at the rate per annum stated above, payable on August 1 and February 1 in each year, commencing August 1, 2025, calculated on the basis of 360-day year composed of twelve 30-day months. Principal hereof is payable at the corporate trust office of _____, (the "Fiscal Agent"). Interest hereon (including the final interest payment upon maturity) is payable by check or draft of the Fiscal Agent mailed by first class mail to the Owner at the Owner's address as it appears on the registration books maintained by the Fiscal Agent as of the close of business on the fifteenth day of the month next preceding such interest payment date, or at such other address as the Owner may have filed with the Fiscal Agent for that purpose.

This Bond is one of a duly authorized series of Bonds of the District designated as "Cambria Community Healthcare District (County of San Luis Obispo, California) General Obligation Bonds, Election of 2024, Series A" (the "Bonds"), in an aggregate original principal amount of \$ _____, all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities, interest rates or other provisions) and all issued pursuant to the provisions of Chapter 4, commencing with Section 32300, of Division 23 of the California Health and Safety Code and Article 4.5, commencing with Section 53506, of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (collectively, the "Act"), and a Fiscal Agent Agreement dated as of _____ 1, 2025 (the "Fiscal Agent Agreement")

by and between the District and the Fiscal Agent. Reference is hereby made to the Fiscal Agent Agreement (copies of which are on file at the office of the Secretary of the Board) and the Act for a description of the terms on which the Bonds are issued and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Fiscal Agent and the rights and obligations of the District thereunder, to all of the provisions of which Fiscal Agent Agreement the Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds have been issued by the District to finance the replacement of the ambulance station/healthcare facility by the District. The issuance of the Bonds was authorized by a vote of more than two-thirds of the qualified voters of the District voting at a special municipal election held on November 5, 2024. The Bonds are the first series of bonds to be issued pursuant to such authorization.

This Bond and the interest hereon and on all other Bonds and the interest thereon (to the extent set forth in the Fiscal Agent Agreement) are general obligations of the District and the County have the power and are obligated to levy taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District.

The Bonds are subject to redemption prior to their respective maturity dates as a whole, or in part, on any date, from any moneys provided at the option of the District, in each case on and after August 1, 20__, at a redemption price equal to the principal amount of Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium.

The Bonds maturing on August 1, 20__ (the "20__ Term Bonds"), are subject to mandatory sinking payment redemption in part on August 1, 20__, and on each August 1 thereafter to maturity, by lot, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, from sinking payments as follows:

20__ Term Bonds

Redemption Date (August 1)	Sinking Payments
---------------------------------------	-----------------------------

The Bonds maturing on August 1, 20__ (the "20__ Term Bonds"), are subject to mandatory sinking payment redemption in part on August 1, 20__, and on each August 1 thereafter to maturity, by lot, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, from sinking payments as follows:

20__ Term Bonds

Redemption Date (August 1)	Sinking Payments
---------------------------------------	-----------------------------

The amounts in the foregoing tables shall be reduced as a result of any prior partial optional redemption of the Bonds as specified in writing by a District Officer to the Fiscal Agent.

If less than all of the Bonds are redeemed, the Bonds shall be redeemed by lot within a maturity, and among maturities in the manner specified in the Agreement. Notice of redemption with respect to the Bonds to be redeemed shall be given to the registered owners thereof, in the manner, to the extent and subject to the provisions of the Agreement.

The Bonds are issuable as fully registered Bonds, without coupons, in denominations of \$5,000 and any integral multiple thereof. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Fiscal Agent Agreement, Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations and of the same maturity.

This Bond is transferable by the Owner hereof, in person or by his attorney duly authorized in writing, at said Principal Office of the Fiscal Agent, but only in the manner and subject to the limitations provided in the Fiscal Agent Agreement, and upon surrender and cancellation of this Bond. Upon registration of such transfer a new Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor.

The District and the Fiscal Agent may treat the Owner hereof as the absolute owner hereof for all purposes, and the District and the Fiscal Agent shall not be affected by any notice to the contrary.

The Fiscal Agent Agreement may be amended without the consent of the Owners of the Bonds to the extent set forth in the Fiscal Agent Agreement.

Unless this Bond is presented by an authorized representative of The Depository Trust Company; a New York corporation ("DTC"), to District or the Fiscal Agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein. It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time and manner as

required by the laws of the State of California, and that the amount of this Bond, together with all other indebtedness of the District, does not exceed any limit prescribed by any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Fiscal Agent Agreement.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time and manner as required by the laws of the State of California, and that the amount of this Bond, together with all other indebtedness of the District, does not exceed any limit prescribed by any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Fiscal Agent Agreement.

This Bond shall not be entitled to any benefit under the Fiscal Agent Agreement or become valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Fiscal Agent.

IN WITNESS WHEREOF, the Cambria Community Healthcare District has caused this Bond to be executed in its name and on its behalf with the facsimile signatures of its Chair of the Board of Directors and countersigned by its Secretary of the Board of Directors and its seal to be reproduced hereon, all as of the Issue Date stated above.

CAMBRIA COMMUNITY HEALTHCARE
DISTRICT

By: _____
Cecilia Montalvo
Chair of the Board

Attest:

By: _____
Secretary of the Board

[FORM OF FISCAL AGENT'S CERTIFICATE OF AUTHENTICATION]

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Fiscal Agent Agreement.

Authentication Date: _____, 2025

_____,
as Fiscal Agent

Authorized Signatory

EXHIBIT B

FORM OF COSTS OF ISSUANCE ACCOUNT REQUISITION

\$ _____
**Cambria Community Healthcare District
General Obligation Bonds
Election of 2024, Series A**

**WRITTEN REQUISITION NO. _____
FOR DISBURSEMENT FROM THE COSTS OF ISSUANCE ACCOUNT**

The undersigned hereby states and certifies as follows:

(i) The undersigned is the _____ of the Cambria Community Healthcare District (the "District"), a health care district organized and existing under the laws of the State of California, and as such, is familiar with the facts herein certified and is authorized and qualified to certify the same.

(ii) Pursuant to Section 4.02(c) of that certain Fiscal Agent Agreement, dated as of _____ 1, 2025 (the "Fiscal Agent Agreement"), by and between the District and _____, as fiscal agent (the "Fiscal Agent"), the undersigned hereby authorizes the disbursement from the Costs of Issuance Account of the Bond Proceeds Fund (the "Account") established under the Fiscal Agent Agreement, for the costs set forth on Schedule A attached hereto and by this reference incorporated herein, the amount set forth opposite such cost for the purposes set forth on Schedule A, and all such payments shall be made by check or wire transfer in accordance with payment instructions contained in Schedule A. The Fiscal Agent shall have no duty or obligation to authenticate such payment instructions or the authorization thereof.

(iii) The amounts to be disbursed constitute Issuance Expenses.

(iv) Such amounts are required to be disbursed pursuant to a contract entered into by or on behalf of the District, or were necessarily and reasonably incurred and such amounts are not being paid in advance of the time, if any, fixed for payment.

(v) No amount set forth in Schedule A was included in any certificate requesting disbursement of Issuance Costs previously filed with the Fiscal Agent pursuant to Section 4.02(c) of the Fiscal Agent Agreement.

Capitalized terms not otherwise defined shall have the meanings ascribed to them in the Fiscal Agent Agreement.

Dated: _____

CAMBRIA COMMUNITY HEALTHCARE DISTRICT

By _____
District Officer

SCHEDULE A

Payee Name and Address	Purpose of Obligation	Disbursement Amount
-------------------------------	------------------------------	--------------------------------

EXHIBIT C

FORM OF PROJECT ACCOUNT REQUISITION

**\$ _____
Cambria Community Healthcare District
General Obligation Bonds
Election of 2024, Series A**

**WRITTEN REQUISITION NO. _____
FOR DISBURSEMENT FROM THE PROJECT ACCOUNT**

The undersigned hereby states and certifies as follows:

(i) The undersigned is the _____ of the Cambria Community Healthcare District (the "District"), a health care district organized and existing under the laws of the State of California, and as such, is familiar with the facts herein certified and is authorized and qualified to certify the same.

(ii) Pursuant to Section 4.02(b) of that certain Fiscal Agent Agreement, dated as of _____ 1, 2025 (the "Fiscal Agent Agreement"), by and between the District and _____, as fiscal agent (the "Fiscal Agent"), the undersigned hereby authorizes the disbursement from the Project Account of the Bond Proceeds Fund (the "Account") established under the Fiscal Agent Agreement, for the Project Costs set forth on Schedule A attached hereto and by this reference incorporated herein, the amount set forth opposite such cost for the purposes set forth on Schedule A, and all such payments shall be made by check or wire transfer in accordance with payment instructions contained in Schedule A. The Fiscal Agent shall have no duty or obligation to authenticate such payment instructions or the authorization thereof.

(iii) The amounts to be disbursed constitute Project Costs.

(iv) Such amounts are required to be disbursed pursuant to a contract entered into by or on behalf of the District, or were necessarily and reasonably incurred and such amounts are not being paid in advance of the time, if any, fixed for payment.

(v) No amount set forth in Schedule A was included in any certificate requesting disbursement of Project Costs previously filed with the Fiscal Agent pursuant to Section 4.02(b) of the Fiscal Agent Agreement.

Capitalized terms not otherwise defined shall have the meanings ascribed to them in the Fiscal Agent Agreement.

Dated: _____

CAMBRIA COMMUNITY HEALTHCARE DISTRICT

By _____
District Officer

SCHEDULE A

<u>Payee Name and Address</u>	<u>Purpose of Obligation</u>	<u>Disbursement Amount</u>
--------------------------------------	-------------------------------------	---------------------------------------

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2025

NEW ISSUE - BOOK-ENTRY ONLY
BANK QUALIFIED

RATING: S&P: "____"
See "RATING" herein.

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. The Bonds are "qualified tax-exempt obligations" within the meaning of section 265(b)(3) of the Internal Revenue Code of 1986, as amended. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS."

\$5,900,000*

CAMBRIA COMMUNITY HEALTHCARE DISTRICT
(San Luis Obispo County, California)
General Obligation Bonds
Election of 2024, Series A
(Bank Qualified)

Dated: Date of Delivery

Due: August 1; see inside cover

Authorization. The above-captioned bonds (the "Bonds") are being issued by the Cambria Community Healthcare District (the "District"). The Bonds were authorized at an election of the registered voters of the District held on November 5, 2024, which authorized the issuance of general obligation bonds by the District in the maximum principal amount of \$5,900,000 (the "2024 Authorization"). The Bonds will be issued and secured under a Fiscal Agent Agreement dated as of February 1, 2025 (the "Fiscal Agent Agreement"), between the District and _____, as fiscal agent. The Bonds are the first and only series of bonds to be issued pursuant to the 2024 Authorization.

Purpose. Under the 2024 Authorization, the Bonds will be used to finance the construction and modernization of a new ambulance station. The remaining proceeds of the Bonds will be used to pay capitalized interest on the Bonds through _____, 2025, and to pay the costs of issuing the Bonds. See "THE FINANCING PLAN."

Security. The Bonds are general obligations of the District, payable from *ad valorem* property taxes levied and collected by San Luis Obispo County (the "County"). The Bonds are not obligations of the County. The Board of Supervisors of the County is empowered and obligated to annually levy *ad valorem* property taxes for the payment of interest and premium, if any, on, and principal of, the Bonds when due upon all property subject to taxation by the District, without limitation of rate or amount (except certain personal property which is taxable at limited rates). All *ad valorem* property taxes levied and collected by the County will be transferred directly to the Fiscal Agent. The District is not funding a debt service reserve fund for the Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS."

The District. The District was organized in 1947, under the authority of section 3200, et. seq., of the Health and Safety Code of the state of California. The District is a public, tax and fee supported special district in the County. The District provides advanced life support ambulance service for the area, which includes the communities of Cambria, Harmony, San Simeon, and outlying areas north to the Monterey County line. Under an agreement with Monterey County, the District also provides ambulance service in the Monterey County Coast zone. See "INTRODUCTION," "THE DISTRICT" and APPENDIX A.

Book-Entry Only. The Bonds will be issued in book-entry form only, initially registered in the name of Cede & Co., New York, New York, as nominee of The Depository Trust Company ("DTC"), New York, New York. Individual purchases of the Bonds will be in principal amounts of \$5,000 or in any integral multiples of \$5,000. Purchasers will not receive physical certificates representing their interests in the Bonds. See "THE BONDS" and APPENDIX G.

Payments. Interest on the Bonds accrues from the date of delivery at the rates set forth on the maturity schedule on the inside cover of this Official Statement (calculated on the basis of a 360-day year of twelve 30-day months) and is payable semiannually on August 1 and February 1 of each year, commencing August 1, 2025. Payments of principal and interest and premium, if any, on the Bonds will be paid by the Fiscal Agent to DTC for subsequent disbursement to DTC Participants, which will remit such payments to the Beneficial Owners of the Bonds. See "THE BONDS— Payment of Principal and Interest" and "— Book-Entry System."

Redemption. The Bonds are subject to optional redemption and mandatory sinking payment redemption prior to their stated maturity. See "THE BONDS – Redemption of the Bonds."

Bond Insurance. The District has applied for bond insurance to guarantee the scheduled payment of principal of and interest on the Bonds, and will decide prior to the sale of the Bonds whether to purchase such insurance.

MATURITY SCHEDULE

(See inside cover)

THIS COVER PAGE CONTAINS INFORMATION FOR GENERAL REFERENCE ONLY. IT IS NOT A SUMMARY OF THE SECURITY OR TERMS OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT FOR A DISCUSSION OF SPECIAL FACTORS WHICH SHOULD BE CONSIDERED, IN ADDITION TO THE OTHER MATTERS SET FORTH IN THIS OFFICIAL STATEMENT, IN CONSIDERING THE INVESTMENT QUALITY OF THE BONDS. CAPITALIZED TERMS USED ON THIS COVER PAGE AND NOT OTHERWISE DEFINED HAVE THE MEANINGS SET FORTH IN THIS OFFICIAL STATEMENT.

*The Bonds will be offered when, as and if issued and accepted by the Underwriter, subject to the approval as to legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel to the District, and subject to certain other conditions. Jones Hall is also serving as Disclosure Counsel to the District. Kutak Rock LLP, Irvine, California is serving as counsel to the Underwriter. It is anticipated that the Bonds, in book-entry form, will be available for delivery through the facilities of DTC, on or about February 27, 2025.**



The date of this Official Statement is _____, 2025.

* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

MATURITY SCHEDULE*

CAMBRIA COMMUNITY HEALTHCARE DISTRICT
(San Luis Obispo County, California)
General Obligation Bonds
Election of 2024, Series A
(Bank Qualified)

Base CUSIP†: _____

\$ _____ Serial Bonds

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†
-------------------------------------	-----------------------------	--------------------------	--------------	--------------	---------------

\$ _____ % Term Bond Maturing August 1, 20___, Yield: _____%, Price: _____
CUSIP† No. _____

**Preliminary, subject to change.*

† CUSIP Global Services (CGS) is managed on behalf of American Bankers Association by FactSet Research Systems Inc. Copyright 2025 CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP numbers are provided for convenience of reference only. Neither the District nor the Underwriter guarantees the accuracy of the CUSIP data.

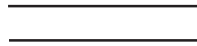
**CAMBRIA COMMUNITY HEALTHCARE DISTRICT
(San Luis Obispo County, California)**

DISTRICT BOARD OF DIRECTORS

Cecilia Montalvo, *President*
Bruce Mumper, *Vice President*
Igor Fedoroff, *Secretary*
Dawn Kulesa, *Board Member*
Laurie Mileur, *Board Member*

DISTRICT STAFF

Linda Hendy, *Administrator/Finance Director*
Jennifer Harley, *Office Manager*
Tim Nurge, *Operations Manager*



PROFESSIONAL SERVICES

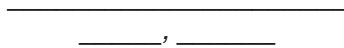
Municipal Advisor

Isom Advisors, a Division of Urban Futures, Inc.
Walnut Creek, California

Bond Counsel and Disclosure Counsel

Jones Hall, A Professional Law Corporation
San Francisco, California

Fiscal Agent



GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No Offering May Be Made Except by this Official Statement. No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations with respect to the Bonds other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, create any implication that there has been no change in the affairs of the District or any other parties described in this Official Statement.

Use of this Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract with the purchasers of the Bonds. The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with and as part of its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Preparation of this Official Statement. The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but this information is not guaranteed as to accuracy or completeness.

Document References and Summaries. All references to and summaries of the Fiscal Agent Agreement or other documents contained in this Official Statement are subject to the provisions of those documents and do not purport to be complete statements of those documents.

Bonds are Exempt from Securities Laws Registration. The issuance and sale of the Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exemptions for the issuance and sale of municipal securities provided under Section 3(a)(2) of the Securities Act of 1933 and Section 3(a)(12) of the Securities Exchange Act of 1934.

Stabilization of Prices. In connection with this offering, the Underwriter may overallocate or effect transactions which stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the public offering prices set forth on the cover page hereof and said public offering prices may be changed from time to time by the Underwriter.

Estimates and Projections. Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

District Website. The District maintains a website, but the information presented on the website is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

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OFFICIAL STATEMENT

\$5,900,000*
CAMBRIA COMMUNITY HEALTHCARE DISTRICT
(San Luis Obispo County, California)
General Obligation Bonds
Election of 2024, Series A
(Bank Qualified)

INTRODUCTION

This introduction contains only a brief summary of certain of the terms of the Bonds being offered, and a brief description of the Official Statement. All statements contained in this introduction are qualified in their entirety by reference to the entire Official Statement.

General

The purpose of this Official Statement (which includes the cover page, inside cover page and appendices) is to provide information concerning the issuance by the Cambria Community Healthcare District (San Luis Obispo County, California) (the “**District**”) of the general obligation bonds captioned above (the “**Bonds**”).

The District

The District. The District was organized in 1947, under the authority of section 3200, et. seq., of the Health and Safety Code of the state of California (the “**Local Health Care District Law**”). The District is a public, tax and fee supported special district in the County of San Luis Obispo (the “**County**”) in the State of California (the “**State**”). The District provides advanced life support ambulance service for the area, which includes the communities of Cambria, Harmony, San Simeon, and outlying areas north to the Monterey County line. Under an agreement with Monterey County, the District also provides ambulance service in the Monterey County Coast zone.

The District's mission is to improve the health of district residents by providing emergency services, enhancing access to care, and promoting wellness. The District is governed by a five-member board of directors. The Administrator manages the day-to-day operations of the District in accordance with the policies and procedures established by the board of directors. The board of directors meets each month. Meetings are publicly noticed and citizens are encouraged to attend. An annual budget is approved by the board of directors.

The District has [29] full-time equivalent employees.

* Preliminary; subject to change.

For more information regarding the District and its finances, see APPENDIX A and APPENDIX C attached hereto. See APPENDIX B hereto for demographic and other statistical information regarding the County.

Authority for the Bonds

The Bonds are being issued pursuant to (i) the Constitution and laws of the State, including the provisions of Chapter 4, commencing with Section 32300, of the Local Health Care District Law, and Article 4.5, commencing with Section 53506, of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “**Act**”) and (ii) a Fiscal Agent Agreement dated as of February 1, 2025 (the “**Fiscal Agent Agreement**”), between the District and _____, as fiscal agent (the “**Fiscal Agent**”).

The Bonds were authorized (i) at an election of the registered voters of the District held on November 5, 2024 (the “**Bond Election**”) to approve Measure C-24, which authorized the issuance of not to exceed \$5,900,000 principal amount of general obligation bonds (the “**2024 Authorization**”) and (ii) by a resolution adopted by the Board on January 28, 2025 (the “**Resolution**”). The Bonds are the first and only series of bonds issued under the 2024 Authorization.

For additional information about the provisions of the Fiscal Agent Agreement, see APPENDIX E.

Purpose

Pursuant to the 2024 Authorization, the District intends to use the proceeds to finance the construction and modernization of a new ambulance station. The remaining proceeds of the Bonds will be used to pay capitalized interest on the Bonds through _____, 2025, and to pay the costs of issuing the Bonds. See “THE FINANCING PLAN.”

Security for the Bonds

The Bonds are general obligations of the District payable from *ad valorem* property taxes levied and collected by the County within the boundaries of the District. The Bonds are not obligations of the County. The Board of Supervisors of the County is empowered and obligated to levy *ad valorem* property taxes upon all property subject to taxation by the District in each year that the Bonds or other general obligation debt are outstanding, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of the principal of and interest and premium, if any, on the Bonds when due. Such taxes are in addition to other taxes levied upon property within the District. All *ad valorem* property taxes levied and collected by the County will be transferred directly to the Fiscal Agent.

See “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS.”

No Debt Service Reserve Fund

The Bonds will not be secured by a debt service reserve fund.

Redemption

The Bonds are subject to optional redemption and mandatory sinking fund redemption prior to their stated maturity. See “THE BONDS – Redemption of the Bonds.”

Cyber Risks

The District, like other governmental and business entities, faces significant risks relating to the use and application of computer software and hardware for educational, operational and management purposes. The District collects, processes, and distributes an enormous amount of private, protected and personal information on students, staff, parents, visitors, vendors and contractors. As the custodian of such information, the District may face cybersecurity threats, attacks or incidents from time to time. No assurance can be given that future cyber threats or attacks against the District or third-party entities or service providers will not directly or indirectly impact the District or the owners of the Bonds, including the possibility of impacting the timely payments of debt service on the Bonds or timely filings pursuant to the District’s continuing disclosure undertakings, described in more detail herein. See “RISK FACTORS – Cyber Risks” herein and APPENDIX A “FINANCIAL INFORMATION – Disclaimer Regarding Cyber Risks.”

Summaries Not Definitive

The summaries of and references to documents, statutes, reports and other instruments referred to in this Official Statement do not purport to be complete, comprehensive or definitive, and each such summary and reference is qualified in its entirety by reference to each document, statute, report, or instrument. The capitalization of any word not conventionally capitalized, or otherwise defined in this Official Statement, indicates that such word is defined in a particular agreement or other document and, as used in this Official Statement, has the meaning given it in such agreement or document. See “APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE FISCAL AGENT AGREEMENT” for summaries of certain of such definitions.

THE FINANCING PLAN

Purpose of Issue

Proceeds of the Bonds will be used for the purposes specified in the 2024 Authorization, which was approved by voters in the District on November 5, 2024 as Measure C-24. The abbreviated text of the ballot measure approved under the 2024 Authorization was as follows:

“To replace the 67-year-old ambulance station/ healthcare facility to meet current County codes and standards and improve safety and security for residents, emergency responders, and visitors, shall Cambria Community Healthcare District’s measure be adopted authorizing \$5,900,000 of bonds at legal rates, generating on average \$423,300 annually at rates of approximately \$7.90 per \$100,000 assessed value, while bonds are outstanding, with annual audits, independent citizens’ oversight committee, NO money salaries and all funds spent locally?”

In addition to the abbreviated statement of the ballot measure, as part of the sample ballot materials, in accordance with the requirements of California law, District voters were presented with a full text of the ballot measure, which, among other items, included a project list identifying to District voters the types of projects eligible for funding from proceeds of bonds approved at the Bond Election (the “**Project List**”). The District makes no representation as to the specific application of the proceeds of the Bonds, the completion of any projects listed on the Project List, or whether bonds authorized by the 2024 Authorization will provide sufficient funds to complete any particular project listed in the Project List.

Estimated Sources and Uses of Funds

The estimated sources and uses of funds with respect to the Bonds are as follows:

<u>Sources of Funds</u>	<u>The Bonds</u>
Principal Amount of Bonds	
[Net] Original Issue [Premium]/[Discount]	_____
Total Sources	
<u>Uses of Funds</u>	
Project Account of the Bond Proceeds Fund	
Capitalized Interest Account of the Bond Fund ⁽¹⁾	
Costs of Issuance ⁽²⁾	_____
Total Uses	

(1) Represents capitalized interest on the Bonds through _____, 2025.

(2) Estimated costs of issuance include, without limitation, Underwriter’s discount, printing costs, rating agency fees, and fees and expenses of Bond Counsel, disclosure counsel, Underwriter’s counsel, Municipal Advisor, bond insurance premium (if any) and Fiscal Agent.

THE BONDS

Authority for Issuance

The Bonds will be issued pursuant to the Constitution and laws of the State, including the Act, the Resolution and the Fiscal Agent Agreement. The Bonds represent the first and only series of bonds issued under the 2024 Authorization.

Bond Terms; Registration

The Bonds will be issued in the form of fully registered Bonds, without coupons, in denominations of \$5,000 or any integral multiple of \$5,000, and will be dated their date of issuance.

The Bonds will mature on August 1 in the years indicated on the inside cover page hereof and will bear interest at the rates set forth on the inside cover page hereof on August 1 and February 1 of each year, commencing on August 1, 2025 (each, an **“Interest Payment Date”**).

The Bonds, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (**“DTC”**). So long as DTC, or Cede & Co. as its nominee, is the registered owner of all Bonds, all payments on the Bonds will be made directly to DTC, and disbursement of such payments to the participants in DTC’s book-entry only system (**“DTC Participants”**) will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners (as defined in **“APPENDIX G – DTC AND THE BOOK-ENTRY SYSTEM”**) will be the responsibility of the DTC Participants. See **“– Book-Entry Only System.”**

Calculation of Interest

Each Bond will bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless

(i) it is registered and authenticated as of an Interest Payment Date, in which event it will bear interest from such date, or

(ii) it is registered and authenticated prior to an Interest Payment Date and after the close of business on the 15th day of the month preceding such Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or

(iii) it is registered and authenticated on or prior to July 15, 2025, in which event it will bear interest from the date of original issuance and authentication of the Bonds;

Provided, however, that if at the time of registration and authentication of a Bond, interest is in default thereon, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Interest on the Bonds will be calculated on the basis of a 360-day year composed of twelve 30-day months.

Payment of Interest and Principal

Interest on the Bonds (including the final interest payment upon maturity) is payable by check mailed on the applicable Interest Payment Date to the Owner thereof at his or her address as it appears on the registration books maintained by the Fiscal Agent on the 15th calendar day of the month preceding each Interest Payment Date, whether or not such day is a Business Day (each a “**Record Date**”), or at such other address as the Owner may have filed with the Fiscal Agent for that purpose; provided that an Owner of \$1,000,000 or more aggregate principal amount of Bonds, or the Owner of all of the Bonds at the time Outstanding, shall, at his or her option, receive payment of interest and premium, if any, by wire transfer to an account in the United States of America designated by such Owner to the Fiscal Agent no later than the Record Date immediately preceding the applicable Interest Payment Date. Principal of the Bonds is payable in lawful money of the United States of America at the Office of the Fiscal Agent.

So long as all outstanding Bonds are held in book-entry form and registered in the name of a securities depository or its nominee, all payments of principal of, premium, if any, and interest on the Bonds and all notices with respect to such Bonds will be made and given, respectively, to such securities depository or its nominee and not to Beneficial Owners. See “APPENDIX G – DTC AND THE BOOK-ENTRY SYSTEM.”

Redemption of the Bonds*

Optional Redemption. The Bonds maturing on or before August 1, 20__, are not subject to redemption prior to their respective maturity dates. The Bonds maturing on or after August 1, 20__, are subject to redemption prior to their respective maturity dates as a whole, or in part, on any date, from any moneys provided at the option of the District, in each case on and after August 1, 20__, at a redemption price equal to the principal amount of Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The Bonds maturing on August 1, 20__ (the “Term Bonds”), are subject to mandatory sinking payment redemption in part on August 1, 20__ and on each August 1 thereafter to maturity, by lot, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, from sinking payments as follows:

Term Bonds

Redemption Date (August 1)	Sinking Payments
-------------------------------	---------------------

20__(maturity)

The amounts in the foregoing tables will be reduced as a result of any prior partial optional redemption of the Bonds as specified in writing by a District administrator to the Fiscal Agent.

* Preliminary; subject to change.

Notice to Fiscal Agent. The District will give the Fiscal Agent written notice of its intention to optionally redeem Bonds not less than 45 days prior to the applicable redemption date and will specify the principal amount of Bonds to be redeemed.

Purchase of Bonds in Lieu of Redemption. In lieu of any optional redemption, moneys in the Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding Bonds, upon the filing with the Fiscal Agent of a written direction of a District administrator requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such written direction may provide, but in no event may Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase and any premium which would otherwise be due if such Bonds were to be redeemed in accordance with the Fiscal Agent Agreement.

Redemption Procedure by Fiscal Agent. The Fiscal Agent will cause notice of any redemption to be mailed by first class mail, postage prepaid, at least 20 days but not more than 60 days prior to the date fixed for redemption, to the Original Purchaser, to the Securities Depositories, to the Information Service, and to the respective registered Owners of any Bonds designated for redemption, at their addresses appearing on the Bond registration books in the Principal Office of the Fiscal Agent; but such mailing will not be a condition precedent to such redemption and failure to mail or to receive any such notice, or any defect therein, will not affect the validity of the proceedings for the redemption of such Bonds.

Such notice will

(i) state the redemption date and the redemption price and, if less than all of the then Outstanding Bonds are to be called for redemption, will designate the CUSIP numbers and Bond numbers of the Bonds to be redeemed by giving the individual CUSIP number and Bond number of each Bond to be redeemed or will state that all Bonds between two stated Bond numbers, both inclusive, are to be redeemed or that all of the Bonds of one or more maturities have been called for redemption;

(ii) state as to any Bond called in part the principal amount thereof to be redeemed;

(iii) require that the Bonds be then surrendered at the Principal Office of the Fiscal Agent for redemption at the said redemption price or such other place of payment as may be designated in said notice;

(iv) state that further interest on the Bonds will not accrue from and after the redemption date; and

(v) for optional redemption state whether the Notice is conditioned on the availability of funds.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose will, to the extent practicable, bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Upon surrender of Bonds redeemed in part only, the District will execute and the Fiscal Agent will authenticate and deliver to the Owner, at the expense of the District, a new Bond or

Bonds, of the same series and maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond or Bonds.

Selection of Bonds for Redemption. Whenever provision is made in the Fiscal Agent Agreement for the redemption of less than all of the Bonds of a single maturity, the Fiscal Agent will select the Bonds of that maturity to be redeemed by lot in any manner which the Fiscal Agent in its sole discretion deems appropriate. For purposes of such selection, the Fiscal Agent will treat each Bond as consisting of separate \$5,000 portions and each such portion will be subject to redemption as if such portion were a separate Bond.

Conditional Redemption Notice and Rescission of Redemption. Any notice of optional redemption may specify that redemption of the Bonds designated for redemption on the specified date will be subject to the receipt by the District or the Fiscal Agent, as applicable, of moneys sufficient to cause such redemption (and will specify the proposed source of such moneys), and neither the District nor the Fiscal Agent will have any liability to the Owners of any Bonds, or any other party, as a result of the District's failure to redeem the Bonds designated for redemption as a result of insufficient moneys therefor.

Additionally, the District may rescind any optional redemption of the Bonds and notice thereof, for any reason on any date prior to the date fixed for such redemption by causing written notice of the rescission to be given to the Owners of the Bonds so called for redemption. Notice of rescission of redemption will be given in the same manner in which notice of redemption was originally given. The actual receipt by the Owner of any Bond of notice of such rescission will not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice will not affect the validity of the rescission. Neither the District nor the Fiscal Agent will have any liability to the Owners of any Bonds, or any other party, as a result of the District's decision to rescind a redemption of any Bonds under the Fiscal Agent Agreement.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the Bonds so called for redemption have been deposited in the Bond Fund, such Bonds so called will cease to be entitled to any benefit under the Fiscal Agent Agreement other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in such notice.

All Bonds redeemed and purchased by the Fiscal Agent will be canceled by the Fiscal Agent. The Fiscal Agent will destroy the canceled Bonds and issue a certificate of destruction thereof to the District.

Registration, Transfer and Exchange

The provisions in the Fiscal Agent Agreement regarding the registration, transfer and exchange of the Bonds apply only during any period in which the Bonds are not subject to DTC's book-entry system. While the Bonds are subject to DTC's book-entry system, their exchange and transfer will be effected through DTC and the Participants and will be subject to the procedures, rules and requirements established by DTC. See "APPENDIX G."

Registration. The Fiscal Agent will keep or cause to be kept sufficient books for the registration and transfer of the Bonds, which will at all times be open to inspection by the District upon reasonable notice; and, upon presentation for such purpose, the Fiscal Agent will, under

such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Bonds as provided in the Fiscal Agent Agreement.

Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the Fiscal Agent Agreement, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the Principal Office at the Fiscal Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Fiscal Agent, duly executed. The District may charge a reasonable sum for each new Bond issued upon any transfer and the Fiscal Agent will require the payment by the Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

Exchange of Bonds. Bonds may be exchanged at the Principal Office of the Fiscal Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. The District may charge a reasonable sum for each new Bond issued upon any exchange (except in the case of any exchange of temporary Bonds for definitive Bonds) and the Fiscal Agent will require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

Defeasance

The Bonds may be paid by the District in any of the following ways, provided that the District also pays or causes to be paid any other sums payable under the Fiscal Agent Agreement by the District:

- (i) by paying or causing to be paid the principal of and interest and premium, if any, on Bonds Outstanding, as and when the same become due and payable;
- (ii) by depositing with the Fiscal Agent or an escrow agent, at or before maturity, money or securities in the necessary amount (as provided in the Fiscal Agent Agreement) to pay Bonds Outstanding; or
- (iii) by delivering to the Fiscal Agent, for cancellation by it, Bonds Outstanding.

If the District pays all Bonds Outstanding and also pays or causes to be paid all other sums payable by the District pursuant to the Fiscal Agent Agreement, then and in that case, at the election of the District, and notwithstanding that any Bonds have not been surrendered for payment, the Fiscal Agent Agreement will cease, terminate, become void and be completely discharged and satisfied, except only as provided in the Fiscal Agent Agreement.

Investment of Bond Proceeds

All moneys held by the Fiscal Agent in the Bond Proceeds Fund and not invested pursuant as described below will be deposited in money market funds meeting the requirements of clause (vi) of the definition of "Permitted Investments" in the Fiscal Agent Agreement. Moneys in the Project Account and the Costs of Issuance Account will be invested by the Fiscal Agent, at the written direction of the District administrator, in Permitted Investments maturing prior to the date on which such moneys are required to be paid out under the Fiscal Agent Agreement. Obligations purchased as an investment of moneys in any of such funds and accounts will at all times be deemed to be part of each such respective fund and account so invested, and all interest, gain or loss on the investment of moneys in such respective fund and accounts will be credited or charged

thereto. See “APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE FISCAL AGENT AGREEMENT.”

Book-Entry Only System

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co., nominee of DTC. One fully-registered Certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. The District and the Fiscal Agent cannot and do not give any assurances that DTC, DTC Participants or others will distribute payments of principal, interest or premium, if any, with respect to the Bonds paid to DTC or its nominee as the registered owner, or will distribute any redemption notices or other notices, to the Beneficial Owners, or that they will do so on a timely basis or will serve and act in the manner described in this Official Statement. The District and the Fiscal Agent are not responsible or liable for the failure of DTC or any DTC Participant to make any payment or give any notice to a Beneficial Owner with respect to the Bonds or an error or delay relating thereto. See “APPENDIX G – DTC AND THE BOOK-ENTRY SYSTEM.”

DEBT SERVICE SCHEDULE

The following table presents the annualized debt service payments on the Bonds (assuming no optional redemptions).

Bond Year Ending August 1	The Bonds Principal	The Bonds Interest	Total Debt Service
2025 ⁽¹⁾			
2026 ⁽¹⁾			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
2054			
Total			

(1) Interest on the Bonds through _____, 2025 will be capitalized with a portion of the proceeds of the Bonds. See "THE FINANCING PLAN – Estimated Sources and Uses of Funds."

SECURITY AND SOURCE OF PAYMENT FOR THE BONDS

General

General. The Bonds are general obligations of the District. The Board has the power to direct the County to levy *ad valorem* property taxes upon all property within the District that is subject to taxation by the District, without limitation of rate or amount (except certain personal property which is taxable at limited rates), for the payment of the principal of and interest and premium, if any, when due on the Bonds and any other bonds of the District, including refunding bonds, hereafter issued pursuant to voter approved measures of the District.

Under the Fiscal Agent Agreement, Bonds are secured as follows:

(1) The District pledges to the Fiscal Agent, and grants to the Fiscal Agent a security interest in and lien on, all revenues collected from the levy by the County of the *ad valorem* taxes for the District's payment of the Bonds, the Bond Proceeds Fund and the Bond Fund and all subaccounts therein, and all money, instruments, investments and other property on deposit therein or credited thereto (collectively, the "**Collateral**"), in order to secure the District's payment of the principal of and interest and premium, if any, on the Bonds. The Collateral will be immediately subject to this pledge, and the pledge will constitute a lien and security interest which will immediately attach to the Collateral and will be effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act.

(2) In addition to the pledge above, pursuant to California Government Code Section 53515, voter-approved general obligation bonds which are secured by *ad valorem* tax collections, including the Bonds, are secured by a statutory lien on all revenues received pursuant to the levy and collection of the property tax imposed to service those bonds. This lien will automatically arise without the need for any action or authorization by the District or its governing body. The lien will be valid and binding from the time the Bonds are executed and delivered. The revenues received pursuant to the levy and collection of the tax will be immediately subject to the lien, and the lien will immediately attach to the revenues and be effective, binding, and enforceable against the District, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any physical delivery, recordation, filing, or further act.

Limitation of Liability. No part of any fund or account of the County is pledged or obligated to the payment of the Bonds, and the principal of and interest and premium, if any, on Bonds do not constitute a debt of the County, the State, or any of its political subdivisions other than the District, or any of the officers, agents or employees thereof.

In no event are the Bonds secured by a pledge, lien or security interest in any funds or properties of the District other than *ad valorem* taxes levied on taxable property in the District and the funds and accounts pledged for the security of the Bonds under the Fiscal Agent Agreement. However, in the event there is a shortfall in *ad valorem* property taxes to pay principal of and interest and premium, if any, on the Bonds, the District is required by Section 32127 of the Local Health Care District Law to use moneys, if any, in its maintenance and operation fund to make up

any shortfall; provided, however, that the Bonds are not secured by a pledge, lien or security interest in any of such revenues.

The Bonds are the first and only issuance pursuant to the 2024 Authorization.

See "CERTAIN RISK FACTORS – Limitation on Remedies; Bankruptcy."

Levy and Collection of Taxes

The Board of Supervisors and officers of the County is obligated by statute to provide for the levy and collection of property taxes in each year sufficient to pay all principal and interest coming due on the Bonds in such year.

Under the Fiscal Agent Agreement, the District covenants that annually on or before the date specified by law (unless such information is provided to the San Luis Obispo County Auditor-Controller-Treasurer Tax Collector (the "**County Auditor**") for the full term of the Bonds following the sale thereof), the District will furnish to the County Auditor an estimate in writing of the amount of money, if any, necessary to be raised by taxation for all purposes required under the provisions of the Local Health Care District Law during the next ensuing Fiscal Year, including a tax sufficient to pay the principal of and interest and premium, if any, on all of the Bonds when due.

In order to further secure the payment of debt service on the Bonds, the District has requested and irrevocably directed the County Auditor to remit all property taxes levied to pay the principal of and interest and premium, if any, on all of the Bonds when due, less any amounts the County is entitled to retain or deduct for administrative or other processing expenses, fees and costs or assessments or charges by the State of California, to the Fiscal Agent, within the time periods set forth in the California Revenue and Taxation Code. The County will remit the property tax collections to the Fiscal Agent. The Fiscal Agent will deposit all such property tax receipts in the Bond Fund.

Bond Fund

General. Under the Fiscal Agent Agreement, the District has established a fund to be known as the "Cambria Community Healthcare District General Obligation Bonds Bond Fund" (the "**Bond Fund**"), which will be maintained by the Fiscal Agent as a separate fund, to the credit of which deposits will be made as required by the Fiscal Agent Agreement, and any other amounts required to be deposited therein by the Fiscal Agent Agreement or the Act. There is also created in the Bond Fund an account held by the Fiscal Agent and designated as the "**Capitalized Interest Account**," to the credit of which deposits will be made as provided in the Fiscal Agent Agreement.

Moneys in the Bond Fund and the accounts therein will be held by the Fiscal Agent for the benefit of the Owners, will be disbursed for the payment of the principal of, and interest and any premium on, the Bonds as provided below, and, pending such disbursement, will be subject to a lien in favor of the Owners.

Application of Bond Fund. On each Interest Payment Date, the Fiscal Agent will withdraw from the Bond Fund and pay to the Owners the principal of, and interest and premium, if any, then due and payable on the Bonds, including any amounts due on the Bonds by reason of the mandatory sinking payments.

If, after the foregoing transfers, there are insufficient funds in the Bond Fund to make all of the payments of the principal of, and interest and any premium on, the Bonds then due, the Fiscal Agent will apply the available funds first to the payment of interest and premium, if any, on the Bonds, then to the payment of principal due on the Bonds other than by reason of sinking payments, and then to payment of principal due on the Bonds by reason of sinking payments. Any sinking payment not made as scheduled will be added to the sinking payment to be made on the next sinking payment date.

Application of Capitalized Interest Account. The Fiscal Agent will withdraw from the Capitalized Interest Account and transfer to the Bond Fund interest due on the Bonds on _____, 2025 and _____, 2025.

On _____, 2025, the Fiscal Agent will transfer all remaining amounts in the Capitalized Interest Account to the Bond Fund, the Fiscal Agent will close the Capitalized Interest Account.

No Debt Service Reserve Fund

Under the Fiscal Agent Agreement, the District is not required to, nor will the District, establish a debt service reserve fund for the Bonds.

PROPERTY TAXATION

Ad Valorem Property Taxation

Property taxes will be levied by the County for each tax year on taxable real and personal property which is situated in the District within each the County as of the preceding January 1. For assessment and collection purposes, property is classified either as “secured” or “unsecured” and is listed accordingly on separate parts of the assessment roll. The “secured roll” is that part of the assessment roll containing State-assessed public utilities property and real property having a tax lien which is sufficient, in the opinion of the County Assessor of the County, to secure payment of the taxes. Other property is assessed on the “unsecured roll.”

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each tax year. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. Property on the secured roll with respect to which taxes are delinquent becomes tax defaulted on or about June 30 of the tax year. Such property may thereafter be redeemed by payment of a penalty of 1.5% per month to the time of redemption, plus costs and a redemption fee. If taxes are unpaid for a period of five years or more, the property is subject to sale.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent, if unpaid, on August 31. A 10% penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid by 5:00 p.m. on October 31, an additional penalty of 1.5% attaches to them on the first day of each month until paid. The County has four ways of collecting delinquent unsecured personal property taxes: (1) bringing a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk of the County specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the County Clerk and County Recorder’s office of the County in order to obtain a lien on certain property of the taxpayer; and (4) seizing and selling personal property, improvements, or possessory interests belonging or assessed to the assessee.

Allocation of Property Taxes

The allocation of *ad valorem* property taxes to local governments and, accordingly, to the District, is subject to certain State statutes, which may change from time to time. However, such allocation of *ad valorem* property taxes has received constitutional protection, and the District believes that any such change will not adversely affect its ability to pay debt service on the Bonds. See “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON DISTRICT TAX REVENUES AND APPROPRIATIONS – Proposition 1A; Proposition 22” for further information.

Assessed Valuations

The assessed valuation of property in the District is established by the County Assessor, except for public utility property, which is assessed by the State Board of Equalization (“SBE”). Assessed valuations are reported at 100% of the “full value” of the property, as defined in Article XIII A of the California Constitution. The full value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the consumer price index or comparable data for the area, or to reflect declines in property value caused by substantial damage, destruction or other factors, including assessment appeals filed by property owners. Prior to 1981-82, assessed valuations were reported at 25% of the full value of property. Certain classes of property, such as churches, colleges, not-for-profit hospitals, and charitable

institutions, are exempt from property taxation and do not appear on the tax rolls. No reimbursement is made by the State for such exemptions. "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON DISTRICT TAX REVENUES AND APPROPRIATIONS."

The following tables provide a recent history of the available assessed valuation of property in the District. For tax year 2024-25, the combined secured and estimated unsecured assessed valuation for the County equals \$_____.

**CAMBRIA COMMUNITY HEALTHCARE DISTRICT
Summary of Assessed Valuation
Tax Years 2014-15 through 2024-25**

[to come]

Source: California Municipal Statistics, Inc.

**CAMBRIA COMMUNITY HEALTHCARE DISTRICT
 Summary of Secured Assessed Valuation
 Tax Years 2014-15 through 2024-25
 District Total**

	Local Secured	Percentage Change
2014-15		--%
2015-16		
2016-17	[to come]	[to come]
2017-18		
2018-19		
2019-20		
2020-21		
2021-22		
2022-23		
2023-24		

Source: California Municipal Statistics, Inc.

Pursuant to the Act, the District may issue bonds in an amount up to 2.5% of the assessed valuation of taxable property within its boundaries. The voter authorization under Measure C-24 allows the District to issue a total of \$5.9 million in general obligation bonds.

Assessed Values by Jurisdiction

The table below summarizes the tax year 2024-25 secured and unsecured assessed valuation by jurisdiction, excluding *ad valorem* property taxes levied to secure the Bonds.

**CAMBRIA COMMUNITY HEALTHCARE DISTRICT
 Aggregated Assessed Valuation by Jurisdiction⁽¹⁾
 Tax Year 2024-25**

<u>Jurisdiction:</u>	Assessed Valuation in District	% of District	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
	[to come]	[to come]	[to come]	[to come]

⁽¹⁾ Total District's assessed valuation includes the County's estimated unsecured valuation of \$_____.

Taxation of State-Assessed Utility Property

A small portion (less than 1%) of property tax revenue of the District is derived from utility property subject to assessment by the SBE. Property valued by the SBE as an operating unit in a primary function of the utility taxpayer is known as “**unitary property**,” a concept designed to permit assessment of the utility as a going concern rather than assessment of each individual element of real and personal property owned by the utility taxpayer. State-assessed unitary and “operating nonunitary” property (which excludes nonunitary property of regulated railways) is allocated to the counties based on the situs of the various components of the unitary property. Except for unitary property of regulated railways and certain other excepted property, all unitary and operating nonunitary property is taxed at special county-wide rates and tax proceeds are distributed to taxing jurisdictions according to statutory formulae generally based on the distribution of taxes in the prior year.

Assessed Valuation by Land Use

The following table sets forth the taxable real property located in the District by principal purpose for which the land is used, and the secured assessed valuation and number of parcels for each use for tax year 2024-25.

CAMBRIA COMMUNITY HEALTHCARE DISTRICT Secured Assessed Valuation and Parcels by Land Use Tax Year 2024-25

[to come]

(1) Local Secured Assessed Valuation, excluding tax-exempt property.
Source: *California Municipal Statistics, Inc.*

Assessed Valuation of Single-Family Residential Properties

The following table sets forth the per-parcel secured assessed value of single-family residential properties in the District for tax year 2024-25, which comprise approximately ___% of the total secured assessed value of taxable property in the District for such tax year.

CAMBRIA COMMUNITY HEALTHCARE DISTRICT Per Parcel Secured Assessed Valuation of Single-Family Homes Tax Year 2024-25

[to come]

(1) Improved single-family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: *California Municipal Statistics, Inc.*

Largest Secured Property Taxpayers in District

The twenty taxpayers in the District with the largest combined secured assessed valuation of taxable property on the tax year 2024-25 tax roll, and the assessed valuations thereof, are shown below.

CAMBRIA COMMUNITY HEALTHCARE DISTRICT Largest Local Secured Taxpayers Tax Year 2024-25

[to come]

(1) Based on 2023-24 total secured assessed valuation of \$_____.
Source: *California Municipal Statistics, Inc.*

Tax Rate Area

The table below summarizes the total *ad valorem* property tax rates levied by all taxing entities in tax rate area ____, for tax years 2020-21 through 2024-25, excluding *ad valorem* property taxes levied to secure the Bonds.

CAMBRIA COMMUNITY HEALTHCARE DISTRICT
Typical Total Tax Rates per \$100 of Assessed Valuation
(TRA ____)
Tax Years 2020-21 through 2024-25

	2019-20	2020-21	2021-22	2022-23	2023-24
General Tax Rate	[to come]	[to come]	[to come]	[to come]	[to come]
Total Tax Rate	_____				

Source: California Municipal Statistics, Inc.

Appeals of Assessed Value

General. There are two types of appeals of assessed values that could adversely impact property tax revenues within the District.

Appeals may be based on Proposition 8 of November 1978, which requires that for each January 1 lien date, the taxable value of real property must be the lesser of its base year value, annually adjusted by the inflation factor pursuant to Article XIII A of the State Constitution, or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value.

Under State law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization, with the County board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Proposition 8 reductions may also be unilaterally applied by the County Assessor.

Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. These reductions are subject to yearly reappraisals and are adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIII A. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON DISTRICT TAX REVENUES AND APPROPRIATIONS."

A second type of assessment appeal involves a challenge to the base year value of an assessed property. Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of

ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

The District cannot predict the changes in assessed values that might result from pending or future appeals by taxpayers. Any reduction in aggregate assessed valuation due to appeals in the County, as with any reduction in assessed valuation due to other causes, will cause the tax rate levied to repay the Bonds to increase accordingly, so that the fixed debt service on the Bonds (and any future general obligation bonds) may be paid on a timely basis.

Property Tax Base Transfer Ballot Measure. On November 3, 2020, State voters approved a constitutional amendment entitled "Property Tax Transfers, Exemptions and Revenue for Wildfire Agencies and Counties Amendment" ("**Proposition 19**"), which: (i) expanded special rules that give property tax savings to homeowners that are over the age of 55, severely disabled, or whose property has been impacted by a natural disaster or contamination, when they buy a different home; (ii) narrow existing special rules for inherited properties; and (iii) broaden the scope of legal entity ownership changes that trigger reassessment of properties. The District cannot predict what, if any, effect the implementation of Proposition 19 will have on assessed valuation of real property in the District.

Property Tax Collections

No History of Property Tax Collections. Because the County has not yet levied property taxes to secure debt service on the Bonds, no history of secured tax charges and delinquencies for the District is yet available.

Teeter Plan. The County has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "**Teeter Plan**") as provided for in the State Revenue and Taxation Code, which requires the County to pay 100% of secured property taxes due to local agencies in the fiscal year such taxes are due. Under these provisions, each county operating under the Teeter Plan establishes a delinquency reserve and assumes responsibility for all secured delinquencies, assuming that certain conditions are met.

Because of this method of tax collection, the districts located in counties operating under the Teeter Plan and participating in the Teeter Plan are assured of 100% collection of their secured tax levies if the conditions established under the applicable county's Teeter Plan are met. However, such districts are no longer entitled to share in any penalties due on delinquent payments or in the interest which accrues on delinquent payments.

The Teeter Plan is to remain in effect unless the Board of Supervisors orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the Board of Supervisors has received a petition for its discontinuance joined in by resolutions adopted by two thirds of the participating revenue districts in the County, in which event the Board of Supervisors is required to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year.

The Board of Supervisors may, by resolution adopted not later than July 15 of the fiscal year for which it is to apply after holding a public hearing on the matter, discontinue the procedures under the Teeter Plan with respect to any tax levying agency or assessment levying agency in the County if the rate of secured tax delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured rolls for that agency. In the event that the Teeter Plan was terminated, the amount of the levy of *ad valorem* taxes in the District would

depend upon the collections of the *ad valorem* property taxes and delinquency rates experienced with respect to the parcels within the District.

So long as the Teeter Plan remains in effect with respect to the District, the District's receipt of revenues with respect to the levy of *ad valorem* property taxes on the secured roll will not be dependent upon actual collections of the *ad valorem* property taxes by the County.

Direct and Overlapping Debt Obligations

Set forth below is a direct and overlapping debt report (the "**Debt Report**") prepared by California Municipal Statistics, Inc. for debt issued as of _____, 2025, prior to the issuance of the Bonds. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith. The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by the specified public agency are payable only from the general fund or other revenues of such public agency.

The contents of the Debt Report are as follows: (1) the first column indicates the public agencies which have outstanding debt as of the date of the Debt Report and whose territory overlaps the District; (2) the second column shows the percentage of the assessed valuation of the overlapping public agency identified in column 1 which is represented by property located within the District; and (3) the third column is an apportionment of the dollar amount of each public agency's outstanding debt (which amount is not shown in the table) to property in the District, as determined by multiplying the total outstanding debt of each agency by the percentage of the District's assessed valuation represented in column 2.

CAMBRIA COMMUNITY HEALTHCARE DISTRICT
Statement of Direct and Overlapping Bonded Debt
(_____, 2025)

[to come]

(1) Total district's assessed valuation includes estimated unsecured valuation of \$_____.
(2) Excludes issue to be sold.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON DISTRICT TAX REVENUES AND APPROPRIATIONS

Principal of and interest and premium, if any, on the Bonds are payable from the proceeds of an ad valorem property tax levied by the County for the payment thereof. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS." Articles XIII A, XIII B, XIII C and XIII D of the Constitution, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory provisions on the ability of the District spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the County to levy taxes for payment of the Bonds. The tax levied by the County for payment of the Bonds was approved by the District's voters in compliance with Article XIII A and all applicable laws.

The discussion of the Constitutional and statutory provisions and judicial decisions interpreting these provisions below is not intended to be an exhaustive analysis of these provisions.

Article XIII A of the State Constitution

Article XIII A of the State Constitution, known as Proposition 13, was approved by the voters in June 1978 and has been amended on occasions, including most recently on November 7, 2000 to reduce the voting percentage required for the passage of school bonds. Section I(a) of Article XIII A limits the maximum *ad valorem* property tax on real property to 1% of "full cash value," and provides that such tax will be collected by the counties and apportioned according to State statutes. Section I(b) of Article XIII A provides that the 1% limitation does not apply to *ad valorem* property taxes levied to pay interest or redemption charges on any (1) indebtedness approved by the voters prior to July 1, 1978, (2) bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by the voters voting on the proposition and (3) bonded indebtedness incurred by a school district, community college district or county office of education for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities or the acquisition or lease of real property for school facilities, approved by 55 percent of the voters voting on the proposition.

Under current law, local agencies are no longer permitted to levy directly any ad valorem property tax (except to pay voter-approved indebtedness).

Section 2 of Article XIII A defines "**full cash value**" to mean the county assessor's valuation of real property as shown on the 1975-76 tax year tax bill, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred. The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the consumer price index or comparable data for the taxing jurisdiction, or may be reduced in the event of declining property value caused by substantial damage, destruction or other factors. See "Litigation Relating to Two Percent Limitation" below. Legislation implementing Article XIII A provides that, notwithstanding any other law, local agencies may not levy any *ad valorem* property tax except to pay debt service on indebtedness approved by the voters as described above. Such legislation further provides that each county will levy the maximum tax permitted by Article XIII A, which is \$1.00 per \$100 of assessed market value.

Since its adoption, Article XIII A has been amended a number of times. These amendments have created a number of exceptions to the requirement that property be reassessed when it is purchased, newly constructed or undergoes a change in ownership. These exceptions include certain transfers of real property between family members, certain purchases of replacement dwellings for persons over age 55 and by property owners whose original property has been destroyed in a declared disaster, and certain improvements to accommodate disabled persons and for seismic upgrades to property. These amendments have resulted in marginal reductions in the property tax revenues attributable to the District.

Both the State Supreme Court and the United States Supreme Court have upheld the validity of Article XIII A. For further information regarding possible future reductions in assessed valuations of property located in the District, see "CERTAIN RISK FACTORS – Factors Affecting Property Tax Security for the Bonds."

Article XIII B of the State Constitution

In addition to the limits Article XIII A imposes on property taxes that may be collected by local governments, certain other revenues of the State and most local governments are subject to an annual "**appropriations limit**" imposed by Article XIII B which effectively limits the amount of such revenues those entities are permitted to spend. Article XIII B, approved by the voters in July 1979, was modified substantially by Proposition 111 in 1990. The appropriations limit of each government entity applies to "**proceeds of taxes**," which consist of tax revenues, State subventions and certain other funds, including proceeds from regulatory licenses, user charges or other fees to the extent that such proceeds exceed "the cost reasonably borne by such entity in providing the regulation, product or service." "Proceeds of taxes" excludes tax refunds and some benefit payments such as unemployment insurance. No limit is imposed on the appropriation of funds which are not "proceeds of taxes," such as reasonable user charges or fees, and certain other non-tax funds. Article XIII B also does not limit appropriation of local revenues to pay debt service on bonds existing or authorized by January 1, 1979, or subsequently authorized by the voters, appropriations required to comply with mandates of courts or the federal government, appropriations for qualified capital outlay projects, and appropriation by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990 levels. The appropriations limit may also be exceeded in case of emergency; however, the appropriations limit for the next three years following such emergency appropriation must be reduced to the extent by which it was exceeded, unless the emergency arises from civil disturbance or natural disaster declared by the Governor, and the expenditure is approved by two-thirds of the legislative body of the local government.

The State and each local government entity has its own appropriations limit. Each year, the limit is adjusted to allow for changes, if any, in the cost of living, the population of the jurisdiction, and any transfer to or from another government entity of financial responsibility for providing services.

Proposition 111 requires that each agency's actual appropriations be tested against its limit every two years. If the aggregate "proceeds of taxes" for the preceding two-year period exceeds the aggregate limit, the excess must be returned to the agency's taxpayers through tax rate or fee reductions over the following two years.

Article XIII C and XIII D of the State Constitution

General. On November 5, 1996, the voters of the State approved Proposition 218, known as the “Right to Vote on Taxes Act.” Proposition 218 added Articles XIII C and XIII D to the California Constitution and contains a number of interrelated provisions affecting the ability of the District to levy and collect both existing and future taxes, assessments, fees and charges. The interpretation and application of Proposition 218 will ultimately be determined by the courts with respect to a number of the matters discussed below, and it is not possible at this time to predict with certainty the outcome of such determination.

Article XIII C. Article XIII C requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes of the District (“**general taxes**”) require a majority vote; taxes for specific purposes (“**special taxes**”) require a two-thirds vote. The voter approval requirements of Article XIII C reduce the flexibility of the District to raise revenues, and no assurance can be given that the District will be able to impose, extend or increase such taxes in the future to meet increased expenditure needs.

Reduction or Repeal of Taxes, Fees and Charges. Article XIII C also removes limitations on the initiative power in matters of reducing or repealing local taxes, assessments, fees or charges. No assurance can be given that the voters of the District will not, in the future, approve an initiative or initiatives which reduce or repeal local taxes, assessments, fees or charges comprising a substantial part of the District’s revenues. If such repeal or reduction occurs, the District’s ability to pay debt service on the Bonds could be adversely affected.

Burden of Proof. Article XIII C provides that local government “bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity.” Similarly, Article XIII D provides that in “any legal action contesting the validity of a fee or charge, the burden will be on the agency to demonstrate compliance” with Article XIII D.

Proposition 26. On November 2, 2010, California voters approved Proposition 26, entitled the “Supermajority Vote to Pass New Taxes and Fees Act.” Section 1 of Proposition 26 declares that Proposition 26 is intended to limit the ability of the State Legislature and local government to circumvent existing restrictions on increasing taxes by defining the new or expanded taxes as “fees.” Proposition 26 amended Articles XIII A and XIII C of the State Constitution. The amendments to Article XIII A limit the ability of the State Legislature to impose higher taxes (as defined in Proposition 26) without a two-thirds vote of the Legislature. The amendments to Article XIII C define “taxes” that are subject to voter approval as “any levy, charge, or exaction of any kind imposed by a local government,” with certain exceptions.

Impact on District’s Revenues. The approval requirements of Articles XIII C and XIII D reduce the flexibility of the District to raise revenues, and no assurance can be given that the District will be able to impose, extend or increase the taxes, fees, charges or taxes in the future that it may need to meet increased expenditure needs.

The District does not believe that any material source of revenue is subject to challenge under Proposition 218 or Proposition 26.

Judicial Interpretation. The interpretation and application of Articles XIIC and XIID will ultimately be determined by the courts with respect to a number of the matters discussed below, and it is not possible at this time to predict with certainty the outcome of such determination.

Unitary Property

AB 454 (Chapter 921, Statutes of 1986) provides that revenues derived from most utility property assessed by the State Board of Equalization ("**Unitary Property**"), commencing with the 1988-89 tax year, are allocated as follows: (i) each jurisdiction will receive up to 102% of its prior year State-assessed revenue; and (ii) if county-wide revenues generated from Unitary Property are less than the previous year's revenues or greater than 102% of the previous year's revenues, each jurisdiction will share the burden of the shortfall or benefit of the excess revenues by a specified formula. This provision applies to all Unitary Property except railroads, whose valuation will continue to be allocated to individual tax rate areas.

The provisions of AB 454 do not constitute an elimination of the assessment of any State-assessed properties nor a revision of the methods of assessing utilities by the State Board of Equalization. Generally, AB 454 allows valuation growth or decline of Unitary Property to be shared by all jurisdictions in a county.

Future Initiatives

Article XIII A, Article XIII B, Article XIIC, Article XIID, and Propositions 1A of 2004, 22, 26 and 62 were each adopted as measures that qualified for the ballot through California's initiative process. From time to time other initiative measures could be adopted, further affecting the District's revenues. There is no assurance that the California electorate or Legislature will not at some future time approve additional limitations.

CERTAIN RISK FACTORS

The following discussion is not an exhaustive listing of risk factors and other considerations which may be relevant to the District, and the order in which risks are presented and organized here is not intended to reflect the relative importance of such risks. There can be no assurance that other risk factors will not become evident at any future time.

Limitation on Remedies; Bankruptcy

General. The rights of the owners of the Bonds are subject to limitations on legal remedies against the District, including applicable bankruptcy or similar laws affecting the enforcement of creditors' rights generally, now or hereafter in effect. Bankruptcy proceedings, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy proceedings or otherwise, and consequently may entail risks of delay, limitation or modification of the rights of the owners of the Bonds.

Bond Counsel's opinion will state that the rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the District were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, the parties to the proceedings may be prohibited from taking any action to collect any amount from the District (including *ad valorem* property tax revenues) or to enforce any obligation of the District, without the bankruptcy court's permission. In such a proceeding, as part of its plan of adjustment in bankruptcy, the District may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Bonds and other transaction documents related to the Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable. In addition, in such a proceeding, as part of such a plan, the District may be able to eliminate the obligation of the District to raise taxes if necessary to pay the Bonds. There also may be other possible effects of a bankruptcy of the District that could result in delays or reductions in payments on the Bonds, or other losses with respect to the Bonds. Moreover, regardless of any specific adverse determinations in any District bankruptcy proceeding, the fact of a District bankruptcy proceeding could have an adverse effect on the liquidity and market price of the Bonds.

As stated above, if the District were to go into bankruptcy, the bankruptcy petition would be filed under Chapter 9 of the Bankruptcy Code. Chapter 9 provides that it does not limit or impair the power of a state to control, by legislation or otherwise, a municipality of or in such state in the exercise of the political or governmental powers of such municipality, including expenditures for such exercise. For purposes of the language of Chapter 9, the District is a municipality. State law provides that the *ad valorem* property taxes levied to pay the principal and interest on the Bonds must be used for the payment of principal and interest of the District's general obligation bonds and for no other purpose. If this restriction on the expenditure of such *ad valorem* property taxes is respected in a bankruptcy case, then the *ad valorem* property tax revenue could not be used by the District for any purpose other than to make payments on the Bonds. It is possible, however, that a bankruptcy court could conclude that the restriction should not be respected.

Statutory Lien. Pursuant to Section 53515 of the California Government Code (which became effective on January 1, 2016, as part of Senate Bill 222), the Bonds will be secured by a statutory lien on all revenues received pursuant to the levy and collection of the *ad valorem* property taxes levied for the Bonds. Section 53515 provides that the lien will automatically arise, without the need for any action or authorization by the local agency or its governing board, and will be valid and binding from the time the bonds are executed and delivered. See “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS.” Although a statutory lien would not be automatically terminated by the filing of a Chapter 9 bankruptcy petition by the District, the automatic stay provisions of the Bankruptcy Code would apply, preventing bondholders from enforcing their rights to payment from such tax collections without permission of the bankruptcy court, and payments that become due on the Bonds during the pendency of the Chapter 9 case could be delayed (except as provided under “Special Revenues” below).

Special Revenues. If the tax revenues that are pledged to the payment of the Bonds (see “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS.”) are determined to be “special revenues” within the meaning of the Bankruptcy Code, then the application in a manner consistent with the Bankruptcy Code of the pledged *ad valorem* property revenues that are collected after the date of the bankruptcy filing may not be subject to the automatic stay. “Special revenues” are defined to include, among others, taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. The District has specifically pledged the taxes for payment of the Bonds. State law prohibits the use of the tax proceeds for any purpose other than payment of the Bonds and the Bond proceeds can only be used to fund the acquisition or improvement of real property and other capital expenditures included in the proposition. The District intends that such tax revenues be special revenues. However, there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of *ad valorem* property tax revenues collected for the payments of bonds in the State, so no assurance can be given that a bankruptcy court would not hold otherwise.

The Bankruptcy Code provides that there is no stay of application of pledged special revenues to payment of indebtedness secured by such revenues. The United States Court of Appeals for the First Circuit, in cases arising out of the insolvency proceedings of Puerto Rico, has held that this provision permits voluntary payments of debt service by the issuer of bonds backed by special revenues, but does not permit the bondholders to compel the issuer to make payments of debt service from special revenues. If this decision is followed by other courts, the holders of the Bonds may be prohibited from taking any action to require the District or the County to make payments on the Bonds, unless the bankruptcy court’s permission is obtained. This could result in substantial delays in payments on the Bonds.

In addition, even if the *ad valorem* property tax revenues are determined to be “special revenues,” the Bankruptcy Code provides that special revenues can be applied to necessary operating expenses of the project or system, before they are applied to other obligations. This rule applies regardless of the provisions of the transaction documents. Thus, a bankruptcy court could permit the District to use the *ad valorem* property tax revenues to pay necessary operating expenses of the District before the remaining revenues are paid to the owners of the Bonds.

Possession of Revenues; Remedies. If the District goes into bankruptcy and the District or County has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if the District or County, as applicable, does not voluntarily pay such tax revenues to the owners of the Bonds, it is not entirely clear what procedures the owners of the Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time

it would take for such procedures to be completed, or whether such procedures would ultimately be successful. A similar risk would exist if the County goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy).

Other Possible Effects of Bankruptcy. There also may be other possible effects of a bankruptcy of the District that could result in delays or reductions in payments on the Bonds, or other losses with respect to the Bonds. Should the District go into bankruptcy, the rights of the owners of the Bonds may be delayed, limited, or eliminated, in material ways. There could be delays or reductions in payments on the Bonds, or other losses with respect to the Bonds. In addition, under certain circumstances, SB 418 could require the dissolution of the District, which could result in additional delays, reductions, or losses. Any of such delays, reductions, or losses could be severe and could eliminate the entire investment of the owners in the Bonds.

Moreover, regardless of any specific adverse determination in a bankruptcy proceeding of the District, the fact of that the District, is in bankruptcy could have an adverse effect on the liquidity and market price of the Bonds.

Risks of Healthcare Operations

Generally, only in the unexpected event that the District would be required to pay debt service from operating funds because ad valorem taxes are not sufficient to pay principal or interest, would the healthcare operations of the District and the many uncertainties related thereto, become a consideration.

The District is subject to a wide variety of federal and state regulatory actions and legislative and policy changes by those governmental and private agencies and entities that administer Medicare, Medi-Cal and other payors, and are subject to actions by, among others, the Public Employment Relations Board, The Joint Commission, the Centers for Medicare and Medicaid Services of the U.S. Department of Health and Human Services, the State of California, the State Attorney General, and other federal, State and local government agencies. The future financial condition of the District could be adversely affected by, among other things, changes in the method, timing and amount of payments to the District by governmental and nongovernmental payors, the financial viability of these payors, increased competition from other healthcare entities, the costs associated with responding to governmental audits, inquiries and investigations, demand for healthcare, other forms of care or treatment, changes in the methods by which employers purchase healthcare for employees, capability of management, changes in the structure of how healthcare is delivered and paid for, future changes in the economy, demographic changes, availability of physicians, nurses and other healthcare professionals, malpractice claims and other litigation.

In addition, the operations and financial results of the District may be materially adversely affected by future economic and other conditions, including without limitation inflation; demand for ambulatory services; the ability of the District to provide the services required or requested by patients; economic developments in the District's service area; employee relations and unionization; regional competition for healthcare services; increased costs; availability of professional liability insurance; hazard losses; third-party reimbursements; changes in governmental regulations; and future pandemics such as the coronavirus pandemic.

These factors and others may adversely affect the liquidity, operations and financial results of the District. There can be no assurance that revenues realized by the District will not decrease. See “ –Factors Affecting Property Tax Security for the Bonds” below.

For further information with respect to the combined financial condition of the District, see APPENDIX A and APPENDIX C.

Factors Affecting Property Tax Security for the Bonds

The annual property tax rate for repayment of the Bonds will be based on the total assessed value of taxable property in the District, without limitation of rate or amount (except certain personal property which is taxable at limited rates), and the scheduled debt service on the Bonds in each year. Fluctuations in the annual debt service on the Bonds and the assessed value of taxable property in the District may cause the annual property tax rate applicable to the Bonds to fluctuate. Issuance by the District of additional authorized bonds payable from *ad valorem* property taxes may cause the overall property tax rate to increase.

Discussed below are certain factors that may affect the District's ability to levy and collect sufficient taxes to pay scheduled debt service on the Bonds each year.

Total Assessed Value of Taxable Property in the District. The greater the assessed value of taxable property in the District, the lower the tax rate necessary to generate taxes sufficient to pay scheduled debt service on the Bonds. During economic downturns, declining market value of real estate, increased foreclosures, and increases in requests submitted to the Assessor of the County and the Assessment Appeals Board for reductions in assessed value have generally caused a reduction in assessed value of some properties in the District.

Concentration of Taxable Property Ownership. The more property (by assessed value) is owned by a single assessee, the more exposure of tax collections to weakness in that taxpayer's financial condition and ability or willingness to pay property taxes. With respect to assessed values for tax year 2024-25, no single assessee owned more than ___% of total taxable assessed value in the District. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – Largest Secured Property Taxpayers in District."

Property Tax Rates. A factor in the ability of taxpayers to pay additional taxes for general obligation bonds such as the Bonds is the cumulative rate of tax. The total tax rate per \$100 of assessed value (including the *ad valorem* 1% rate required under Article XIII A) received by the District is described in "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – Tax Rate Areas." The total tax rate reflects tax year 2024-25 tax rates and does not reflect the rates that will apply following the issuance of the Bonds. The District may issue additional Bonds under Measure C-24, which could increase the property tax rate. In addition, other taxing entities with jurisdictions that overlap the District could obtain general obligation bond authorization, or impose additional special tax or assessment liens, that could result in an increase in the property tax rate above current levels.

Debt Burden on Owners of Taxable Property in the District. Another measure of the debt burden on taxpayers is total debt as a percentage of taxable property value. Pursuant to the Act, the District may issue bonds in an amount up to 2.5% of the assessed valuation of taxable property within its boundaries. Prior to the issuance of the Bonds and based on tax year 2024-25 assessed valuation, the District's gross bonding capacity is approximately \$___ million. The voter authorization under Measure C-24 allows the District to issue a total of \$5.9 million in general obligation bonds.

"SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – Assessed Valuations."

Additional Debt; Authorized but Unissued Bonds. Issuance of additional authorized bonds could cause the overall property tax rate to increase. Following the issuance of the Bonds, District will have no remaining voter approval to issue in additional principal amount of bonds under the 2024 Authorization payable from *ad valorem* property taxes.

Levy and Collection of Property Taxes. The District does not have any independent power to levy and collect property taxes. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease could reduce the District's property tax revenues, and accordingly, could have an adverse impact on the ability of the District to pay debt service on the Bonds. Likewise, delinquencies in the payment of property taxes could adversely impact the payment of principal of and interest on the Bonds.

Assessed Value of Taxable Property; Delinquent Payment of Property Taxes. Natural and economic forces can affect the assessed value of taxable property within the District. The District is located in a seismically active region, and damage from an earthquake in or near the area could cause moderate to extensive damage to taxable property. Other natural or manmade disasters, such as flood, fire, toxic dumping, coastal erosion or acts of terrorism, as described below, could cause a reduction in the assessed value of taxable property within the District. Economic and market forces, such as a downturn in the regional economy generally, can also affect assessed values. In addition, the total assessed value can be reduced through the reclassification of taxable property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes).

Reduction in Inflationary Rate. Article XIII A of the California Constitution provides that the full cash value base of real property used in determining assessed value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. Such measure is computed on a calendar year basis. Because Article XIII A limits inflationary assessed value adjustments to the lesser of the actual inflationary rate or 2%, there have been years in which the assessed values were adjusted by actual inflationary rates, which were less than 2%.

The District is unable to predict if any adjustments to the full cash value base of real property within the District, whether an increase or a reduction, will be realized in the future.

Appeals of Assessed Values; Delinquencies. Reductions in the market values of taxable property may cause property owners to appeal assessed values and may also be associated with an increase in delinquency rates for taxes. See "PROPERTY TAXATION – Appeals of Assessed Value." No assurance can be given that property tax appeals in the future will not significantly reduce the District's property tax revenues. There are two types of appeals of assessed values that could adversely impact property tax revenues.

Natural Calamities. From time to time, the District is subject to natural calamities, including, but not limited to, earthquake, flood, wildfire, global pandemic, tsunami, or pipeline incident, that may adversely affect economic activity in the District, and which could have a negative impact on District finances. There can be no assurance that the occurrence of any natural calamity would not cause substantial interference to and costs for the District.

Seismic. The District is located in a seismically active region. An earthquake of large magnitude could result in extensive damage to property within the District and could adversely

affect the assessed valuation of property within the District, or more generally the region's economy.

Wildfires. According to the State, fire season is starting earlier and ending later each year, with the increased length of the season corresponding to an increase in the extent of forest fires across the State. In addition to destroying land and structures, there have been human fatalities and negative impacts on air quality throughout the State. Fires in the State and neighboring states have threatened the region's power grids, making some power lines unreliable. The District cannot predict or make any representations regarding the effects that wildfires and related conditions have or may have on the District, or to what extent the effects said disasters might have on economic activity in the District or throughout the State. Portions of the District are at risk of wildfires, though the District has not been impacted by recent wildfires in the State it is within a very high, high, or moderate fire hazard severity zone.

Drought. The State has experienced drought conditions in recent years, including a period of drought followed by record-level precipitation, which resulted in related severe flooding and mudslides in certain regions. As of January 7, 2025, the U.S. Drought Monitor indicates that the State is classified as experiencing mostly abnormally dry and no drought conditions with some abnormally dry and severe drought conditions, with the County in the "no drought" and "abnormally dry" categories. During 2021, the Governor of the State proclaimed a drought state of emergency for all counties in the State, culminating with an October 19, 2021, proclamation, urging Californians to step up their water conservation efforts.

In January 2022, the State Water Board adopted emergency regulations aimed at saving water and raising drought awareness, with prohibitions focused on reducing outdoor water use, enforceable by local agencies and the State Water Board, generally with warning letters, mandatory water use audits, and fines. In January 2023, the State Water Board adopted its first five-year temporary groundwater recharge permit, in addition to adopting new statewide sanitary sewer orders and appointing 11 members to the Advisory Group on Safe Drinking Water Funding. Local agencies can impose and enforce their own drought conservation rules.

Climate Change. In addition to the events described above, climate change caused by human activities may have adverse effects on the assessed value of property within the District. As greenhouse gas emissions continue to accumulate in the atmosphere as a result of economic activity, many scientists expect that climate change will intensify, increasing the frequency, severity and timing of extreme weather events such as coastal storm surges, drought, wildfires, floods, heat waves, and rising sea levels. Projections of the impact of global climate change are complex and depend on a variety of factors outside of the District's control. The various scientific studies that forecast the amount and timing of adverse impacts of climate change are based on assumptions contained in such studies, but actual events may vary materially. In addition, the scientific understanding of climate change and its effects continues to evolve. Accordingly, the District is unable to forecast with certainty when or if adverse impacts of climate change will occur or the extent of such impacts.

Public Health Emergencies. In recent years, public health authorities have warned of threats posed by outbreaks of disease and other public health threats. On February 11, 2020, the World Health Organization announced the official name for the outbreak of the disease known as COVID-19 ("**COVID-19**"), an upper respiratory tract illness, that spread across the globe. As of this date, several vaccines have been provided approval by federal health authorities and are widely available, and both the national emergency and state of emergency have officially ended, and the World Health Organization declared an end to the COVID-19 global health emergency.

Future COVID-19 outbreaks or other public health emergencies could have material adverse effects on the District's operations and finances. In addition, the District cannot predict whether future pandemics will occur and whether any such pandemics may impact its finances or operations.

Cyber Security

The District, like other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other electronic sensitive information, the District may be the subject of cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized remote access to the District's systems for the purposes of misappropriating assets or information or causing operational disruption or damage, or demanding ransom for restored access to files or information. No assurance can be given that the District's current efforts to manage cyber threats and security will, in all cases, be successful.

The District relies on other entities and service providers in the course of operating the District, including the County with respect to the levy and collection of *ad valorem* property taxes, as well as other trustees, fiscal agents and dissemination agents. No assurance can be given that future cyber threats and attacks against other third-party entities or service providers will not impact the District and the owners of the Bonds, including the possibility of impacting the timely payments of debt service on the Bonds or timely filings pursuant to the Continuing Disclosure Certificate.

See APPENDIX A – Disclaimer Regarding Cyber Risks.

Secondary Market for Bonds

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that any Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

No assurance can be given that the market price for the Bonds will not be affected by the introduction or enactment of any future legislation, or changes in interpretation of existing law.

Loss of Tax-Exemption

The Internal Revenue Code of 1986, as amended (the "**Tax Code**") and related regulations, rulings and policies impose a number of requirements that must be satisfied for interest on state and local obligations, such as the Bonds, to be excludable from gross income for federal income tax purposes. The District will covenant in connection with the issuance of the Bonds that they will comply with such requirements. Future failure by the District to comply with such requirements may cause interest on the Bonds to become includable in gross income for purposes of federal income taxation retroactive to the date the Bonds were issued. Should such an event of taxability occur, the Bonds are not subject to special prepayment and will remain

outstanding until maturity or until prepaid under other prepayment provisions set forth in the Fiscal Agent Agreement.

IRS officials have recently indicated that more resources will be invested in audits of tax-exempt bonds, including the use of bond proceeds, in the charitable organization sector, with specific reviews of private use.

No ruling with respect to the Bonds has been or will be sought from the Internal Revenue Service, and the opinions of Bond Counsel are not binding on the Internal Revenue Service or the courts. There can be no assurance that an examination of the Bonds will not adversely affect the Bonds or the market value of the Bonds.

See "TAX MATTERS"

Risks Affecting the District, Generally

Proposition 218. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON DISTRICT TAX REVENUES AND APPROPRIATIONS – Article XIIC and Article XIID of the California Constitution," for information about certain risks to the District's revenues under Articles XIIC and Article XIID of the California Constitution.

Litigation. The District may be or become a party to litigation that has an impact on the District's revenues. Although the District maintains certain insurance policies which provide coverage under certain circumstances and with respect to certain types of incidents, the District cannot predict what types of liabilities may arise in the future. See also "LEGAL MATTERS – Litigation."

State Law Limitations on Appropriations. Article XIIB of the California Constitution limits the amount that local governments can appropriate annually. The ability of the District to make debt service payments on certain of the District's obligations (other than the Bonds) may be affected if the District should exceed its appropriations limit. The State may increase the appropriation limit of local governments in the State by decreasing the State's own appropriation limit. The District does not anticipate exceeding its appropriations limit. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON DISTRICT TAX REVENUES AND APPROPRIATIONS – Article XIIB of the State Constitution."

Impact of State Budget on the District. The District cannot predict what actions will be taken in future years by the State legislature or the Governor to address the State's current or future revenues and expenditures or possible future budget deficits. Future State budgets will be affected by national and State economic conditions and other factors over which the District has no control. The District cannot predict what impact any future budget proposals will have on the financial condition of the District. To the extent that the State budget process results in reduced revenues to the District, the District will be required to make adjustments to its own budgets.

TAX MATTERS

Tax-Exemption

Federal Tax Status. In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. The Bonds are "qualified tax-exempt obligations" within the meaning of section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "**Tax Code**"), such that, in the case of certain financial institutions (within the meaning of section 265(b)(5) of the Tax Code), a deduction for federal income tax purposes is allowed for 80% of that portion of such financial institution's interest expense allocable to interest payable on the Bonds.

The opinions set forth in the preceding paragraph are subject to the condition that the District comply with all requirements of the Tax Code relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds, or may cause the Bonds to not be "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Tax Code.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public at which a Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public at which a Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium" for purposes of federal income taxes and State of California personal income taxes. De minimis original issue discount and original issue premium are disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Bonds who purchase the Bonds after the initial offering of a substantial amount of such maturity. Owners of such Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Bonds under federal individual alternative minimum taxes.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the Bond (said term being the shorter of the Bond's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner

of the Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Bond is amortized each year over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Bond premium is not deductible for federal income tax purposes. Owners of premium Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Bonds.

California Tax Status. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes.

Other Tax Considerations. Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to bonds issued prior to enactment.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the Bonds, or as to the consequences of owning or receiving interest on the Bonds, as of any future date. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Owners of the Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. Other than as expressly described above, Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the Bonds, the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

Form of Opinion. A copy of the proposed form of opinion of Bond Counsel is attached hereto as Appendix D.

LEGAL MATTERS

Legal Opinion

The validity of the Bonds and certain other legal matters are subject to the approving opinions of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel. A complete copy of the proposed form of the opinion of Bond Counsel with respect to the Bonds is set forth in APPENDIX D. Jones Hall, A Professional Law Corporation, San Francisco, California, is also serving as Disclosure Counsel to the District. Fees payable to Bond Counsel and Disclosure Counsel are contingent upon issuance of the Bonds.

Litigation

No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the Bonds. The District is not aware of any litigation pending or threatened that (i) questions the political existence of the District, (ii) contests the District's ability to receive ad valorem property taxes or to collect other revenues or (iii) contests the District's ability to issue and sell the Bonds.

The District is routinely subject to lawsuits and claims, including one current negligence claim brought on behalf of a patient, and one current lawsuit brought by a former employee alleging various employment law violations. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims will not materially affect the financial position or operations of the District. The District may be or may become a party to lawsuits and claims which are unrelated to the Bonds or actions taken with respect to the Bonds and which have arisen in the normal course of operating the District. The District maintains certain insurance policies which provide coverage under certain circumstances and with respect to certain types of incidents. The District cannot predict what types of claims may arise in the future.

CONTINUING DISCLOSURE

The District will covenant for the benefit of owners of the Bonds to provide certain financial information and operating data relating to the District by the date that is nine months after the end of the District's Fiscal Year (currently March 31 based on the District's Fiscal Year end of June 30), commencing on March 31, 2025, with the report for Fiscal Year ending June 30, 2024 (the "**Annual Report**"), and to provide notices of the occurrence of certain enumerated events. The filing of this Official Statement with the Municipal Securities Rulemaking Board will serve as the first Annual Report. Such reports are required to be filed with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access website maintained by the Municipal Securities Rulemaking Board at <http://emma.msrb.org>. The specific nature of the information to be contained in the Annual Report or the notices of enumerated events is described in the form of Continuing Disclosure Certificate (the "**Continuing Disclosure Certificate**") to be entered into by the District in connection with the issuance of the Bonds, attached as "APPENDIX F – FORM OF CONTINUING DISCLOSURE CERTIFICATE" to this Official Statement. These covenants have been made in order to assist the underwriter of the Bonds in complying with Securities Exchange Commission Rule 15c2 12(b)(5) (the "**Rule**").

The District has not previously entered into disclosure undertakings under the Rule. The District therefore has not failed to comply in all material aspects with any previous undertakings with regard to the Rule in the past five years.

Any failure by the District to comply with the Continuing Disclosure Certificate will not constitute a default under the Fiscal Agent Agreement (although owners of the Bonds will have any remedy available at law or in equity as provided in the undertaking). Nevertheless, a failure to comply must be reported in accordance with the Rule. Such a failure may adversely affect the transferability and liquidity of the Bonds.

To ensure compliance with the Continuing Disclosure Certificate, the District has appointed Isom Advisors, a Division of Urban Futures, Inc., to serve as its dissemination agent.

RATING

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("**S&P**"), has assigned its municipal bond rating of "___" to the Bonds. Such rating reflects only the views of S&P, and an explanation of the significance of such ratings, and any outlook associated with such ratings, may be obtained only from S&P.

The District has provided certain additional information and materials to S&P (some of which does not appear in this Official Statement because it has been considered not material to making an investment decision in the Bonds).

There is no assurance that such rating will continue for any given period of time or that this rating will not be revised downward or withdrawn entirely by S&P, if in its judgment, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

UNDERWRITING

The Bonds are being sold to Oppenheimer & Co. Inc. (the "**Underwriter**"), pursuant to a bond purchase agreement for the Bonds (the "**Purchase Agreement**"). The Underwriter has agreed to purchase the Bonds at a price of \$_____, representing the principal amount of the Bonds, plus/less [net] original issue premium/discount of \$_____ and less Underwriter's discount of \$_____.

The Purchase Agreement provides that the Underwriter will purchase all of the Bonds, if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in the Purchase Agreement.

The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed from time to time by the Underwriter.

MUNICIPAL ADVISOR

The District has appointed Isom Advisors, a Division of Urban Futures, Inc., Walnut Creek, California, as its Municipal Advisor (the "**Municipal Advisor**") in connection with the issuance of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. The Municipal Advisor is an independent registered municipal advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities. The Municipal Advisor's compensation is contingent upon the delivery of the Bonds.

PROFESSIONAL FEES

In connection with the issuance of the Bonds, all or a portion of the fees payable to the following professionals involved in the offering are contingent upon the issuance and delivery of the Bonds: Jones Hall, A Professional Law Corporation, San Francisco, California, as Bond Counsel and Disclosure Counsel; Isom Advisors, a Division of Urban Futures, Inc., Walnut Creek, California, as Municipal Advisor; Kutak Rock LLP, Irvine, California, as Underwriter's counsel; _____, as Fiscal Agent.

EXECUTION

The execution and delivery of this Official Statement has been duly authorized by the Board of Directors of the District.

**CAMBRIA COMMUNITY HEALTHCARE
DISTRICT**

By: _____
Administrator/Finance Director

APPENDIX A

DISTRICT AND CORPORATION FINANCIAL AND OPERATING INFORMATION

The information in this and other sections concerning the District's operations and operating budget is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from or secured by a pledge, lien or security interest on the revenues of the District. The Bonds are secured by and payable from the proceeds of an ad valorem property tax required to be levied by the County in an amount sufficient for the payment thereof. However, if there is a shortfall in ad valorem property taxes to pay principal of and interest and premium, if any, on the Bonds, the District is required by Section 32127 of the Local Health Care District Law to use moneys, if any, in its maintenance and operation fund to make up any shortfall; provided, however, that the Bonds are not secured by any of such revenues. See "SECURITY FOR THE BONDS" in the forepart of the Official Statement.

GENERAL INFORMATION

The District. The District was organized in 1947, under the authority of section 3200, et. seq., of the Health and Safety Code of the state of California (the "**Local Health Care District Law**"). The District is a public, tax and fee supported special district in the County of San Luis Obispo (the "**County**") in the State of California (the "**State**"). The District provides advanced life support ambulance service for the area, which includes the communities of Cambria, Harmony, San Simeon, and outlying areas north to the Monterey County line. Under an agreement with Monterey County, the District also provides ambulance service in the Monterey County Coast zone. The District service area consists primarily of rural, unincorporated territory and encompasses approximately 310 square miles in the County, with an additional 500 square miles within Monterey County.

In addition to ambulance service, the District owns a professional medical building, a portion of which is leased to healthcare organizations. The District's mission is to improve the health of district residents by providing emergency services, enhancing access to care, and promoting wellness. The District is governed by a five-member board of directors. The Administrator manages the day-to-day operations of the District in accordance with the policies and procedures established by the board of directors. The board of directors meets each month. Meetings are publicly noticed and citizens are encouraged to attend. An annual budget is approved by the board of directors.

Audited Financial Statements. See APPENDIX C for the audited financial statements of the District for the Fiscal Year ended June 30, 2024. See APPENDIX B for demographic and other statistical information regarding the County.

District and Corporation Governance and Administration

The District is governed by a five-member publicly elected Board of Directors (the "**Board**"), each member of which is elected to a four-year term. Elections for positions to the Board are held every two years, alternating between two and three available positions. Current members of the Board's board of directors, together with their office and the date their term expires, are listed below.

District Board

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Cecilia Montalvo	President	December 2028
Bruce Mumper	Vice President	December 2028
Igor Fedoroff	Secretary	December 2026
Dawn Kulesa	Member	December 2026
Laurie Mileur	Member	December 2026

Board Committees. The District has the following standing committees listed in its Bylaws: Finance Committee, Property and Facility Committee, Grants and Development Committee, and Healthcare Advocacy and Outreach Committee.

The District's bylaws provide that ad hoc committees may be formed at various times for various reasons. The District's current ad hoc committees are as follows: Executive Committee, Strategic Planning Committee, Facility Project Committee and Trust Committee.

The District committees consist of two District Board members and additional appointed members, and meet as needed, with at least 48 hours' notice.

Administrative Personnel. The District Administrator/Finance Director, appointed by the Board, is responsible for the day-to-day operations and supervises the work of other District administrators. Linda Hendy currently serves as the District Administrator/Finance Director, Jennifer Harley serves as the Office Manager, and Tim Nurge is the Operations Manager. Brief resumes of the three individuals follow:

Linda Hendy, Administrator/Finance Director – Ms. Linda Hendy joined the District in September 2022, with over 30 years of experience in accounting and business management. She began her accounting career as the Director of Finance for the Newport Beach Chamber of Commerce and later moved to the Central Coast where she was President of the Atascadero Chamber of Commerce. With over 21 years as a Chamber executive, Ms. Hendy retired from the industry and began a new career in Government accounting. After five years with Port San Luis Harbor District in Avila Beach, Ms. Hendy accepted a new position as the Director of Finance with the District and in 2023 was appointed by the Board to the Administrator position as well.

Jennifer Harley, Office Manager – Ms. Jennifer Harley came to the District in September, 2024, with an extensive amount of administrative experience, billing, and over five years working for a Special District. Not only did Ms. Harley bring her skills as an Office Manager, but she also has experience in grant and construction project management.

Tim Nurge, Operations Manager – Mr. Tim Nurge came to the District in May, 2020, as a paramedic and accepted the role as Operations Manager in November, 2023, where he oversees the day-to-day ambulance operations for the Paramedics and Emergency Medical Technicians (“EMTs”). He has more than 7 years' experience in the field of emergency medicine and previously worked as a Coordinator for Student Development for Cal Poly San Luis Obispo.

Employees and Employee Relations

Staff Members. In addition to the Administrator/Finance Director, the Operations Manager and the Office Manager mentioned above, the District also employs 2 Operation Supervisors, 6 full-time Paramedics, 6 EMTs, and 12 part-time reserves EMS professionals.

The employees of the District are represented by Service Employees International Union bargaining units, Local 620 and the contract expiration dates are June 30, 2026, respectively.

Service and Capacity

The District provides emergency 911 ambulance transportation for the community of Cambria, San Simeon, and the surrounding area of the North Coast the County. The District also provides ambulance services outside of its boundaries as allowed under the State Health and Safety Code Section 32121 (I). The District provides services north of the County line in the southern portions of the Monterey County coastal zone; which includes a coastal area extending up to the community of Pacific Valley. Service is provided in Monterey County through an American Medical Response (“**AMR**”) contract with the Monterey County and the District is a subcontractor. As stated in the AMR contract, services are provided in and around the "South Valley Zone". The boundaries of the South Valley Zone are defined as HWY 1 north from the San Luis Obispo and Monterey County line to Plaskett Ridge Road intersection, or further north on HWY 1 in cases of road closure due to landslides or other causes if available. The contract was initiated on January 30, 2010, and is reviewed and updated when a fee increase is initiated by the District; the last increase was approved on May 1, 2023. The District also participates in a county-wide move-up and cover system for San Luis Ambulance, which means that when other ambulance response zones are busy, District ambulance crews may be called to help cover their area. San Luis Obispo Emergency Medical Services Agency (“**EMSA**”) move-up and cover system calls were reported at a total of 729 calls in 2023 and 747 calls in 2022, please note that these numbers are not included in the Summary of Service Calls table below.

The District operates an Advanced Life Support (“**ALS**”) ambulance service and provides community health education. The District does not currently, nor has it at any time in the past, operated a hospital facility. In 2023, the District responded to 1,069 911 calls for service, for an average of 89 calls per month. The District is capable of providing emergency response on most incidents encountered within the District. Additional apparatus, equipment, and staffing are available through Automatic or Mutual Aid agreements with SLO County EMSA (which in part includes County Fire/Cal Fire, San Luis Ambulance, and Cambria Community Services District Fire Department). This coverage allows an average 10-minute emergency response time by the District to any location within the District service area and ensures that the needs of area residents are addressed most efficiently. Cambria Community Services Department and the District work collaboratively as parties to the EMSA Mutual Aid Agreement agencies whose service areas overlap with one another. Cambria Community Services Department’s EMSA response requirements differ from the healthcare district’s therefore resulting in a lower response time of 5-minutes. The District Board reviews monthly reports with a goal of providing response to 100% of calls. The District currently reports an average of 93% to 100%. The table below summarizes the District’s 911 calls within fiscal years 2021-22 and 2022-23.

Summary of Service Calls⁽¹⁾

	<u>2022</u>	<u>2023</u>
Total number of responses	1161	1069
Number of emergency responses	1114	1043
Number of non-emergency responses	47	26
Total number of transports	673	609
Number of emergency transports	88	81
Number of non-emergency transports	585	533
Total of responses outside of jurisdictional boundaries ⁽²⁾	37	15

(1) Five Year Emergency Medical Service Plan, May 2023 and District Staff, February 2024.

(2) Responses within Monterey County.

Source: Cambria Community Healthcare District Municipal Service Review and Sphere of Influence Study.

The District offers 24-hour emergency medical services, ambulance transport, and community health education. The District has a total of four ambulances. Two ambulance units are available 24/7, each staffed with one Paramedic and one EMT. The other two ambulance units are stationed as a backup unit, placed into service when a unit is out of service for repairs or used for additional EMS coverage. The District participates in a county-wide cover system, which means that when other ambulance response zones are busy, the District ambulance crew may be called to help cover the area within San Luis Obispo County. The District also maintains a contract to provide services in the south coastal zone of Monterey County.

FINANCIAL INFORMATION

District Accounting Practices

The accounting policies and financial statements of the District generally conform with the recommendations of the audit and accounting guide, Health Care Organizations, published by the American Institute of Certified Public Accountants. The financial statements are presented in accordance with the pronouncements of the Governmental Accounting Standards Board (“**GASB**”). For purposes of presentation, transactions deemed by management to be ongoing, major, or central to the provision of healthcare services are reported as operational revenues and expenses.

The District uses proprietary fund accounting. Revenues and expenses are recognized on an accrual basis using the economic resources measurement focus. Based on GASB Statement Number 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, as amended, the District has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (“**FASB**”), including those issued after November 30, 1989, that do not conflict with or contradict GASB pronouncements.

Financial Statements

General. The District's audited financial statements are prepared to report the financial activities of the District. The audited financial statements of the District for the Fiscal Year ended June 30, 2024, were prepared by Moss, Levy & Hartzheim LLP, Santa Maria, California, and are attached to the Official Statement as APPENDIX C. *The District has not requested, and the auditor has not provided, any review or update of such financial statements in connection with its inclusion in this Official Statement.*

Financial Tables. The following tables show the financial statements of the District for Fiscal Years 2019-20 through 2023-24. These summaries are derived from the audited financial statements of the District, are qualified by reference to and should be read in conjunction with the audited financial statements, including the notes thereto, attached as APPENDIX C.

Statement of Revenues, Expenses and Changes in Net Position. The following table shows the audited revenues, expenses and changes in net position for the District for Fiscal Years 2019-20 through 2023-24.

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Fiscal Years 2019-20 through 2023-24 (Audited)**

	Audited 2019-20	Audited 2020-21	Audited 2021-22	Audited 2022-23	Audited 2023-24
<u>Operating Revenues</u>					
Ambulance Charges	\$602,696	\$601,961	\$779,630	\$799,870	\$881,957
Other Operating Revenues	13,175	54,126	34,121	43,759	60,332
Total Operating Revenues	615,871	656,087	813,751	843,629	942,289
<u>Operating Expenses</u>					
Salaries and Wages	808,634	949,449	1,076,480	1,159,892	1,227,782
Payroll Benefits	778,395	665,072	3 86,040	362,734	482,392
Payroll Taxes	18,644	21,870	30,299	52,241	46,442
Workers' Compensation Insurance	60,493	50,416	51,150	35,961	50,350
Professional Services	65,322	77,138	70,634	80,965	39,554
Contract Services	52,161	41,089	91,949	51,573	45,138
Medical Supplies and Equipment	61,777	51,310	59,761	57,959	56,226
Bad Debt Expense	20,252	57,130	--	--	--
Repairs and Maintenance	27,856	26,697	48,100	46,109	36,964
Insurance	36,815	38,496	39,221	42,152	44,334
Fuel and Oil	14,862	16,218	35,221	35,115	29,137
Utilities	15,207	17,646	18,343	28,851	32,005
Licenses and Permits	18,303	13,795	8,162	16,341	10,587
Office and Computer Supplies	29,419	16,224	15,554	23,373	21,317
Uniform Expense	4,850	20,765	9,711	7,770	4,043
Education and Travel	5,680	6,782	17,149	18,932	23,775
Miscellaneous Expense	36,113	383	55,362	27,034	47,370
Election Expense	--	8,826	--	--	--
Training	--	1,168	296	2,422	4,281
Amortization	--	--	22,327	22,327	22,327
Depreciation	62,609	85,883	60,095	101,938	107,781
Total Operating Expenses	2,117,392	2,166,357	2,095,854	2,173,689	2,331,805
Operating Loss	(1,501,521)	(1,510,270)	(1,282,103)	(1,330,060)	(1,389,516)
<u>Nonoperating Revenues (Expenses)</u>					
Property Taxes and Special Assessment Taxes	1,082,538	1,137,182	1,202,317	1,275,876	1,327,021
Grant Revenue	--	--	261,035	168,110	58,472
Rental Income	42,523	60,191	3 0,144	1,200	1,200
Other Nonoperating Revenues (Expenses)	(2,113)	42,261	(6,857)	(3,285)	(12,537)
Interest Expense	(6,480)	(7,995)	38,157	74,277	9,833
Total Nonoperating Revenues (Expenses)	1,116,468	1,231,639	1,524,796	1,516,178	1,383,989
Change in Net Position	(385,053)	(278,631)	242,693	186,118	(5,527)
Net position, July 1	(4,241,916)	(4,626,969)	(4,905,600)	(4,661,195)	(4,475,077)
Restatement	--	--	1,712	--	--
Net position, July 1-restated	--	--	(4,903,888)	--	--
Net position, June 30	\$(4,626,969)	\$(4,905,600)	\$(4,661,195)	\$(4,475,077)	\$(4,480,604)

Source: Audited financial statements of the District.

Statement of Net Position. The following table shows the statement of net position for the District for Fiscal Years 2019-20 through 2023-24.

STATEMENT OF NET POSITION
Fiscal Years 2019-20 through 2023-24 (Audited)

	Audited 2019-20	Audited 2020-21	Audited 2021-22	Audited 2022-23	Audited 2023-24
Current Assets					
Cash and Cash Equivalents	\$402,747	\$409,261	\$505,269	\$505,020	\$420,996
Accounts Receivable	166,265 ⁽¹⁾	96,479	170,632	152,884	221,320
Prepaid expenses	--	--	--	22,988	8,007
Total Current Assets	569,012	505,740	675,901	680,892	650,323
Noncurrent Assets					
Right to use asset	--	--	98,610	98,610	98,610
Less accumulated amortization	--	--	{22,327}	(44,654)	(66,981)
Nondepreciable	5,063	5,063	5,063	5,063	5,063
Depreciable assets - Net of Accumulated Depreciation	221,933	322,009	186,924	393,939	317,575
Total Noncurrent Assets	226,996	327,072	268,270	452,958	354,267
Total Assets	796,008	832,812	944,171	1,133,850	1,004,590
Deferred Outflows of Resources					
Deferred Outflows - Pensions	287,194	258,042	477,064	956,493	938,533
Deferred Outflows - OPEB	82,547	348,893	933,240	729,247	538,630
Total Deferred Outflows of Resources	369,741	606,935	1,410,304	1,685,740	1,477,163
Current Liabilities					
Accounts Payable	4,163	486	1,894	9,554	23,335
Accrued Payroll	17,828	24,918	51,371	60,867	72,508
Interest Payable	--	--	184	--	--
Current Portion - Compensated Absences	--	4,671	15,011	22,386	20,609
Current Portion – Lease Liability	--	--	21,788	20,606	23,192
Current Portion - Long-Term Debt	48,989	68,765	--	--	--
Current Portion – Notes From Direct Borrowing	--	--	26,821	52,418	34,966
Total Current Liabilities	70,980	98,840	117,069	165,831	174,610
Noncurrent Liabilities					
Long-Term Liabilities - Compensated Absences	--	49,458	45,034	67,157	61,827
Long-Term Debt	100,596	125,831	--	--	--
Lease Liability	--	--	55,431	32,979	7,886
Notes From Direct Borrowing	--	--	24,551	158,729	118,760
OPEB Liability	2,739,492	3,238,665	4,027,606	3,218,908	3,036,438
Net Pension Liability	1,644,639	1,808,233	1,123,5 \$4	2,094,778	2,302,394
Total Noncurrent Liabilities	4,484,727	5,222,187	5,276,206	5,572,551	5,527,305
Total liabilities	4,555,707	5,321,027	5,393,275	5,738,382	5,701,915
Deferred Inflows of Resources					
Deferred Inflows - Pensions	239,935	262,876	938,596	244,726	115,073
Deferred Inflows - OPEB	997,076	761,444	683,799	1,311,559	1,145,369
Total Deferred Inflows of Resources	1,237,011	1,024,320	1,622,395	1,556,285	1,260,442
Net Position					
Net Investment in capital assets	77,411	132,476	139,679	188,226	169,463
Unrestricted	(4,704,380)	(5,038,076)	{4,800,874}	(4,663,303)	(4,650,067)
Total Net Position	\$(4,626,969)	(4,905,600)	\$(4,661,195)	\$(4,475,077)	\$(4,480,604)

(1) Net of Allowance of \$55,674.

Source: Audited financial statements of the District.

Cash Flows. The following table shows the audited statement of cash flows for the District for Fiscal Years 2019-20 through 2023-24

STATEMENT OF CASH FLOWS
Fiscal Years 2019-20 through 2023-24 (Audited)

	Audited 2019-20	Audited 2020-21	Audited 2021-22	Audited 2022-23	Audited 2023-24
<u>Cash Flows from Operating Activities</u>					
Receipts from customers	\$694,712	\$725,873	\$739,598	\$861,377	873,853
Payments to suppliers	(474,109)	(469,630)	(519,205)	(489,885)	(416,319)
Payments to employees	(1,232,766)	(1,340,420)	(1,561,059)	(1,714,923)	(1,814,202)
Net cash used by operating activities	(1,012,163)	(1,084,177)	(1,341,059)	(1,343,431)	(1,356,668)
<u>Cash Flows from Noncapital Financing Activities</u>					
Property taxes	1,082,538	1,137,182	1,202,317	1,275,876	1,327,021
Intergovernmental grants	--	--	261,035	168,110	58,472
Rental income	--	--	30,144	1,200	1,200
Other revenue	--	42,261	36,591	73,228	7,506
Net cash used by noncapital financing activities	1,082,538	1,179,443	1,530,087	1,518,414	1,394,199
<u>Cash Flows from Capital and Related Financing Activities</u>					
Acquisition and construction of capital assets	(139,259)	(83,573)	(17,269)	(308,953)	(31,417)
Proceeds from sale of capital assets	26,000	--	--	--	--
Proceeds from Issuing new long-term debt	92,015	--	--	186,608	--
Principal paid on lease liability and long-term debt	(41,897)	(60,198)	(21,391)	(23,634)	(22,507)
Principal paid on loans from direct borrowing	--	--	(49,253)	(26,833)	(57,421)
Interest paid on long-term debt	--	(7,995)	(6,673)	(3,469)	(12,537)
Net cash used by capital and related financing activities	(63,141)	(151,766)	(94,586)	(176,281)	(123,882)
<u>Cash Flows from Investing Activities</u>					
Rental income and other	3 5,230	63,014	--	--	--
Interest received	--	--	1,566	1,049	2,326
Net cash provided by investing activities	3 5,230	63,014	1,566	1,049	2,326
Net increase in cash and cash equivalents	42,464	6,514	96,008	(249)	(84,025)
Cash and cash equivalents July 1,	358,944	402,747	409,261	505,269	505,020
Cash and cash equivalents June 30,	401,408	409,261	505,269	505,020	420,995
<u>Reconciliation to Statement of Net Position</u>					
Cash and investments	\$(1,012,163)	\$(1,084,177)	\$505,269	\$505,020	\$420,996

Source: Audited financial statements of the District.

District Budget

Budget Process. The District is a public, tax and fee supported special district. An annual budget is prepared prior to the beginning of each fiscal year, which includes estimates for the District's principal income sources to be received during the fiscal year, as well as estimated expenses and cash reserves needed for operations. The District maintains a financial reserve that equates to 5% of its general fund. The District posts its current budget on its website. The District staff conduct monthly financial statements that provide their board with frequent reporting on their financial performance; these documents are also available on the District's website.

The Fiscal Year of the District begins on July 1 and ends on June 30. The District prepares and adopts a final budget generally on or before June 30 for each Fiscal Year. The operating budget is adopted each year to reflect estimated revenues and expenditures. At the close of each Fiscal Year, the District engages certified public accountants to audit the financial statements of the District.

The tables below show a comparison of the actual and budgeted revenues and expenses for Fiscal Years 2022-23 through 2024-25, as well as the year-to-date July 2024 through December 2024 actual and budgeted numbers.

FINAL BUDGET
July 1, 2024 – June 30, 2025

	Fiscal Year 2022-23		Fiscal Year 2023-24		Fiscal Year 2024-25	
	Actual	Revised Budget	Projected	Revised Budget	Preliminary Budget	Final Budget
REVENUES						
<u>Ambulance Revenue</u>						
Ambulance Income	\$3,515,662	\$3,357,762	\$3,674,604	\$3,884,181	\$4,005,318	\$3,821,588
Adjustment to Ambulance - CONTRA	(2,637,956)	(2,493,138)	(2,724,709)	(2,909,386)	(2,969,933)	(2,833,697)
Adjustments - Sent to Collections	(50,867)	(16,000)	(17,100)	(56,000)	(10,520)	(11,520)
Adjustments - to Bad Debt	(22,170)	(12,000)	(6,350)	(24,000)	(6,000)	(7,000)
Ambulance Revenue Totals:	804,669	836,624	926,445	894,795	1,018,865	969,371
<u>Tax Revenues</u>						
SLO County - General Tax	626,024	600,453	643,309	643,309	683,000	669,041
SLO County - Special Tax	629,100	631,555	650,160	650,160	665,000	675,386
Tax Revenue Totals:	1,255,124	1,232,008	1,293,469	1,293,469	1,348,000	1,344,427
<u>Miscellaneous Revenue</u>						
Monterey Contract	43,500	36,000	44,000	46,000	42,000	44,000
Rental Income	1,200	1,200	1,200	1,200	1,200	1,200
Misc. Income/Standby Event	5,871	1,200	15,137	6,000	24,200	24,200
GEMT Reimbursement	46,886	--	2,802	50,000	--	--
Bad Debt Recovery	6,126	10,800	4,966	8,000	2,850	2,850
Interest Income	1,289	632	1,942	1,350	1,765	1,765
Donations/Grant Income	100	30,000	--	--	--	---
Miscellaneous Revenue Totals:	104,972	79,832	70,047	112,550	72,015	74,015
REVENUE TOTALS	2,164,765	2,148,464	2,289,961	2,300,814	2,438,880	2,387,813
EXPENSES						
<u>Payroll Expenses</u>						
Administration	259,185	240,000	217,210	286,582	185,040	185,040
Full Time Paramedic/EMT	596,036	648,018	689,685	781,624	918,000	918,000
Part Time Paramedic/EMT	304,003	274,901	208,101	136,715	168,000	168,000
Payroll Tax Expense	51,181	34,884	64,315	69,460	64,800	64,800
Employee Medical/Dental	172,515	160,200	203,975	204,000	210,000	210,000
CalPERS Pension Expense	127,102	130,780	120,770	130,000	100,400	100,400
Unfunded Accrued Liability	165,515	148,320	153,590	155,076	155,040	155,040
Uniform	7,761	6,000	6,447	9,000	9,000	9,000
Workers Comp Insurance	35,961	37,797	50,350	53,432	51,000	51,000
Retiree Health	94,516	87,780	101,921	95,400	105,000	105,000
Payroll Expense Total:	1,813,775	1,768,680	1,816,364	1,921,289	1,966,280	1,966,280
<u>Contract Services</u>						
Accounting	13,240	30,000	-	-	-	-
Audit Fees	31,480	18,000	16,000	30,500	10,000	10,000
Billing Services	8,400	7,200	5,734	8,400	8,400	8,400
Other	17,848	13,650	4,650	14,500	7,620	7,620
Payroll Services	7,000	6,000	6,077	7,400	6,625	6,625
Contract Services Total:	77,968	74,850	32,461	60,800	32,645	32,645

Source: Budgeted financial statements of the District.

(Continued on Following Page)

FINAL BUDGET
July 1, 2024 – June 30, 2025
(Continued from Previous Page)

	Fiscal Year 2022-23		Fiscal Year 2023-24		Fiscal Year 2024-25	
	Actual	Revised Budget	Projected	Revised Budget	Preliminary Budget	Final Budget
<u>EXPENSES CONTINUED</u>						
<u>Operating Expense</u>						
Dues and Subscriptions	402	--	11,488	19,500	22,640	9,740
Education/Travel/Mileage	5,958	6,000	2,728	4,000	4,200	4,200
Election Expense	--	--	--	--	10,000	10,000
Facility Repair Maintenance	14,834	18,000	58,760	50,000	12,000	12,000
Legal Expense	12,626	18,000	16,936	12,000	12,000	12,000
Liability/Auto/D&O Insurance	42,420	42,420	44,334	46,839	39,000	39,000
License/Permit	17,071	6,000	11,013	6,000	6,000	6,000
Office/Computer Supply & Parts	23,283	14,400	19,818	15,000	19,500	19,500
Storage Expense	960	960	960	960	960	960
Training/Education	762	600	3,664	3,000	5,400	5,400
Utilities	28,197	19,200	28,642	25,000	29,000	29,000
Operating Expense Total:	146,513	125,580	198,343	82,299	160,700	147,800
<u>Fleet/Vehicle/Medical Expenses</u>						
Ambulance New Unit #23	--	--	--	--	45,000	45,000
Communication Equipment	841	--	1,089	1,000	1,100	1,100
Fleet Fuel	39,592	36,000	32,129	42,000	33,000	33,000
Fleet Maintenance						
Unit #18	10,730	6,000	7,631	6,000	8,000	8,000
Unit #20	5,161	2,400	1,068	4,000	1,100	1,100
Unit #21	6,721	6,000	2,909	2,000	3,000	3,000
Unit #22	--	--	3,257	5,000	5,000	3,500
Fleet Interest Expense	1,064	1,543	502	1,064	1,075	1,075
Medical Equipment & Supplies	58,219	60,000	4,014	60,000	60,000	60,000
Fleet/Vehicle Expense Total:	122,328	111,943	102,599	121,064	157,275	155,775
<u>Other Expense</u>						
Bank Charges & Credit Card Fees	3,160	2,400	3,688	3,500	3,600	3,600
Bond Expense	47,216	--	32,083	17,500	25,000	25,000
Contingency/Outreach/Public Ed	13,853	1,200	20,323	5,000	12,000	6,000
Miscellaneous	17,995	13,200	1,821	3,600	3,600	3,600
PP-GEMT Fee	21,331	--	48,010	15,000	48,000	48,000
Sales Tax Paid	1,393	1,286	1,123	1,400	1,400	1,400
Other Expense Total:	104,947	18,086	107,048	46,000	93,600	87,600
<u>EXPENSE TOTALS</u>	2,265,532	2,099,139	2,256,815	2,331,452	2,410,500	2,390,100
NET OPERATING INCOME	(100,767)	49,325	33,146	(30,638)	28,380	(2,287)
<u>Other Income</u>						
Covid Relief	204,620	--	--	--	--	--
Grant Income	16,415	--	45,572	55,800	45,000	68,800
Other Income Total:	221,036	--	45,572	55,800	45,000	68,800
NET INCOME	120,269	49,325	78,718	25,162	73,380	66,513

Source: Budgeted financial statements of the District.

SUMMARY OF REVENUES AND EXPENSES
July 1, 2024 – December 31, 2024

	July 2024 to December 2024	
	YTD Actual	YTD Budget
<u>REVENUES</u>		
<u>Ambulance Revenue</u>		
Ambulance Income	\$2,052,810	\$2,081,588
Adjustment to Ambulance - CONTRA	(1,524,211)	(1,565,918)
Adjustments - Sent to Collections	--	(7,680)
Adjustments - to Bad Debt	--	(4,500)
Ambulance Revenue Totals:	528,599	503,490
 <u>Tax Revenues</u>		
SLO County - General Tax	190,513	177,000
SLO County - Special Tax	225,650	212,000
Tax Revenue Totals:	416,163	389,000
 <u>Miscellaneous Revenue</u>		
Monterey Contract	14,000	22,000
Rental Income	600	600
Misc. Income	105	600
Bad Debt Recovery	1,755	1,650
Grant Income	--	--
Interest Income	1,408	1,100
Standby/Event Income	7,246	--
Donations-Amb. Procurement	--	--
Miscellaneous Revenue Totals:	25,114	25,950
<u>REVENUE TOTALS</u>	969,876	918,440
 <u>EXPENSES</u>		
<u>Payroll Expenses</u>		
Administration	97,495	92,520
Full Time Paramedic/EMT	415,271	464,000
Part Time Paramedic/EMT	117,783	84,000
Payroll Tax Expense	36,668	32,400
Employee Medical/Dental	109,029	105,000
CalPERS Pension Expense	30,567	51,200
Unfunded Accrued Liability	107,886	78,000
Uniform	1,224	4,500
Workers Comp Insurance	19,288	51,000
Retiree Health	51,814	52,500
Payroll Expense Total:	987,026	1,015,120
 <u>Contract Services</u>		
Accounting	--	--
Audit Fees	--	--
Billing Services	4,092	4,200
Other	--	2,160
Payroll Services	2,350	3,150
Contract Services Total:	6,442	9,510

Source: District December 2024 Financial Report.

(Continued on Following Page)

SUMMARY OF REVENUES AND EXPENSES
July 1, 2024 – December 31, 2024

(Continued from Previous Page)

	July 2024 to December 2024	
	YTD Actual	YTD Budget
<u>EXPENSES CONTINUED</u>		
<u>Operating Expense</u>		
Dues and Subscriptions	10,431	8,420
Education/Travel/Mileage	1,299	2,100
Election Expense	--	--
Facility Repair Maintenance	4,343	6,000
Legal Expense	1,350	6,000
Liability/Auto/D&O Insurance	24,443	39,000
License/Permit	1,907	3,000
Office/Computer Supply & Parts	10,080	9,750
Storage Expense	480	480
Training/Education	674	2,700
Utilities	16,577	14,700
Operating Expense Total:	78,026	101,660
 <u>Fleet/Vehicle/Medical Expenses</u>		
Communication Equipment	792	-
Fleet Fuel	14,880	18,000
Fleet Maintenance		
Unit #18	6,125	4,100
Unit #20	1,710	500
Unit #21	633	1,500
Unit #22	1,686	2,300
Fleet Interest Expense	--	775
Medical Equipment & Supplies	27,789	30,000
Fleet/Vehicle Expense Total:	53,616	57,175
 Total Operating Expenses	 131,641	 158,835
 <u>Other Expense</u>		
Bank Charges & Credit Card Fees	1,603	1,800
Bond Expense	6,513	5,000
Contingency/Outreach/Public Ed	899	3,000
Miscellaneous	3,488	1,800
PP-GEMT Fee	18,372	24,000
Sales Tax Paid	643	690
Other Expense Total:	31,520	36,290
 <u>EXPENSE TOTALS</u>	 1,150,187	 1,210,245
 NET OPERATING INCOME	 (180,311)	 (291,805)
 <u>Other Income</u>		
Covid Relief	--	--
Grant Income	--	--
Other Income Total:	--	--
 NET INCOME	 \$(180,311)	 \$(291,805)

Source: District December 2024 Financial Report.

Special Assessment. The District passed a special assessment on November 5, 1985, of \$4.00 flat rate per unimproved parcel and \$7.00 flat rate for improved parcel per year on all real property (except for federal, state, or local government agencies) within the boundaries of the District for periodic and equipment replacement. On November 8, 1994, the voters approved an increase to the special assessment, raising the unimproved parcel fee to \$7.00 and improved parcel fee to \$20.00 to upgrade general operations. On November 7, 2006, the voters approved another increase to the special assessment, raising the unimproved parcel fee to \$25 and improved parcel fee to \$85 to improve paramedic staffing and upgrade general operations, annually adjusted by the change in the Consumer Price Index for the Greater Los Angeles Area.

Cambria Community Healthcare District Trust. The District has a trust that qualifies as a 501(c)(3) organization and all donations are tax-exempt. Donations can only be used to support vital capital and equipment needs for the District and provide community education. In Fiscal Year 2023-24 the District received \$45,000 dollars from the trust to assist with the acquisition and purchase of a new ambulance unit.

Accumulated Net Deficit and Management Plans. In Fiscal Year 2023-24, the District experienced a total decrease in net position of \$5,527. This decrease has increased the accumulated net deficit to \$4,480,604 at June 30, 2024. As of that date, current assets exceeded current liabilities by \$475,712. Prior to fiscal 2019, the District had experienced substantial negative net cash flow from operations which resulted in a sustained draw down of the District's available cash reserves.

In fiscal year 2018, management and the board of directors implemented a strategic deployment plan to maximize the potential for emergency response based on the highest probability for 911 requests for service, and at the same time reduce unnecessary payroll expenses, which was fully implemented.

The District is operating at a net deficit. The significant expenses of the District are payroll and benefit related expenses. The primary reason for the net deficit is the recognition of net pension and OPEB long-term liabilities and recognition of their related expenses as required by the GASB.

Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District, as a member of the Special District Risk Management Authority (“**SDRMA**”), has purchased various insurance policies to manage the potential liabilities that may occur from the previously named sources. SDRMA is an intergovernmental risk sharing joint powers authority, created pursuant to California Government Code Sections 6500 et Seq. SDRMA's purpose is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage.

At June 30, 2023, the District participated in the liability and property programs of the SDRMA as follows: general and auto liability, public officials' and employees' errors and omissions and employment practices liability; total risk financing limits of \$2.5 million, combined single limit at \$2.5 million per occurrence, subject to the following deductibles: (1) \$500 per occurrence for third-party general liability property damage, (2) \$1,000 per occurrence for third-party auto liability

property damage, and (3) 50% co-insurance of cost expended by SDRMA, in excess of \$10,000 up to \$50,000, per occurrence, for employment related claims. However, 100% of the obligation is waived if certain criteria are met, as provided in the Memorandum of Coverage's.

As respects, any employment practices claim or suit arising in whole or in part out of any action involving discipline, demotion, reassignment, or termination of any employee, leased worker, temporary worker, volunteer, or any worker who participates in an internship or training program which may lead to employment with the Member: (1) SDRMA shall be responsible for the first \$10,000 of loss, and (2) as to amounts expended for a loss in excess of \$10,000 up to \$110,000, such losses will be shared between SDRMA (50%) and the Member (50%) such that the Member will be responsible for up to but not in excess of \$50,000.

- Employee dishonesty coverage of \$1,000,000 per loss includes public employee dishonesty, forgery or alteration and theft, disappearance, and destruction coverage.
- Property loss is paid at the replacement cost for property on file, if replaced within three years after the loss, otherwise paid on an actual cash value (“ACV”) basis, to a combined (pool limit) total of \$1 billion per occurrence, subject to a \$1,000 deductible per occurrence.
- Boiler and machinery coverage is for the replacement cost up to \$100 million per (pool limit) occurrence, subject to \$1,000 deductible. Public officials' personal liability is up to \$500,000 each occurrence, with an annual aggregate of \$500,000 per each elected/appointed official to which this coverage applies, subject to the terms, conditions and exclusions as provided in the Memorandum of Coverage, deductible of \$500 per claim.
- Comprehensive and collision on selected vehicles, with deductibles of \$250/\$500 or \$500/\$1,000 as elected; ACV limits.

The District maintains workers' compensation coverage and employer's liability coverage in accordance with statutory requirements of the state of California. Statutory limits per occurrence for workers' compensation and \$5.0 million for employers' liability coverage, subject to the terms, conditions, and exclusions as provided in the Memorandum of Coverage.

Long-Term Debt

The District’s long-term debt summary, as of June 30, 2024 and as presented in the District’s most recent audited financial statement, consisted of the following:

SUMMARY OF LONG-TERM DEBT as of June 30, 2024

Long-term Debt:	Beginning Balance July 1, 2023	Additions	Retirements	Ending Balance June 30, 2024
Compensated absences	\$89,543	\$36,094	\$43,201	\$82,436
Lease liability	53,585	--	22,507	31,078
Loans from direct borrowing	211,147	--	57,421	153,726
OPEB liability	3,218,908	--	182,470	3,036,438
Net pension liability	2,094,778	207,616	--	2,302,394
Total	\$5,667,961	\$243,710	\$305,599	\$5,606,072

Source: Audited financial statements of the District.

Loans From Direct Borrowing. During fiscal year 2023, the District entered into a loan agreement to purchase an ambulance. The loan carries interest at 6.15%. The term of the loan is five years with monthly payments of \$3,621, commencing on July 28, 2023. The loan matures on June 28, 2028, when all remaining principal and interest on the loan is due. The remaining principal owed as of June 30, 2024, was \$153,726.

The remaining principal and interest payment requirements are as follows:

Year Ending June 30	Principal	Interest	Total
2025	\$34,966	\$8,492	\$43,458
2026	37,181	6,277	43,458
2027	39,537	3,921	43,458
2028	42,042	1,416	43,458
Total	\$153,726	\$20,106	\$173,832

Source: Audited financial statements of the District

Lease Liability. The District has entered into an agreement to lease certain equipment. An agreement with Zoll Medical Corporation was signed on June 30, 2020, to lease 4 X Series Manual Monitor/Defibrillators requiring 60 monthly payments of \$1,984. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3 %, which is the implicit rate used for the lease agreement. As a result of the lease, the District recorded as of July 1, 2021 a right to use asset that has a net book value of \$31,629 at June 30, 2024.

The remaining principal and interest payment requirements are as follows:

Year Ending June 30	Principal	Interest	Total
2025	\$23,192	\$615	\$23,807
2026	7,886	49	7,935
Total	\$31,078	\$664	\$31,742

Source: Audited financial statements of the District

Compensated Absences. Compensated absences (unpaid employee vacation) for the District at June 30, 2024, amounted to \$82,436.

District Retirement Systems

Plan Description. All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Employee Pension Plan, cost-sharing multiple employer defined benefit plans (the "Plans") administered by the California Public Employees' Retirement System ("CalPERS"). Benefit provisions under the Plans are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the Plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website.

Benefits Provided. CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to Plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time

employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for nonduty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for the Plans are applied as specified by the Public Employees' Retirement Law.

For more information regarding the District provisions and benefits provided under the Plans, see Note 8 of Appendix C to the Official Statement.

Contributions. Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the fiscal year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Contributions to the Plans from the District were \$246,120 (\$215,926 Safety and \$30,194 Miscellaneous) for the fiscal year ended June 30, 2024.

Pension Expense. For the fiscal year ended June 30, 2024, the District recognized pension expense of \$345,042. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

For more information regarding the District Plans, including liabilities, deferred outflows and inflows of resources, and actuarial assumptions used see Note 8 of Appendix C to the Official Statement.

Other Post-Employment Healthcare Benefits

Plan Description. The District provides other postemployment benefits (“OPEB”) under a single employer plan to qualified employees who retire from the District and meet the District's vesting requirements. Qualified Employees may retire directly from the District under CalPERS (age 50 and 5 years of CalPERS service) and receive up to 90% of the PERS Choice Region 2 family premium rate. Employees hired on or after September 1, 2008 must retire with 10 years of CalPERS service and at least 5 years District service and are subject to vesting under Government Code 22893. Survivor benefits are available. The District also pays the CalPERS' administrative fee. The District does not offer vision, dental, or life benefits for retirees. Benefit provisions are established through negotiations between the District and the bargaining union representing District employees. The District currently finances benefits on a pay-as-you-go basis and does not have any assets in an OPEB trust. As of the July 1, 2023 actuarial valuation, membership of the Plan consisted of 5 retirees and 13 active employees.

Actuarial Assumptions and Other Inputs. The District's OPEB liability of \$3,036,438 was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2023. The actuary used an inflation rate of 2.50%, salary increases of 3.00%, a discount rate of 3.86% and healthcare cost trend rates for medical is 5.50% for 2023-2034, 4.50% for 2035-2069 and 4.00% for 2070 and later years.

Pre-retirement mortality and post-retirement mortality rates were based on the mortality projected fully generational with the 2021 CalPERS' Experience Study.

Actuarial assumptions used in the July 1, 2023 valuation were based on a review of plan experience during the period July 1, 2021 to June 30, 2023.

Changes in OPEB Liability of the District. The changes in OPEB liability of the District as of June 30, 2024, are shown in the following table:

**CHANGES IN NET OPEB LIABILITY
As of June 30, 2024**

	Total OPEB Liability
Balance at June 30, 2023	\$3,218,908
Service cost	211,963
Interest	124,672
Changes of benefit terms	(67,967)
Differences between expected and actual experience	(289,166)
Changes in assumptions	(56,542)
Benefit payments	(105,430)
Net changes	(182,470)
Balance at June 30, 2023	<u>\$3,036,438</u>

Source: Audited financial statements of the District.

For fiscal year 2023-24, the District recognized an OPEB credit of \$40,165.

For more information regarding the District's OPEB, the Trust investments and investment policy, and assumptions used in its most recent actuarial study, see Note 9 of APPENDIX C to the Official Statement.

Disclaimer Regarding Cyber Risks

The District, like other public and private entities, rely on computer and other digital networks and systems to conduct their operations. As a recipient and provider of personal, private or other electronic sensitive information, the District may be the subject of cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized remote access to the District's systems for the purposes of misappropriating assets or information or causing operational disruption or damage, or demanding ransom for restored access to files or information. No assurance can be given that the District's current efforts to manage cyber threats and security will, in all cases, be successful.

The District relies on other entities and service providers in the course of operating the District, including the County with respect to the levy and collection of *ad valorem* property taxes, as well as other trustees, fiscal agents and dissemination agents. No assurance can be given that future cyber threats and attacks against other third party entities or service providers will not impact the District and the owners of the Bonds, including the possibility of impacting the timely payments of debt service on the Bonds or timely filings pursuant to the Continuing Disclosure Certificate.

Investment of District and Corporation Funds

The District's investment policies allow investments in those investments authorized and described in Government Code section 53600, et seq. and Government Code section 53630, et seq., including U.S. Treasury instruments, certain bank obligations, "prime" commercial paper and bills of exchange, bank certificates of deposit, money market funds, bonds and notes. The District is specifically authorized to place funds in the Local Agency Investment Fund established by the State of California (Government Code section 16429.1) and with the County Pooled Investment Fund (Government Code section 53684). In addition, the District is authorized under Health and Safety Code section 32121(c), to invest in certain real property for the benefit of the District. Any real estate acquisition or arrangement with private organizations should have an existing or potential health-related purpose.

APPENDIX B

ECONOMIC AND DEMOGRAPHIC INFORMATION ABOUT SAN LUIS OBISPO COUNTY

The Bonds are not a debt of San Luis Obispo County (the “County”). The County, including its Board of Supervisors, officers, officials, agents and other employees, are required, only to the extent required by law, to: (i) levy and collect ad valorem taxes for payment of the Bonds in accordance with the law; and (ii) transmit the proceeds of such taxes to the paying agent for the payment of the principal of and interest on the Bonds at the time such payment is due.

General Information

The County. The County is the fifteenth largest county in the State and is located in the mid coast of the State. The County borders the Pacific Ocean, with Monterey County to the north, Santa Barbara County to the south and Kern County to the east. The County lies near the Southern Coast Ranges which extend northwest to southeast. The Santa Lucia Range dominates the western half of the County; the eastern boundary lies along the Temblor Range. There is little level land except in some coastal valleys, along the northern border, and in the Carrizo Plain. Los Padres National Forest is located in the south central part of the County. Along the coast, the climate is moderate.

Along the Pacific coastline of the County are many recreational areas and tourist attractions. Some popular activities are swimming, clamming, picnicking, boating, surfing, fishing and water skiing at the beaches, lakes and parks of the County. The nationally known Hearst Castle in San Simeon attracts over one million visitors annually.

Population

The following table lists population estimates for the County for the last five calendar years, as of January 1.

SAN LUIS OBISPO COUNTY
Population Estimates
Calendar Years 2020 through 2024 as of January 1

Area	2020	2021	2022	2023	2024
Arroyo Grande	17,617	18,396	18,137	18,039	17,941
Atascadero	30,042	30,582	30,226	30,323	30,279
El Paso De Robles	31,245	31,403	30,906	30,792	30,907
Grover Beach	13,204	12,763	12,622	12,542	12,481
Morro Bay	10,151	10,602	10,378	10,315	10,261
Pismo Beach	8,191	8,015	7,911	7,869	7,846
San Luis Obispo	45,916	47,326	47,394	48,249	48,684
Total Unincorporated	120,452	119,650	121,865	121,689	120,070
Total County	276,818	278,737	279,439	279,818	278,469

Source: State Department of Finance estimates (as of January 1).

Employment Industry

The District is included in the San Luis Obispo-Paso Robles-Arroyo Grande Metropolitan Statistical Area (“MSA”). The unemployment rate in the County was 3.9% in November 2024, down from a revised 4.0% in October 2024, and above the year-ago estimate of 3.6%. This compares with an unadjusted unemployment rate of 5.3% for California and 4.0% for the nation during the same period.

The table below lists employment by industry group for the County for the years 2019 through 2023.

**SAN LUIS OBISPO-PASO ROBLES-ARROYO GRANDE MSA
(San Luis Obispo County)
Annual Average Civilian Labor Force, Employment and Unemployment,
Unemployment by Industry
(March 2023 Benchmark)**

	2019	2020	2021	2022	2023
Civilian Labor Force ⁽¹⁾	139,700	134,200	135,100	135,800	136,300
Employment	135,600	123,700	127,900	131,600	131,600
Unemployment	4,100	10,500	7,200	4,200	4,700
Unemployment Rate	2.9%	7.8%	5.3%	3.1%	3.5%
<u>Wage and Salary Employment:</u> ⁽²⁾					
Agriculture	5,000	4,800	5,000	5,500	5,500
Mining, Logging, Construction	8,300	8,500	9,100	8,900	8,700
Manufacturing	7,800	7,300	7,900	8,200	8,500
Wholesale Trade	2,700	2,500	2,600	2,600	2,400
Retail Trade	14,000	12,900	13,500	13,700	13,500
Trans., Warehousing, Utilities	4,100	3,700	3,700	3,800	3,900
Information	1,200	1,100	1,200	1,300	1,200
Financial and Insurance	2,200	2,300	2,300	2,100	2,000
Real Estate, Rental & Leasing	1,700	1,500	1,600	1,800	1,900
Professional and Business Services	11,200	10,500	11,000	11,100	11,200
Educational and Health Services	18,200	17,000	17,500	18,100	18,600
Leisure and Hospitality	19,800	15,400	17,400	19,500	20,000
Other Services	4,100	3,300	3,400	3,700	3,800
Federal Government	500	600	600	600	600
State Government	10,800	10,600	10,200	10,400	10,400
Local Government	13,100	12,400	12,400	12,400	12,200
Total All Industries ⁽³⁾	124,700	114,400	119,300	123,500	124,400

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(3) Totals may not add due to rounding.

Source: State of California Employment Development Department.

Largest Employers

The table below lists the largest employers in the County as of January 2025, listed alphabetically.

SAN LUIS OBISPO COUNTY Largest Employers

Employer Name	Location	Industry
Ami Sierra Vista Radiology	San Luis Obispo	Physicians & Surgeons
Arroyo Grande Community Hosp	Arroyo Grande	Hospitals
Atascadero State Hospital	Atascadero	Hospitals
Broad Street Storage	San Luis Obispo	Storage-Household & Commercial
Cal Poly State University	San Luis Obispo	Schools-Universities & Colleges Academic
California Mid-State Fair	Paso Robles	Concert Venues
California State Parks	San Simeon	State Parks
Cuesta College	Paso Robles	Junior-Community College-Tech Institutes
Dignity Health-French Hosp Med	San Luis Obispo	Hospitals
Flamson Middle School	Paso Robles	Schools
Glenair Inc	Paso Robles	Aerospace Industries (mfrs)
Madonna Inn Bakery	San Luis Obispo	Resorts
Medi-Cal Eligibility Info	San Luis Obispo	Government Offices-County
Mental Marketing	San Luis Obispo	Advertising-Agencies & Counselors
Morro Bay Art Assn	Morro Bay	Art Galleries & Dealers
Pacific Gas & Electric Co	San Luis Obispo	Electric Companies
Pismo State Beach	Oceano	State Parks
San Luis Obispo County Ofc-Edu	San Luis Obispo	School Districts
San Luis Obispo Sheriff's Dept	San Luis Obispo	Sheriff
Sierra Vista Regional Med Ctr	San Luis Obispo	Hospitals
Talley Farms Fresh Harvest	Arroyo Grande	Farms
Transportation Department	San Luis Obispo	State Government-Regulation & Administration-
Trust RCM	San Luis Obispo	Billing Service
Twin Cities Community Hospital	Templeton	Hospitals
Walmart	Arroyo Grande	Department Stores

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2025 1st Edition.

Commercial Activity

Total taxable sales during the first three quarters of calendar year 2024 in the County were reported to be \$5,129,936,762, a 0.62% decrease from the total taxable sales of \$5,161,693,710 reported during the first three quarters of calendar year 2023.

SAN LUIS OBISPO COUNTY
Number of Permits and Valuation of Taxable Transactions
Calendar Years 2019 through 2023
(Dollars in Thousands)

Year	Retail Stores		Total Outlets	
	Permits on July 1	Taxable Transactions	Permits on July 1	Taxable Transactions
2019	7,105	\$3,929,770	12,596	\$5,489,189
2020	7,447	4,005,502	13,332	5,480,713
2021	6,569	4,803,344	11,956	6,695,515
2022	6,533	5,064,032	12,193	7,094,083
2023	6,320	4,862,928	11,907	6,911,410

Source: State Department of Tax and Fee Administration.

Construction Trends

Provided below are the building permits and valuations for the County for calendar years 2019 through 2023.

SAN LUIS OBISPO COUNTY
Total Building Permit Valuations
Calendar Years 2019 through 2023
(dollars in thousands)

	2019	2020	2021	2022	2023
<u>Permit Valuation</u>					
New Single-family	\$346,246.7	\$251,475.1	\$233,508.0	\$206,049.3	\$112,747.2
New Multi-family	27,053.9	16,098.3	40,876.3	80,359.0	30,459.3
Res. Alterations/Additions	<u>36,741.4</u>	<u>29,995.5</u>	<u>41,260.1</u>	<u>49,730.0</u>	<u>40,731.9</u>
Total Residential	410,042.0	297,568.9	315,644.4	336,138.3	183,938.4
New Commercial	65,898.2	44,038.5	52,354.0	39,780.9	112,001.1
New Industrial	10,977.8	0.0	0.0	161.9	450.0
New Other	17,842.3	12,001.2	20,235.9	18,822.8	51,757.6
Com. Alterations/Additions	<u>36,883.3</u>	<u>22,736.6</u>	<u>20,672.6</u>	<u>40,191.8</u>	<u>38,332.7</u>
Total Nonresidential	131,601.6	78,776.3	93,262.5	98,957.4	202,541.4
<u>New Dwelling Units</u>					
Single Family	697	861	741	678	373
Multiple Family	<u>204</u>	<u>79</u>	<u>288</u>	<u>401</u>	<u>217</u>
TOTAL	901	940	1,029	1,079	590

Source: Construction Industry Research Board, Building Permit Summary

Effective Buying Income

“Effective Buying Income” is defined as personal income less personal tax and non-tax payments, a number often referred to as “disposable” or “after-tax” income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor’s income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), non-tax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as “disposable personal income.”

The following table summarizes the total effective buying income and the median household effective buying income for the County, the State and the United States for the period 2021 through 2025.

**SAN LUIS OBISPO COUNTY, STATE OF CALIFORNIA
AND UNITED STATES
Effective Buying Income
2021 through 2025**

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2021	San Luis Obispo County	\$9,449,183	\$66,820
	California	1,290,894,604	67,956
	United States	9,809,944,764	56,790
2022	San Luis Obispo County	\$10,306,185	\$73,825
	California	1,452,426,153	77,058
	United States	11,208,582,541	64,448
2023	San Luis Obispo County	\$10,374,155	\$73,601
	California	1,461,799,662	77,175
	United States	11,454,846,397	65,326
2024	San Luis Obispo County	\$10,374,155	\$73,601
	California	1,461,799,662	77,175
	United States	11,454,846,397	65,326
2025	San Luis Obispo County	\$11,341,817	\$77,351
	California	1,510,708,521	80,973
	United States	11,987,185,826	67,876

Source: Claritas, LLC.

APPENDIX C

**AUDITED FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED JUNE 30, 2024**

APPENDIX D
PROPOSED FORM OF OPINION OF BOND COUNSEL

APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE FISCAL AGREEMENT

APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

§ _____
CAMBRIA COMMUNITY HEALTHCARE DISTRICT
(San Luis Obispo County, California)
General Obligation Bonds
Election of 2024, Series A
(Bank Qualified)

This CONTINUING DISCLOSURE CERTIFICATE (this “Disclosure Certificate”) is executed and delivered by the CAMBRIA COMMUNITY HEALTHCARE DISTRICT (the “District”) in connection with the issuance of the bonds captioned above (collectively, the “Bonds”). The Bonds are being issued pursuant to a Fiscal Agent Agreement, dated as of February 1, 2025 (the “Fiscal Agent Agreement”), between the District and _____, as fiscal agent (the “Fiscal Agent”).

The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth above and in the Fiscal Agent Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

“*Annual Report*” means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“*Annual Report Date*” means the date that is nine months after the end of the District’s Fiscal Year (currently March 31 based on the District’s Fiscal Year end of June 30).

“*Dissemination Agent*” shall mean, initially, Isom Advisors, a Division of Urban Futures, Inc., acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

“*Fiscal Year*” means any twelve-month period beginning on January 1 in any year and extending to the next succeeding December 31, both dates inclusive, or any other twelve-month period selected and designated by the District as its official Fiscal Year period under a Certificate of the District filed with the Fiscal Agent.

“*Listed Events*” means any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“Official Statement” means the final official statement executed by the District in connection with the issuance of the Bonds.

“Participating Underwriter” means the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2025, with the report for the Fiscal Year ended June 30, 2024, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate; provided, however, that the first Annual Report shall consist solely of a copy of the Official Statement. Not later than 15 Business Days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

(b) If the District does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the District shall provide (or cause the Dissemination Agent to provide) a notice to the MSRB in a timely manner, in an electronic format as prescribed by the MSRB.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The District's Annual Report shall contain or incorporate by reference the following:

(a) The District's audited financial statements for the preceding Fiscal Year prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, financial information and operating data with respect to the District for the preceding Fiscal Year, substantially similar to that provided in the corresponding tables in the Official Statement, as follows:

(i) The adopted budget for the current Fiscal Year.

(ii) A statement confirming whether or not the County of San Luis Obispo has adopted and implemented, or continued to implement, as applicable, the Teeter Plan with respect to tax levies for debt service of the Bonds and whether or not, if adopted, such county extends the application of the Teeter Plan to all taxes collected within the District.

(iii) Assessed value of taxable property within the jurisdiction of the District for the current Fiscal Year.

(iv) Property tax levies, collections and delinquencies for the prior Fiscal Year for the District with respect to any county identified in (ii) above that does not apply, or no longer applies, the Teeter Plan to tax levies for debt service of the Bonds.

(v) Amount of any additional general obligation bonds outstanding and payable from the same source of payment as the Bonds, and total scheduled debt service on such bonds as of the preceding June 30.

(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the District shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public through the MSRB. The District shall clearly identify each such other document so included by reference. If the document included by reference is a final official statement, it must be available from the MSRB.

Section 5. Reporting of Listed Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (vii) Modifications to rights of security holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the securities, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the District;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the District, or the sale of all or substantially all of the assets of the District (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) Incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material; and
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

(b) Upon the occurrence of a Listed Event, the District shall, or shall cause the Dissemination Agent (if not the District) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(viii) and (ix) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Fiscal Agent Agreement.

(c) The District acknowledges that the events described in subparagraphs (a)(ii), (a)(vii), (a)(viii) (if the event is a bond call), (a)(x), (a)(xiii), (a)(xiv) and (a)(xv) of this Section 5 contain the qualifier “if material” and that subparagraph (a)(vi) also contains the qualifier “material” with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The District shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event’s occurrence is material for purposes of U.S. federal securities law. Upon occurrence of any of these Listed Events, the District will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the District will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(xii) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(e) For purposes of Section 5(a)(xv) and (xvi), “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The District’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent will be Isom Advisors, a Division of Urban

Futures, Inc. Any Dissemination Agent may resign by providing 30 days' written notice to the District.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Fiscal Agent Agreement for amendments to the Fiscal Agent Agreement with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Listed Event under Section 5(c).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the District fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Fiscal Agent Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. (a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the District hereunder, and shall not be deemed to be acting in any fiduciary capacity for the District, the Bond holders or any other party. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the District for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: _____, 2025

**CAMBRIA COMMUNITY HEALTHCARE
DISTRICT**

By: _____

APPENDIX G

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The following description of the Depository Trust Company (“DTC”), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

*Neither the District (the “**Issuer**”) nor the Fiscal Agent appointed with respect to the Bonds (the “**Fiscal Agent**”) takes any responsibility for the information contained in this Appendix.*

*No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “**Rules**” applicable to DTC are on file with the Securities and Exchange Commission and the current “**Procedures**” of DTC to be followed in dealing with DTC Participants are on file with DTC.*

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument from over 100 countries that DTC’s participants (“**Direct Participants**”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“**DTCC**”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income

Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“**Indirect Participants**”). DTC has an S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“**Beneficial Owner**”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners, in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting

rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC, or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from Issuer or Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor securities depository is not obtained, security certificates are required to be printed and delivered.

10. The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

§ _____
CAMBRIA COMMUNITY HEALTHCARE DISTRICT
(SAN LUIS OBISPO COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS
ELECTION OF 2024, SERIES A
(BANK QUALIFIED)

BOND PURCHASE AGREEMENT

_____, 2025

Cambria Community Healthcare District
 2511 Main Street
 Cambria, CA 93428

Ladies and Gentlemen:

The undersigned, Oppenheimer & Co. Inc. (the “**Underwriter**”), offers to enter into this Bond Purchase Agreement (the “**Purchase Agreement**”) with the Cambria Community Healthcare District (the “**District**”) which, upon the District’s acceptance hereof, will be binding upon the District and the Underwriter. This offer is made subject to the written acceptance of this Purchase Agreement by the District and delivery of such acceptance to us at or prior to 11:59 P.M., California Time, on the date hereof. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Official Statement (defined below) or, if not defined in the Official Statement, in the Fiscal Agent Agreement (defined below).

The District acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm’s-length commercial transaction between the District and the Underwriter, (ii) in connection with such transaction, the Underwriter is acting solely as a principal and not as an agent, fiduciary of, municipal advisor, or financial advisor to the District or any other person or entity and has not assumed any advisory or fiduciary responsibility to the District with respect to the transaction contemplated hereby and the discussions, undertakings and proceedings leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the District on other matters), (iii) the Underwriter has not assumed a financial advisory or a fiduciary responsibility in favor of the District with respect to (A) the offering of the Bonds or the process leading thereto (whether or not the Underwriter has advised or is currently advising the District on other matters) or (B) any other obligation to the District except the obligations expressly set forth in this Purchase Agreement except as otherwise provided by applicable rules and regulations of the Securities and Exchange Commission (“**SEC**”) or the rules of the Municipal Securities Rulemaking Board (“**MSRB**”), (iv) the Underwriter has financial and other interests that differ from those of the District, and (v) the District has consulted with its own legal accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate in connection with the transaction contemplated herein. The District further acknowledges that it has previously provided the Underwriter with an acknowledgement of receipt of the required disclosure under Rule G-17 of the MSRB.

1. **Purchase and Sale of the Bonds.** Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the District for reoffering to the public, and the District hereby agrees to sell to the Underwriter for such purpose, all (but not less than all) of \$ _____ aggregate initial principal amount of the Cambria Community Healthcare District General Obligation Bonds, Election of 2024, Series A (the “**Bonds**”). The Bonds shall bear interest at the rates, shall mature in the years and shall be subject to redemption as shown on Exhibit A hereto, which is incorporated herein by this reference. The Bonds shall be dated the date of delivery thereof (the “**Date of Delivery**”). The Bonds shall bear interest payable from the date thereof and such interest shall be payable on each February 1 and August 1, commencing August 1, 2025.

The Underwriter shall purchase the Bonds at a price of \$ _____ (the “**Purchase Price**”) (consisting of 100% of the principal amount of the Bonds, plus original issue premium of \$ _____, less an underwriting discount of \$ _____). [At the request of, and on behalf of, the District, the Underwriter shall pay from proceeds of the Bonds, the bond insurance premium in the amount of \$ _____ to _____ (the “**Insurer**”).]

The Bonds are being issued to: (i) finance the construction and modernization of a new ambulance station, (ii) pay capitalized interest on the Bonds through ____, 2025, and (iii) pay the costs of issuing the Bonds.

2. **The Bonds.** The Bonds shall otherwise be as described in the Official Statement (defined herein), and shall be issued pursuant to the provisions of the resolution of the District adopted on January 28, 2025 (the “**Resolution**”), a Fiscal Agent Agreement, dated as of February 1, 2025 (the “**Fiscal Agent Agreement**”), between the District and _____, as fiscal agent (the “**Fiscal Agent**”), this Purchase Agreement and the provisions of Section 3200, et. seq., of the Health and Safety Code of the State of California (the “**Act**”).

The Bonds shall be executed and delivered under and in accordance with the provisions of this Purchase Agreement and the Fiscal Agent Agreement. The Bonds shall bear CUSIP numbers, shall be in fully registered book-entry form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“**DTC**”) and shall be issued in initial denominations of \$5,000 or any integral multiple thereof.

[The Bonds will be insured by a policy of municipal bond insurance (the “**Policy**”) issued by the Insurer concurrently with the issuance of the Bonds.]

3. **Use of Documents.** The District hereby authorizes the Underwriter to use, in connection with the offer and sale of the Bonds, the Continuing Disclosure Certificate (as defined herein), the Fiscal Agent Agreement, this Purchase Agreement, the Preliminary Official Statement (defined herein) the Official Statement (defined herein), and all information contained herein and therein and all of the documents, certificates or statements furnished by the District to the Underwriter in connection with the transactions contemplated by this Purchase Agreement.

4. **Public Offering of the Bonds.** The Underwriter agrees to make a *bona fide* public offering of all the Bonds at the initial public offering prices or yields to be set forth on the inside cover page of the Official Statement and as set forth on Exhibit A hereto. Subsequent to such initial public offering, the Underwriter reserves the right to change such initial public offering prices or yields as it deems necessary in connection with the marketing of the Bonds subject to Section 13

herein; provided that the Underwriter shall not change the interest rates on the Bonds set forth in Exhibit A. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices.

5. **Review of Official Statement.** The Underwriter hereby represents that it has received and reviewed the Preliminary Official Statement with respect to the Bonds, dated _____, 2025 (the “**Preliminary Official Statement**”), which has been prepared by the District for use by the Underwriter in connection with the sale of the Bonds. The District represents that it has deemed the Preliminary Official Statement to be final as of its date, except for either revision or addition of the offering price(s), interest rate(s), yield(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery date, rating, redemption provisions, and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the SEC promulgated under the Securities Exchange Act of 1934, as amended (the “**Rule**”).

The Underwriter agrees that prior to the time the Official Statement (as defined herein) relating to the Bonds is available, the Underwriter will send to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail or electronic distribution (or other equally prompt means) not later than the first business day following the date upon which each such request is received.

The Underwriter agrees to file the Official Statement with the MSRB through its Electronic Municipal Market Access system within one business day after receipt thereof from the District, but in no event later than the Closing (as defined below).

6. **Closing.** At 9:00 A.M., California time, on _____, 2025 or at such other time or on such other date as shall have been mutually agreed upon by the District and the Underwriter (the “**Closing**” or the “**Closing Date**”), the District will deliver to the Underwriter, through the facilities of DTC, or at such other place as we may mutually agree upon, the Bonds in fully registered book-entry form, duly executed and registered in the name of Cede & Co., as nominee of DTC, and at the offices of Jones Hall, A Professional Law Corporation, San Francisco, California, bond counsel with respect to the Bonds (“**Bond Counsel**”), the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price set forth in Section 1 hereof in immediately available funds by wire transfer to the account or accounts designated by the District.

7. **Representations, Warranties and Agreements of the District.** The District hereby represents, warrants and agrees with the Underwriter that:

(a) Due Organization. The District is a public, tax and fee supported special district duly organized and validly existing under the laws of the State of California (the “**State**”), with the full legal right, power and authority to issue the Bonds under the laws of the State and pursuant to the Act.

(b) Due Authorization. (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the District has full legal right, power and authority to enter into this Purchase Agreement, the Fiscal Agent Agreement and the Continuing Disclosure Certificate (as defined herein), to adopt the Resolution, to perform its obligations under each such document or instrument, to approve the Official Statement, and to carry out and effectuate the

transactions contemplated by this Purchase Agreement, the Fiscal Agent Agreement, and the Continuing Disclosure Certificate; (iii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in the Bonds, the Fiscal Agent Agreement, the Continuing Disclosure Certificate and this Purchase Agreement have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Purchase Agreement, assuming the due authorization and execution by the other party thereto, and the Fiscal Agent Agreement constitute valid and legally binding obligations of the District; (v) the District has duly authorized the consummation by it of all transactions contemplated by this Purchase Agreement and the Fiscal Agent Agreement and (vi) no statutory or constitutional limitation or indebtedness will be exceeded in issuing the Bonds.

(c) Consents. No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any person, organization, court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds, the execution and delivery of this Purchase Agreement, the Fiscal Agent Agreement and the Continuing Disclosure Certificate, the adoption of the Resolution, or the consummation of the other transactions effected or contemplated herein or hereby, which have not been taken or obtained, excepting therefrom such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may reasonably request, or which have not been taken or obtained; provided, however, that the District shall not be required to subject itself to service of process in any jurisdiction in which it is not so subject as of the date hereof.

(d) Internal Revenue Code. The District has complied with the requirements of the Internal Revenue Code of 1986, as amended (the “**Code**”), with respect to the Bonds.

(e) No Conflicts. To the best knowledge of the District, the issuance of the Bonds, and the execution, delivery and performance of this Purchase Agreement, the Continuing Disclosure Certificate, the Fiscal Agent Agreement and the Bonds, and the compliance with the provisions hereof do not conflict with or constitute on the part of the District a violation of or default under, the Constitution of the State or any existing law, charter, ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument to which the District is a party or by which it is bound or to which it is subject.

(f) Litigation. As of the time of acceptance hereof, no action, suit, proceeding, hearing or investigation is pending or, to the best knowledge of the District, threatened against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices or of the titles of the officials of the District to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, or the collection or levy of *ad valorem* taxes available to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Agreement, the Continuing Disclosure Certificate or the Fiscal Agent Agreement or contesting the powers of the District or its authority with respect to the Bonds, the Fiscal Agent Agreement, the Continuing Disclosure Certificate, or this Purchase Agreement; or

(iii) in which a final adverse decision could (a) affect the consummation of the transactions contemplated by this Purchase Agreement or the Fiscal Agent Agreement, (b) declare this Purchase Agreement to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes and the exemption of such interest from State personal income taxation.

(g) No Other Debt. Between the date hereof and the Closing, without the prior written consent of the Underwriter, the District will not have issued, and no other person will have issued in the name and on behalf of the District, any bonds, notes or other obligations for borrowed money except for such borrowings as may be described in or contemplated by the Official Statement or otherwise consented to in writing by the Underwriter.

(h) Certificates. Any certificates signed by any officer of the District and delivered to the Underwriter shall be deemed a representation and warranty by the District to the Underwriter, but not by the person signing the same, as to the statements made therein.

(i) Continuing Disclosure. In accordance with the requirements of the Rule, at or prior to the Closing, the District shall have duly authorized, executed and delivered a Continuing Disclosure Certificate (the “**Continuing Disclosure Certificate**”) substantially in the form attached as an appendix to the Official Statement. Except as otherwise disclosed in the Preliminary Official Statement, the District has not, within the past five years, failed to comply in a material respect with any of its previous undertakings pursuant to the Rule to provide annual reports or notice of certain enumerated events.

(j) Official Statement Accurate and Complete. The Preliminary Official Statement, at the date thereof, did not contain any untrue statement of a material fact or omit 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. At the date hereof and on the date of Closing, the Official Statement (as defined herein) did not and will not contain any untrue statement of a material fact or omit 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. The District makes no representation or warranty as to the information contained in or omitted from the Preliminary Official Statement or the Official Statement in reliance upon and in conformity with information furnished in writing to the District by or on behalf of the Underwriter specifically for inclusion therein.

If the Official Statement is supplemented or amended pursuant to paragraph (f) of Section 9 of this Purchase Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the date of Closing the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which made, not misleading.

(k) Levy of Tax. The District hereby agrees to take any and all actions as may be required by the County of San Luis Obispo (the “**County**”) or otherwise necessary in order to

arrange for the levy and collection of taxes upon all taxable property in the District, payment of the Bonds and the deposit and investment of Bond proceeds.

(l) Financial Information. The financial statements of, and other financial information regarding the District contained in the Official Statement fairly present the financial position of the District as of the dates and for the periods therein set forth, (i) the audited financial statements have been prepared in accordance with generally accepted accounting principles consistently applied, (ii) the unaudited financial statements (if any) have been prepared on a basis substantially consistent with the audited financial statements included in the Official Statement and reflect all adjustments necessary to that affect, and (iii) the other financial information included in the Official Statement has been determined on a basis substantially consistent with that of the District's audited financial statements included in the Official Statement. Prior to the Closing, there will be no adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the District

(m) No Breach or Default. As of the time of acceptance hereof and as of the time of the Closing, the District is not and will not be, in any manner which would adversely affect the transactions contemplated hereby and by the Fiscal Agent Agreement, in breach of or in default under any applicable constitutional provision, law or administrative rule or regulations of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the District is a party or is otherwise subject and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute, in any manner which would adversely affect the transactions contemplated hereby and by the Fiscal Agent Agreement, a default or event of default under any such instrument; and

8. **Representations and Agreements of the Underwriter.** The Underwriter represents to and agrees with the District that, as of the date hereof and as of the date of the Closing:

(a) The Underwriter is duly authorized to execute this Purchase Agreement and the Underwriter is duly authorized to take any action under the Purchase Agreement required to be taken by it.

(b) The Underwriter is in compliance with MSRB Rule G-37 with respect to the District and is not prohibited thereby from acting as underwriter with respect to securities of the District.

(c) The Underwriter has, and has had, no financial advisory relationship, as that term is defined in the State Government Code section 53590(c) or MSRB Rule G-23, with the District with respect to the Bonds, and no investment firm controlling, controlled by or under common control with the Underwriter has or has had any such financial advisory relationship.

(d) The Underwriter has reasonably determined that the District's undertaking to provide continuing disclosure with respect to the Bonds pursuant to the Continuing Disclosure Certificate is sufficient to effect compliance with the Rule.

9. **Covenants of the District.** The District covenants and agrees with the Underwriter that:

(a) Securities Laws. The District will furnish such information, execute such instruments, and take such other action in cooperation with the Underwriter if and as the Underwriter may reasonably request in order to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations or such states and jurisdictions; provided, however, that the District shall not be required to consent to service of process in any jurisdiction in which it is not so subject as of the date hereof;

(b) Application of Proceeds. The District will apply the proceeds from the sale of the Bonds for the purposes specified in the Fiscal Agent Agreement and as described in the Official Statement;

(c) Official Statement. The District hereby agrees to deliver or cause to be delivered to the Underwriter, not later than the seventh (7th) business day following the date this Purchase Agreement is signed, copies of an Official Statement (as defined herein) substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriter and the District (such Official Statement with such changes, if any, and including the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto being herein called the “**Official Statement**”) in such quantities as may be requested by the Underwriter not later than seven (7) business days following the date this Purchase Agreement is signed, in order to permit the Underwriter to comply with paragraph (b)(4) of the Rule and with the rules of the MSRB. The District hereby authorizes the Underwriter to use and distribute the Official Statement in connection with the offering and sale of the Bonds;

(d) Subsequent Events. The District hereby agrees to notify the Underwriter if any event shall occur, or information comes to the attention of the District that is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, until the date which is ninety (90) days following the Closing;

(e) References. References herein to the Preliminary Official Statement and the Official Statement include the cover page, inside cover page, and all appendices, exhibits, maps, reports and statements included therein or attached thereto; and

(f) Amendments to Official Statement. During the period ending on the 25th day after the End of the Underwriting Period (as defined herein) (or such other period as may be agreed to by the District and the Underwriter), the District (i) shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Underwriter and (ii) shall notify the Underwriter promptly if any event shall occur, or information comes to the attention of the District, that is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain any untrue statement of a material fact or to omit 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. If, in the opinion of the Underwriter, such event requires the preparation and distribution of a supplement or

amendment to the Official Statement, the District shall prepare and furnish to the Underwriter, at the District's expense, such number of copies of the supplement or amendment to the Official Statement, in form and substance mutually agreed upon by the District and the Underwriter, as the Underwriter may reasonably request. If such notification shall be given subsequent to the Closing, the District also shall furnish, or cause to be furnished, at its own expense, such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to the Official Statement.

For purposes of this Purchase Agreement, the "End of the Underwriting Period" is used as defined in the Rule and shall occur on the later of (A) the date of Closing or (B) when the Underwriter no longer retains an unsold balance of the Bonds; unless otherwise advised in writing by the Underwriter on or prior to the Closing, or otherwise agreed to by the District and the Underwriter, the District may assume that the End of the Underwriting Period is the Closing.

10. **Conditions to Closing.** The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the District contained herein and the performance by the District of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriter's obligations under this Purchase Agreement are, and shall be subject at the option of the Underwriter, to the following further conditions at the Closing:

(a) Representations True. The representations and warranties of the District contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriter at the Closing pursuant hereto shall be true, complete and correct in all material respects on the date of the Closing; and the District shall be in compliance with each of the agreements made by it in this Purchase Agreement;

(b) Obligations Performed. At the time of the Closing, (i) the Official Statement, this Purchase Agreement, the Continuing Disclosure Certificate, and the Fiscal Agent Agreement shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter; (ii) all actions under the Act which, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and (iii) the District shall perform or have performed all of their obligations required under or specified in the Fiscal Agent Agreement, this Purchase Agreement or the Official Statement to be performed at or prior to the Closing;

(c) Adverse Rulings. No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Purchase Agreement (and not reversed on appeal or otherwise set aside), or to the best knowledge of the District, pending or threatened which has any of the effects described in Section 7(f) hereof or contesting in any way the completeness or accuracy of the Official Statement;

(d) Marketability. Between the date hereof and the Closing, the market price or marketability or the ability of the Underwriter to enforce contracts for the sale of the Bonds, at the initial offering prices of the Bonds set forth in the Official Statement, shall not have

been materially adversely affected in the reasonable judgment of the Underwriter (evidenced by a written notice to the District terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds) by reason of any of the following:

(1) legislation enacted or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the United States Tax Court, with the purpose or effect, directly or indirectly, of changing, directly or indirectly, the federal income tax consequences or State tax consequences of interest on the Bonds or of obligations of the general character of the Bonds in the hands of the holders thereof, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made:

(i) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service, with the purpose or effect, directly or indirectly, of causing the inclusion in gross income for purposes of federal income taxation of the interest received by the owners of the Bonds; or

(ii) by or on behalf of the SEC, or any other governmental agency having jurisdiction over the subject matter thereof, to the effect that the Bonds, or obligations of the general character of the Bonds, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended;

(2) legislation enacted by the legislature of the State, or a decision rendered by a court of the State, or a ruling, order, or regulation (final or temporary) made by State authority, which would have the effect of changing, directly or indirectly, the State tax consequences of interest on obligations of the general character of the Bonds in the hands of the holders thereof;

(3) there shall have occurred (a) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war or (b) any other calamity or crisis in the financial markets of the United States or elsewhere or the escalation of such calamity or crisis;

(4) the declaration of a general banking moratorium by federal, New York or State authorities or a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred;

(5) a general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the SEC or any other governmental authority having jurisdiction;

(6) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not

now in force with respect to the Bonds, or obligations of the general character of the Bonds, 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, the Underwriter;

(7) an order, decree or injunction of any court of competent jurisdiction, or order, filing, regulation or official statement by the SEC, or any other governmental agency having jurisdiction over the subject matter thereof, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, 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;

(8) there shall have occurred or any notice shall have been given of any intended downgrade, suspension, withdrawal or negative change in credit watch status by any national credit agency of the District's outstanding indebtedness (without regard to any bond insurance);

(9) the occurrence, since the date hereof, of any materially adverse change in the affairs or financial condition of the District;

(10) any amendment shall have been made to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the District, its property, income securities (or interest thereon) or the validity or enforceability of the levy of taxes to pay principal of and interest on the Bonds;

(11) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material adverse respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(12) any proceeding shall have been commenced or be threatened in writing by the SEC against the District;

(13) the marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially and adversely affected by disruptive events, occurrences or conditions in the securities or debt markets;

(14) [any rating of the Insurer is reduced or withdrawn or placed on credit watch with negative outlook by any major credit rating agency;]

(15) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission; or

(16) the suspension by the SEC of trading in the outstanding securities of the District.

(e) Delivery of Documents. At or prior to the date of the Closing, the Underwriter shall receive sufficient copies of the following documents in each case dated as of the Closing and satisfactory in form and substance to the Underwriter:

(1) Opinions.

(i) The approving opinion of Bond Counsel, as to the validity and tax-exempt status of the Bonds, dated the date of the Closing, addressed to the District, in substantially the form set forth in the Preliminary Official Statement as Appendix D.

(ii) A supplemental opinion of Bond Counsel in form and substance satisfactory to the Underwriter, dated the date of Closing and addressed to the District and the Underwriter, substantially to the effect that:

(A) the description of the Bonds and the security for the Bonds and statements in the Official Statement on the cover page thereof and under the captions “INTRODUCTION,” “THE BONDS,” (excluding statements under the subheading “Book-Entry System” as to which no opinion need be expressed), “TAX MATTERS” “LEGAL MATTERS– Legal Opinion” and “CONTINUING DISCLOSURE” to the extent they purport to summarize certain provisions of the Bonds, the Fiscal Agent Agreement, the Continuing Disclosure Certificate and Bond Counsel’s opinion regarding the treatment of interest on the Bonds under State or federal law, fairly and accurately summarize the matters purported to be summarized therein; provided that Bond Counsel need not express any opinion with respect to any financial or statistical data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion, federal bankruptcy proceedings, or DTC or related to its book-entry only system, [the Insurer, the Policy] or Appendices A, B, C, F, or G of the Official Statement;

(B) the Continuing Disclosure Certificate and this Purchase Agreement have each been duly authorized, executed and delivered by the District and, assuming due authorization, execution and delivery by all the parties thereto, constitute legal, valid and binding obligations of the District, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors’ rights and except as their enforcement may be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases if equitable remedies are sought and by the limitations on legal remedies against public agencies in the State; and

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

(iii) Disclosure Counsel Letter. A letter from Jones Hall, A Professional Law Corporation, dated the date of Closing and addressed to the District and the Underwriter, substantially to the effect that based on such counsel's participation in conferences with representatives of the Underwriter, the District, the District's financial advisor and others, during which conferences the contents of the Official Statement and related matters were discussed, and in reliance thereon and on the records, documents, certificates and opinions described therein, such counsel advises the District, as a matter of fact and not opinion, that during the course of its engagement as Disclosure Counsel no information came to the attention of such counsel's attorneys rendering legal services in connection with such representation which caused such counsel to believe that the Preliminary Official Statement as of its date and as of the date of this Purchase Agreement and the Official Statement as of its date and as of the date of Closing (except for Appendices B, C, D, E, F, or G, attached thereto, any financial or statistical data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion, or information relating to [the Insurer, the Policy,] the DTC or its book-entry only system included in the Official Statement, as to which such counsel need express no opinion or view) contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(2) Reliance Letter. A reliance letter from Bond Counsel, dated the date of Closing, to the effect that the Underwriter can rely upon the approving opinion described in Section 10(e)(1)(i) above.

(3) Certificates. A certificate signed by appropriate officials of the District to the effect that (i) such officials are authorized to execute this Purchase Agreement, (ii) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the date of Closing, (iii) the District has complied with all the terms of the Fiscal Agent Agreement, the Continuing Disclosure Certificate and this Purchase Agreement to be complied with by the District prior to or concurrently with the Closing, and, as to the District, such documents are in full force and effect, (iv) such District officials have reviewed the Official Statement and on such basis certify that the Official Statement (excluding therefrom information regarding DTC and its book-entry only system, [the Insurer, and the Policy]) does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances in which they were made, not misleading, (v) no event concerning the District has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement thereto, but should be disclosed in order to make the statements in the Official Statement in light of the circumstances in which they were made not misleading, and (vi) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or public body, pending or, to the best knowledge of such officials, threatened against the District, contesting in any way the completeness or accuracy of the Official Statement, the issuance of the Bonds or the due adoption of the Resolution.

(4) Arbitrage. A nonarbitrage (tax) certificate of the District in form satisfactory to Bond Counsel.

(5) Ratings. Evidence satisfactory to the Underwriter that any ratings described in the Official Statement are in full force and effect as of the Closing Date, and that such ratings have not been revoked or downgraded.

(6) Resolution. A certificate, together with fully executed copies of the Resolution, of the Clerk to the District Board to the effect that:

(i) such copies are true and correct copies of the Resolution; and

(ii) that the Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing.

(7) Fiscal Agent Agreement. An executed copy of the Fiscal Agent Agreement.

(8) Official Statement. A certificate of the appropriate official of the District evidencing his or her determinations respecting the Preliminary Official Statement in accordance with the Rule.

(9) Continuing Disclosure Certificate. An executed copy of the Continuing Disclosure Certificate, substantially in the form presented as an appendix to the Official Statement.

(10) Underwriter Counsel Opinion. An opinion of Kutak Rock LLP, counsel to the Underwriter, in form and substance acceptable to the Underwriter.

(11) Purchase Agreement. An executed copy of this Purchase Agreement.

(12) CDIAC. Copies of preliminary filings with the California Debt and Investment Advisory Commission relating to the Bonds.

(13) Form 8038-G. Evidence that the federal tax information form 8038-G has been prepared by Bond Counsel for filing.

(14) Letter of Representations. A copy of the signed Blanket Letter of Representations as filed with DTC.

(15) [Insurance Policy]. The Policy of the Insurer for the Bonds, and any other documents executed in connection therewith;

(16) Insurer Certificate. A certificate of the Insurer, dated the Closing Date, signed by an authorized officer of said Insurer;

(17) Insurer Opinion. An opinion of counsel to the Insurer, dated the Closing Date, addressed to the Underwriter and in form and substance satisfactory to the Underwriter;]

(18) Underwriter's Certifications. At or before Closing, and contemporaneously with the acceptance of delivery of the Bonds and the payment of the purchase price thereof, the underwriter will provide (or cause to be provided) to the District:

(i) the receipt of the Underwriter, in form satisfactory to the District and signed by an authorized officer of the Underwriter, (i) confirming delivery of the Bonds to the Underwriter, and (ii) confirming to the District that as of the Closing Date all of the representations of the Underwriter contained in this Purchase Agreement are true, complete and correct in all material respects; and

(ii) the certification of the Underwriter regarding the prices at which the Bonds have been reoffered to the public, substantially in the form attached hereto as Exhibit B with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the District and Bond Counsel.

(19) Fiscal Agent's Certificate. A certificate of the Fiscal Agent, dated the Closing Date, in form and substance acceptable to the Underwriter and its counsel.

(20) Fiscal Agent's Counsel Opinion. An opinion of counsel to the Fiscal Agent, dated the Closing Date, addressed to the Underwriter and the District, in the form and substance acceptable to the Underwriter and the District.

(21) Other Documents. Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter may reasonably request to evidence compliance (i) by the District with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the District herein contained and of the Official Statement, and (iii) the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District.

(f) Termination. Notwithstanding anything to the contrary herein contained, if for any reason whatsoever the Bonds shall not have been delivered by the District to the Underwriter as provided in Section 6 hereof, then the obligation to purchase Bonds hereunder shall terminate and be of no further force or effect except with respect to the obligations of the District and the Underwriter under Sections 12(c) hereof.

If the District shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Purchase Agreement or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be cancelled by the Underwriter at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the District in writing, or by telephone or telegraph, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in writing in its sole discretion.

11. **Conditions to Obligations of the District.** The performance by the District of its obligations is conditioned upon (i) the performance by the Underwriter of its obligations hereunder; and (ii) receipt by the District and the Underwriter of opinions and certificates being delivered at the Closing by persons and entities other than the District.

12. **Expenses.** (a) To the extent that the transactions contemplated by this Purchase Agreement are consummated, the District shall pay (or cause to be paid), certain costs of issuance with respect to the Bonds, including but not limited to the following: (i) the cost of the preparation and reproduction of the Fiscal Agent Agreement; (ii) the fees and disbursements of the District's Bond Counsel and Disclosure Counsel; (iii) the cost of the preparation, printing and delivery of the Bonds; (iv) the fees for bond ratings, including all necessary travel expenses; (v) the cost of the printing and distribution of the Preliminary Official Statement and Official Statement; (vi) the initial fees, if any, of the Fiscal Agent; (vii) the fees of the District's financial advisor, (viii) expenses for travel, lodging, and subsistence related to rating agency visits and other meetings connected to the authorization, sale, issuance and distribution of the Bonds; and (ix) all other fees and expenses incident to the issuance and sale of the Bonds except as noted in (b) below.

(b) Notwithstanding any of the foregoing, the Underwriter shall pay all out-of-pocket expenses of the Underwriter, including the California Debt and Investment Advisory Commission fee, CUSIP[®] Service Bureau fees, the fees of counsel to the Underwriter and other expenses (except those expressly provided above) without limitation, except travel and related expenses in connection with the bond ratings. Any meals in connection with or adjacent to meetings, rating agency presentations, pricing activities or other transaction-related activities shall be considered an expense of the transaction and included in the expense component of the Underwriter's discount.

(c) Notwithstanding Section 10(f) hereof, the District hereby agrees, in the event the purchase and sale of the Bonds does not occur as contemplated hereunder, to reimburse the Underwriter for any costs described in Subsection 12(a)(viii) above that are attributable to District personnel.

13. **Establishment of Issue Price.**

(a) The Underwriter agrees to assist the District in establishing the issue price of the Bonds 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 Underwriter, the District and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(b) Except as otherwise set forth in Exhibit A attached hereto, the District will treat the first price at which 10% of each maturity of the Bonds (the "**10% test**") is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the District the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the District the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) the Underwriter has sold all Bonds of that maturity or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that, the Underwriter's reporting

obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the District or Bond Counsel. For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

(c) The Underwriter confirms that it has offered the Bonds 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 Exhibit A attached hereto. Exhibit A also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the Underwriter represents that (i) the 10% test has been satisfied (assuming orders are confirmed by the close of the business day immediately following the date of this Purchase Agreement) and (ii) the 10% test has not been satisfied and for which the District and the Underwriter agree 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 Bonds, the Underwriter will neither offer nor sell unsold Bonds 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:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the District promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds 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 third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(ii) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(e) The District acknowledges that, in making the representation set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The District further acknowledges that the Underwriter 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 third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(f) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) 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 Bonds 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 Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public);

iii. a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 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), (B) 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 (C) 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.

14. **Notices.** Any notice or other communication to be given under this Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing if to the District, to Cambria Community Healthcare District, 2511 Main Street, Cambria, CA 93428, Attention: District Administrator; or if to the Underwriter, Oppenheimer & Co. Inc., 135 Main Street, Suite 1700, San Francisco, CA 94105, Attention: Municipal Capital Markets Group.

15. **Parties in Interest; Survival of Representations and Warranties.** This Purchase Agreement, when accepted by the District in writing as heretofore specified, shall constitute the entire agreement between the District and the Underwriter. This Purchase Agreement is made solely for the benefit of the District and the Underwriter. No person shall acquire or have any rights hereunder or by virtue hereof. All the representations, warranties and agreements of the District in this Purchase Agreement shall survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of and payment by the Underwriter for the Bonds hereunder, and (c) any termination of this Purchase Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

16. **Execution in Counterparts.** This Purchase Agreement may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute but one and the same document.

17. **Applicable Law.** This Purchase Agreement shall be interpreted, governed and enforced in accordance with the laws of the State applicable to contracts made and performed in such State.

Very truly yours,

OPPENHEIMER & CO. INC.,
as Underwriter

By: _____
Authorized Officer

The foregoing is hereby agreed to and accepted as of the date first above written:

CAMBRIA COMMUNITY HEALTHCARE DISTRICT

By: _____
Authorized Officer

Time of Execution: _____ p.m. California time

EXHIBIT A

\$ _____
CAMBRIA COMMUNITY HEALTHCARE DISTRICT
(SAN LUIS OBISPO COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS
ELECTION OF 2024, SERIES A
(BANK QUALIFIED)

Maturity (August1)	Principal Amount	Interest Rate	Yield	Price	10% Test Satisfied*	10% Test Not Satisfied	Subject to Hold-The- Offering- Price Rule
2026							
2027							
2028							
2029							
2030							
2031							
2032							
2033							
2034							
2035							
2036							
2037							
2038							
20__ ⁽¹⁾							

⁽¹⁾ Term Bond.

^(C) Priced to optional call at par on August 1, 20__.

* At the time of execution of this Purchase Agreement and assuming orders are confirmed by the close of the business day immediately following the date of this Purchase Agreement.

REDEMPTION PROVISIONS

Optional Redemption. The Bonds maturing on or before August 1, 20__, are not subject to redemption prior to their respective maturity dates. The Bonds maturing on or after August 1, 20__, are subject to redemption prior to their respective maturity dates as a whole, or in part, on any date, from any moneys provided at the option of the District, in each case on and after August 1, 20__, at a redemption price equal to the principal amount of Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The Bonds maturing on August 1, 20__, are subject to mandatory sinking payment redemption in part on August 1, 20__ and on each August 1 thereafter to maturity, by lot, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, from sinking payments as follows:

Term Bonds

Redemption Date (August 1)	Sinking Payments
<hr/>	

20__(maturity)

EXHIBIT B

§ _____
**CAMBRIA COMMUNITY HEALTHCARE DISTRICT
(SAN LUIS OBISPO COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS
ELECTION OF 2024, SERIES A
(BANK QUALIFIED)**

FORM OF ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Oppenheimer & Co. Inc. (“**Oppenheimer**”) hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. ***Sale of the Bonds.*** As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. ***Defined Terms.***

(a) *Issuer* means Cambria Community Healthcare District.

(b) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds 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 Bonds 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 Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Oppenheimer’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 Issuer with respect to certain of the representations set forth in the Certificate as to Arbitrage and with respect to compliance with the federal income tax rules affecting the Bonds, and by Jones Hall, A Professional Law Corporation in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: _____, 2025

OPPENHEIMER & CO. INC

By: _____
Name and Title

SCHEDULE A
SALE PRICES



CAMBRIA COMMUNITY HEALTHCARE DISTRICT

BOARD AGENDA STAFF REPORT – 02

TO: Board of Directors
FROM: Administrator Linda Hendy
DATE: January 28, 2025
DESCRIPTION: Fiscal Year 2023-2024 Audit

RECOMMENDATION

Presentation of audited financial statements for the fiscal year ended June 30, 2024, by Adam Guise, CPA, (Partner) Moss, Levy & Hartzheim LLP.

FISCAL IMPACT

The District's net position changed by \$5,527 as of June 30, 2024, a decrease from the prior year.

DISCUSSION

The District is in year two of a three-year agreement with Moss, Levy & Hartzheim LLP to provide annual auditing services and year-end financial statements in accordance with generally accepted accounting principles (GAAP). The firm's audit team, led by Adam Guise, CPA, conducted an on-site audit testing and found the financial statements to present fairly, in all material respects, confirming the District's financial position as of June 30, 2024.

In addition, the annual financial report requires that the District provide management discussion and analysis (MD&A) information to supplement the basic financial statements.

The Annual Financial Report is divided into three basic sections:

- 1. Introductory section**
- 2. Financial section includes:**
 - a. Independent Auditor's Report
 - b. Management's Discussion and Analysis
 - c. Basic Financial Statements
 - d. Required Supplementary Information
- 3. Auditors Findings and Responses**

CONCLUSION

The audited financial statements are presented for the Board of Directors review and approval.

ATTACHMENT(S)

1. CCHD Audited Financial Report for the fiscal year ended June 30, 2024

BOARD ACTION

Review and receive the fiscal year 2023-2024 financial audit as presented.

UNANIMOUS: __

MONTALVO__ MILEUR__ FEDOROFF__ MUMPER__ KULESA__

Cambria Community Healthcare District

FINANCIAL STATEMENTS

June 30, 2024

MOSS, LEVY & HARTZHEIM LLP
Certified Public Accounts

CAMBRIA COMMUNITY HEALTHCARE DISTRICT
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June 30, 2024

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FINANCIAL SECTION



Moss, Levy & Hartzheim LLP

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Cambria Community Healthcare District
Cambria, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the major fund of the Cambria Community Healthcare District, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Cambria Community Healthcare District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the Cambria Community Healthcare District, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Cambria Community Healthcare District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cambria Community Healthcare District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cambria Community Healthcare District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cambria Community Healthcare District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of net pension liability, the schedule of pension contributions, the schedule of changes in the net OPEB liability and related ratios, and the schedule of OPEB contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2024, on our consideration of the Cambria Community Healthcare District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Moss, Remy & Hartgraves LLP

Santa Maria, California
December 31, 2024

CAMBRIA COMMUNITY HEALTHCARE DISTRICT
BOARD OF DIRECTORS AND ADMINISTRATOR
June 30, 2024

Name	Position	Term Expires
<i>Board Members:</i>		
Cecilia Montalvo	President	December 2024
Laurie Mileur	Vice President	December 2026
Bruce Mumper	Secretary	December 2024
Igor "Iggy" Fedoroff	Director	December 2024
Dawn Kulesa	Director	December 2026
<i>Admin:</i>		
Linda Hendy	Administrator	Current

**CAMBRIA COMMUNITY HEALTHCARE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

As the management of the Cambria Community Healthcare District ("District"), we provide this narrative overview and analysis of the District's financial activities for the fiscal year ending June 30, 2024. We encourage readers to review this information alongside the District's financial statements, which follow this section.

Introduction

The Cambria Community Healthcare District is a public special district in San Luis Obispo County, California. Funded through taxes and fees, the District has provided Advanced Life Support (ALS) ambulance services to both residents and visitors since 1947.

The District offers emergency 911 ambulance transportation for the communities of Cambria, San Simeon, Harmony, and the surrounding areas along the North Coast of San Luis Obispo County. Additionally, through a contractual agreement with the County of Monterey, the District provides ambulance services in the coastal zone of Monterey County.

Audited Financial Statements

Moss, Levy & Hartzheim LLP, a firm of licensed, certified public accountants, has audited the District's financial statements. The independent audit aimed to determine whether the District's financial statements for the fiscal year ended June 30, 2024, are free from material misstatement.

The independent auditor concluded that there is a reasonable basis to provide an unmodified opinion, stating that the District's financial statements for the fiscal year ended June 30, 2024, are fairly presented in all material respects, in accordance with generally accepted accounting principles in the United States of America. The independent auditor's report is located on page 1 of the financial section of this report.

Financial Highlights

- Total assets decreased by (\$129,260) as of June 30, 2024, compared to 2023, and consisted of cash, accounts receivable, and capital assets.
- Total liabilities decreased by (\$36,467) in 2024 compared to 2023. This decrease mainly consists of non-current liabilities, which include Other Post-Employment Benefits (OPEB), pension obligations, long-term disability liabilities, notes for direct borrowing, and the recording of compensated absences.
- Revenues totaled \$2,338,815, which is (\$24,227) or 1.03% less than the previous fiscal year's revenues. Operating revenues increased by \$98,660, while non-operating revenues (expenses) decreased by (\$132,189).
- Expenses totaled \$2,331,805, which is an increase of \$158,116, or 7.01%, compared to the previous year.
- The total net pension liabilities amount to \$2,302,394, while the net OPEB (Other Post-Employment Benefits) liabilities total \$3,036,438.

Overview of the Financial Statements

The discussion and analysis aim to introduce the District's basic financial statements. These financial statements consist of three components:

- 1) statement of net position
- 2) statement of revenues, expenses, and changes in net position
- 3) The statement of cash flow

The government-wide financial statements provide a broad overview of the District's finances, similar to those of a private-sector business.

The *statement of net position* presents information on all assets, deferred outflows, liabilities, and deferred inflows, with the difference representing net position. Assets and Liabilities are classified as current or noncurrent. Changes within the fiscal year in total net position, as presented on the statement of net position, are based on the activity presented on the statement of revenues, expenses, and change in net position.

The *statement of revenues, expenses, and change in net position* presents information showing total revenues versus total expenses and how net position changed during the fiscal year. All revenues earned and expenses incurred during the fiscal year are required to be classified as either "operating" or "non-operating." For the current fiscal year, all expenses incurred are considered to be operating except interest expense. All revenues and expenses are recognized as soon as the underlying event occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in the disbursement or collection of cash during future fiscal years (e.g. the expense associated with changes in claim liability involving cash transactions beyond the date of the financial statements).

The *statement of cash flow* shows the changes in cash and cash equivalents over the fiscal year. This statement is prepared using the direct method of cash flow. It classifies the sources and uses of cash and cash equivalents into three categories:

1. Operating activities
2. Financing activities
3. Investing activities

Operating activities include routine tasks, whereas investing activities consist of investment and non-operating activities. Financing activities cover property taxes, special assessments, loan transactions, and purchases of capital assets.

The notes to the financial statements offer essential additional information for fully understanding the data presented in the financial statements. These notes explain the nature of operations, detail significant accounting policies, and clarify unique financial information.

Condensed Statements of Net Position

	2024	2023	Change
Assets:			
Current and Other Assets	\$ 650,323	\$ 680,892	\$ (30,569)
Capital Assets - Noncurrent	354,267	452,958	(98,691)
Total Assets	1,004,590	1,133,850	(129,260)
Deferred Outflows of Resources:			
Deferred Amounts Pension and OPEB	1,477,163	1,685,740	(208,577)
Total Deferred Outflows			
Liabilities:			
Current Liabilities	174,611	165,831	8,780
Noncurrent Liabilities	5,527,304	5,572,551	(45,247)
Total Liabilities	5,701,915	5,738,382	(36,467)
Deferred Inflows of Resources:			
Deferred Amounts Pension and OPEB	1,260,442	1,556,285	(295,843)
Total Deferred Inflows	1,260,442	1,556,285	(295,843)
Net Position:			
Net Investment in Capital Assets	169,464	188,226	(18,762)
Unrestricted	(4,650,068)	(4,663,303)	13,235
Total Net Position	\$ (4,480,604)	\$ (4,475,077)	\$ (5,527)

Total assets decreased by \$129,260, mainly due to an decrease in depreciable assets (net of accumulated depreciation) due to depreciation in excess of additions and a slight decrease in cash and capital assets. Meanwhile, total liabilities decreased by \$36,467, primarily because of reductions in accounts payable, accrued payroll, OPEB obligations, and net pension liability.

The net position can be a useful indicator of a government's financial condition over time. In the 2023-2024 period, the District experienced a total decrease in net position of \$5,527. Please refer to Note 12 in the accompanying financial statements for management's plan to address the District's net deficit.

Capital assets as of June 30, 2024, are \$322,638 (net of depreciation), a decrease of \$76,364. The District purchased a new ambulance in fiscal year 2022-2023 and in the fiscal year 2023-2024 the District increased assets in buildings and improvements and equipment and recorded 12 months of depreciation for fiscal year 2023-2024 (less accumulated depreciation). The District's capital asset statement can be found in Note 4 of the financial statement.

As of June 30, 2024, the District's long-term obligations, including compensated absences, lease liability, loans from direct borrowing (equipment), pension, and other post-employment benefits (OBEP), aggregated to \$5,606,072 and reflect a decrease in obligations of \$61,889. The District's long-term liabilities can be found in Note 5 of the financial statements.

Condensed Statements of Revenues, Expenses, and Change in Net Position

	2024	2023	Change
Operating Revenues	\$ 942,289	\$ 843,629	\$ 98,660
Non-operating Revenues, Net	1,383,989	1,516,178	(132,189)
Total Revenues	<u>2,326,278</u>	<u>2,359,807</u>	<u>(33,529)</u>
Total Operating Expenses	<u>2,331,805</u>	<u>2,173,689</u>	<u>158,116</u>
Change in Net Position	(5,527)	186,118	(191,645)
Net Position - Beginning of Fiscal Year	<u>(4,475,077)</u>	<u>(4,661,195)</u>	<u>186,118</u>
Net Position - End of Fiscal Year	<u>\$ (4,480,604)</u>	<u>\$ (4,475,077)</u>	<u>\$ (5,527)</u>

As of June 30, 2024, the District's total operating expenses exceeded its total revenues, decreasing its net position by (\$5,527). Compared to the previous fiscal year, revenues from both operating and non-operating sources fell by \$33,529, while operating expenses rose by \$158,116.

Operating Revenues:

The District's operating revenues rose by \$98,660 due to increased service revenue. This increase is mainly attributed to higher insurance reimbursements and a rise in transports for 2023-24.

Non-operating Revenues:

Nonoperating revenues decreased by \$132,189 compared to the previous year. These revenues primarily consist of property taxes and special assessments from the County of San Luis Obispo. In the 2023-24 fiscal year, tax revenue increased by \$51,145. The overall decline in non-operating revenues is largely attributed to grants received in 2022-2023, which assisted with the down payment for new ambulance unit 22.

Operating Expenses:

Operating expenses include costs associated with the District's ambulance operations, primarily payroll and benefits. Additionally, the District incurs general and administrative expenses related to the operations of the District Offices. In the 2023-2024 fiscal year, operating expenses decreased by \$158,116 compared to the prior fiscal year. This decrease is partly attributed to the hiring of a Director of Finance in 2023, which allowed the District to bring all accounting in-house and reduce professional services expenses.

Economic Factors:

In November 2024, the Citizens of Cambria approved bond measure C-24 by 76.68%, authorizing the District to issue general obligation bonds up to \$5,900,000 to build a new ambulance station. The project will begin in January 2025. In addition, the District was awarded a federal grant of \$1,000,000; grant funding will be received when the project is completed in 2026.

Request for Information

This financial report is designed to provide a general overview of the Cambria Community Healthcare District's finances and demonstrate its accountability for the money it receives. Questions about this report or requests for additional financial information should be directed to the District Administrator, 2535 Main Street, Cambria, CA 93428

CAMBRIA COMMUNITY HEALTHCARE DISTRICT
STATEMENT OF NET POSITION - ENTERPRISE FUND
June 30, 2024

Assets

Current:

Cash and investments	\$ 420,996
Receivables:	
Accounts	221,320
Prepaid expenses	8,007
Total Current Assets	<u>650,323</u>

Noncurrent:

Right to use asset	98,610
Less accumulated amortization	(66,981)
Nondepreciable	5,063
Depreciable assets - net of accumulated depreciation	317,575
Total Noncurrent Assets	<u>354,267</u>
Total Assets	<u>1,004,590</u>

Deferred Outflows of Resources

Deferred OPEB	538,630
Deferred pensions	938,533
Total Deferred Outflows of Resources	<u>1,477,163</u>

Liabilities

Current:

Accounts payable	23,335
Accrued payroll	72,508
Interest payable	
Current portion - accrued compensated leave	20,609
Current portion - lease liability	23,192
Current portion - notes from direct borrowing	34,966
Total Current Liabilities	<u>174,610</u>

Noncurrent:

Accrued compensated leave	61,827
Lease liability	7,886
Notes from direct borrowing	118,760
OPEB liability	3,036,438
Net pension liability	2,302,394
Total Noncurrent Liabilities	<u>5,527,305</u>
Total Liabilities	<u>5,701,915</u>

Deferred Inflows of Resources

Deferred OPEB	1,145,369
Deferred pensions	115,073
Total Deferred Inflows of Resources	<u>1,260,442</u>

Net Position

Net investment in capital assets	169,463
Unrestricted	(4,650,067)
Total Net Position	<u>\$ (4,480,604)</u>

The notes to basic financial statements are an integral part of this statement.

CAMBRIA COMMUNITY HEALTHCARE DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
ENTERPRISE FUND
For the Fiscal Year Ended June 30, 2024

Operating Revenues:	
Ambulance charges	\$ 881,957
Other operating	<u>60,332</u>
Total operating revenues	<u>942,289</u>
Operating Expenses:	
Salaries and wages	1,227,782
Payroll benefits	482,392
Payroll taxes	46,442
Workers' compensation insurance	50,350
Professional services	39,554
Contract services	45,138
Medical supplies and equipment	56,226
Repairs and maintenance	36,964
Insurance	44,334
Fuel and oil	29,137
Utilities	32,005
Licenses and permits	10,587
Office and computer supplies	21,317
Uniform expense	4,043
Education and travel	23,775
Miscellaneous expense	47,370
Training	4,281
Amortization	22,327
Depreciation	<u>107,781</u>
Total operating expenses	<u>2,331,805</u>
Operating loss	<u>(1,389,516)</u>
Nonoperating Revenues (Expenses):	
Property and special assessment taxes	1,327,021
Grant revenue	58,472
Rental income	1,200
Interest expense	(12,537)
Other nonoperating revenues (expenses)	<u>9,833</u>
Total nonoperating revenues (expenses)	<u>1,383,989</u>
Change in net position	(5,527)
Net position, beginning of fiscal year	<u>(4,475,077)</u>
Net position, end of fiscal year	<u>\$ (4,480,604)</u>

The notes to basic financial statements are an integral part of this statement.

CAMBRIA COMMUNITY HEALTHCARE DISTRICT
STATEMENT OF CASH FLOWS - ENTERPRISE FUND
For the Fiscal Year Ended June 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 873,853
Payments to suppliers	(416,319)
Payments to employees	<u>(1,814,202)</u>
Net cash used by operating activities	<u>(1,356,668)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Property taxes	1,327,021
Intergovernmental grants	58,472
Rental income	1,200
Other revenue	<u>7,506</u>
Net cash provided by noncapital financing activities	<u>1,394,199</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition and construction of capital assets	(31,417)
Principal paid on lease liability	(22,507)
Principal paid on loans from direct borrowing	(57,421)
Interest paid on long-term debt	<u>(12,537)</u>
Net cash used by capital and related financing activities	<u>(123,882)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	<u>2,326</u>
Net cash provided by investing activities	<u>2,326</u>

Net decrease in cash and cash equivalents (84,025)

Cash and cash equivalents, July 1, 505,020

Cash and cash equivalents, June 30 \$ 420,995

Reconciliation to Statement of Net Position:

Cash and investments	<u>\$ 420,996</u>
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(Continued)

The notes to basic financial statements are an integral part of this statement.

CAMBRIA COMMUNITY HEALTHCARE DISTRICT
STATEMENT OF CASH FLOWS - ENTERPRISE FUND (Continued)
For the Fiscal Year Ended June 30, 2024

Reconciliation to reconcile operating loss to net cash used by operating activities:

Operating loss	\$ (1,389,516)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Amortization	22,327
Depreciation	107,781
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:	
Accounts receivable	(68,436)
Prepaid expenses	14,981
Deferred outflows	208,577
Accounts payable	13,781
Accrued payroll	11,641
OPEB liability	(182,470)
Compensated absences	(7,107)
Net pension liability	207,616
Deferred inflows	<u>(295,843)</u>
Net cash used by operating activities	<u><u>\$ (1,356,668)</u></u>

(Concluded)

The notes to basic financial statements are an integral part of this statement.

CAMBRIA COMMUNITY HEALTHCARE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Operations of the Reporting Entity

The Cambria Community Healthcare District (the District), was organized in 1947, under the authority of section 3200, et. seq., of the Health and Safety Code of the state of California. The District is a public, tax and fee supported special district in the county of San Luis Obispo, California. The District provides advance life support ambulance service for the area, which includes the communities of Cambria, Harmony, San Simeon, and outlying areas north to the Monterey County line. Under an agreement with the County of Monterey, the District also provides ambulance service in the Monterey County Coast zone.

The District’s mission is to improve the health of district residents by providing emergency services, enhancing access to care, and promoting wellness. The District is governed by a five-member board of directors. The Administrator manages the day-to-day operations of the District in accordance with the policies and procedures established by the board of directors. The board of directors meets each month. Meetings are publicly noticed and citizens are encouraged to attend. An annual budget is approved by the board of directors.

B. Reporting Entity

The reporting entity is the Cambria Community Healthcare District. There are no component units included in this report which meet the criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statements No. 39, No. 61, No. 80, and No. 90.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The basic financial statements of the Cambria Community Healthcare District have been prepared in conformity with accounting principles generally accepted in the United States of America (“US GAAP”). The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for governmental accounting financial reporting purposes.

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that are comprised of assets, liabilities, fund equity, revenues, and expenses. This system permits separate accounting for each established fund for purposes of complying with applicable legal provisions, Board of Director’s ordinances and resolutions, and other requirements. The accounts have also been maintained in accordance with the California State Controller’s uniform system of accounts.

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The enterprise fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred.

The District distinguishes operating revenues and expenses from those revenues and expenses that are non-operating. The operating revenue of the District includes charges derived from ambulance services provided. Operating expenses include payroll and operational costs associated with the ambulance service activities, and also include management, administrative and depreciation and amortization expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues, expenses, and contributions.

D. Budgetary Procedures

Budgetary information is not presented because the District is not legally required to adopt a budget. Although not legally required, an annual budget is prepared, which includes estimates for the District’s principal income sources to be received during the fiscal year, as well as estimated expenses and cash reserves needed for operations.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the American Institute of Certified Public Accountants, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

F. Deposits and Investments

For purpose of the Statement of Cash Flows, the District considers all highly liquid investments (including restricted assets) with a maturity period, at purchase, of three months or less to be cash equivalents.

As a governmental entity other than an external investment pool in accordance with GASB Statement No. 71, the District's investments are stated at fair value.

G. Receivables

Receivables are generally recorded when the amount is earned and can be estimated. Receivables include amounts due from recipients of ambulance services and certain tax levies. All receivables are current and, therefore, due within one year. Receivables are reported at their net realizable value. The District provides for Medicare and Medi-Cal contractual allowances when recording the net realizable value of the receivables. The amount recorded is believed to be fully collectible by the District and as such, no allowance for doubtful accounts has been recorded.

H. Capital Assets

Capital assets (including infrastructure) are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Contributed capital assets are valued at their estimated fair value at the date of the contribution. Capital assets are defined by the District as assets with an initial individual cost of more than \$500 and estimated useful life in excess of two years.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method. Depreciation is charged as an expense against operations. The estimated useful lives are as follows:

Equipment and vehicles	5 to 10 years
Furniture and fixtures	5 to 10 years
Building improvements	15 years
Buildings	40 years

I. Right to Use Assets

The District has recorded right to use lease assets as a result of implementing GASB Statement No. 87. The right to use is initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term less lease incentives plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

J. Compensated Absences

The District's policy is to permit employees to accumulate earned vacation leave according to the number of years of service with the District. The liability for vested vacation leave is reported as an expense when earned and has become vested, in accordance with District policy.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Cambria Community Healthcare District's California Public Employee's Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

L. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan (OPEB Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*," and GASB Statement No. 65, "*Items Previously Reported as Assets and Liabilities*," the District recognizes deferred outflows and inflows of resources.

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. The District has two items which qualify for reporting in this category; refer to Notes 8 and 9 for a detailed listing of the deferred outflows of resources the District has reported.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the District that is applicable to a future reporting period. The District has two items which qualify for reporting in this category; refer to Notes 8 and 9 for a detailed listing of the deferred inflows of resources the District has reported.

N. Net Position

GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position that is net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. Restricted net position is the portion of net position that has external constraints placed on it by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

O. Special Assessment

The District passed a special assessment on November 5, 1985, of \$4.00 flat rate per unimproved parcel and \$7.00 flat rate for improved parcel per year on all real property (except for federal, state, or local government agencies) within the boundaries of the District for periodic and equipment replacement. On November 8, 1994, the voters approved an increase to the special assessment, raising the unimproved parcel fee to \$7.00 and improved parcel fee to \$20.00 to upgrade general operations. On November 7, 2006, the voters approved another increase to the special assessment, raising the unimproved parcel fee to \$25 and improved parcel fee to \$85 to improve paramedic staffing and upgrade general operations, annually adjusted by the change in the Consumer Price Index for the Greater Los Angeles Area.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Property Taxes

Property taxes in the State of California are administered for all local agencies at the county level, and consist of secured, unsecured, and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

Property Valuations – Are established by the Assessor of the County of San Luis Obispo for the secured and unsecured property tax rolls; the utility property tax roll is valued by the State Board of Equalization. Under the provisions of Article XIII of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978), properties are assessed at 100% of full value. From the base assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations and is subject to annual reappraisal.

Tax Collections – Are the responsibility of the county tax collector. Taxes and assessments on secured and utility rolls which constitute a lien against the property, may be paid in two installments: the first is due on November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the county for late payments.

Tax Levy Apportionments – Due to the nature of the District-wide maximum levy, it is not possible to identify general purpose tax rates for specific entities. Under State legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by the county auditor-controller based primarily on the ratio that each agency represented of the total District-wide levy for the three years prior to fiscal year 1979.

Property Tax Administration Fees – The State of California FY 90-91 Budget Act, authorized counties to collect an administrative fee for collection and distribution of property taxes. Property taxes are recorded as net of administrative fees withheld during the fiscal year.

Tax Levies – Are limited to 1% of full value which results in a tax rate of \$1.00 per \$100 assessed valuation, under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

Tax Levy Dates – Are attached annually on January 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

Q. Annual Appropriations Limit

The District is exempt from the annual appropriations limit required by Senate Bill 813 (Chapter 1025, Statutes of 1987), in accordance with California Constitution Article XIII B. This exemption is based on the voters of the District approving an additional assessment subsequent to the passage of Proposition 13.

R. Future Accounting Pronouncements

GASB Statements listed below will be implemented in future financial statements:

Statement No. 101 "Compensated Absences"	The provisions of this statement are effective for fiscal years beginning after December 15, 2023.
Statement No. 102 "Certain Risk Disclosures"	The provisions of this statement are effective for fiscal years beginning after June 15, 2024.
Statement No. 103 "Financial Reporting Model Improvements"	The provisions of this statement are effective for fiscal years beginning after June 15, 2025.
Statement No. 104 "Disclosure of Certain Capital Assets"	The provisions of this statement are effective for fiscal years beginning after June 15, 2025.

CAMBRIA COMMUNITY HEALTHCARE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 2 – CASH AND INVESTMENTS

On June 30, 2024, the District had the following cash on hand:

Cash in banks	\$	361,818
Local Agency Investment Fund (LAIF)		59,178
Total cash and investments	<u>\$</u>	<u>420,996</u>

Cash and investments are presented on the accompanying basic financial statements, as follows:

Cash and investments, statement of net position	<u>\$</u>	<u>420,996</u>
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The District categorizes its fair value measurements within the fair value hierarchy established by U.S. Generally Accepted Accounting Principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. These principles recognize a three-tiered fair value hierarchy. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District had investments in the LAIF fund, however, that external pool is not subject to fair value measurements under the hierarchy as described above.

The table below identifies the investment types that are authorized for the District by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
Bankers' Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase and Reverse Repurchase Agreements	92 days	20% of base value	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Fund	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$75,000,000
JPA Pools (Other Investment Pools)			
California Agencies	N/A	None	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Remaining Maturity (in Months)</u>			
		<u>12 Months Or Less</u>	<u>13-24 Months</u>	<u>25-60 Months</u>	<u>More than 60 Months</u>
State investment pool (LAIF)	\$ 59,178	\$ 59,178	\$ -	\$ -	\$ -
	<u>\$ 59,178</u>	<u>\$ 59,178</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CAMBRIA COMMUNITY HEALTHCARE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2024

NOTE 2 - CASH AND INVESTMENTS (Continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of rating by a nationally recognized statistical rating organization. Presented below, is the minimum rating required by the California Government Code, the District’s investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

Investment Type	Carrying Amount	Minimum Legal Rating	Rating as of Fiscal Year End			
			AAA	A+	Baa	Not Rated
State investment pool (LAIF)	\$ 59,178	N/A	\$ -	\$ -	\$ -	\$ 59,178
	\$ 59,178		\$ -	\$ -	\$ -	\$ 59,178

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the District’s deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2024, none of the District’s deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government’s indirect investment in securities through the use of mutual funds or government investment pools (such as the Local Agency Investment Fund).

Investment in State Pool (LAIF)

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District’s investment in this pool is reported in the accompanying financial statements at amounts based upon the District’s pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

CAMBRIA COMMUNITY HEALTHCARE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 3 – RIGHT TO USE LEASE ASSET

Right to use lease asset activity for the fiscal year ended June 30, 2024, is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Leased assets:				
Equipment	\$ 98,610	\$ -	\$ -	\$ 98,610
Total right to use assets	98,610			98,610
Less accumulated amortization for:				
Equipment	44,654	22,327		66,981
Total accumulated amortization	44,654	22,327		66,981
Net right to use assets	<u>\$ 53,956</u>	<u>\$ (22,327)</u>	<u>\$ -</u>	<u>\$ 31,629</u>

NOTE 4 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2024, is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Capital assets not being depreciated:				
Land	\$ 5,063	\$ -	\$ -	\$ 5,063
Total capital assets not being depreciated	<u>\$ 5,063</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,063</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 152,507	\$ 29,157	\$ -	\$ 181,664
Ambulance and vehicles	488,137			488,137
Furniture and fixtures	4,295			4,295
Equipment	195,734	2,260		197,994
	840,673	31,417		872,090
Less accumulated depreciation:				
Buildings and improvements	83,535	6,967		90,502
Ambulance and vehicles	287,535	66,348		353,883
Furniture and fixtures	2,868	713		3,581
Equipment	72,796	33,753		106,549
	446,734	107,781		554,515
Total capital assets being depreciated, net	<u>\$ 393,939</u>	<u>\$ (76,364)</u>	<u>\$ -</u>	<u>\$ 317,575</u>
Net capital assets	<u>\$ 399,002</u>	<u>\$ (76,364)</u>	<u>\$ -</u>	<u>\$ 322,638</u>

NOTE 5 – LONG TERM LIABILITIES

A schedule of long-term liabilities for the fiscal year ended June 30, 2024 is shown below:

	Balance July 1, 2023	Additions	Retirements	Balance June 30, 2024	Due Within One Year
Compensated absences	\$ 89,543	\$ 36,094	\$ 43,201	\$ 82,436	\$ 20,609
Lease liability	53,585		22,507	31,078	23,192
Loans from direct borrowing	211,147		57,421	153,726	34,966
OPEB liability	3,218,908		182,470	3,036,438	
Net pension liability	2,094,778	207,616		2,302,394	
Total long-term liabilities	<u>\$ 5,667,961</u>	<u>\$ 243,710</u>	<u>\$ 305,599</u>	<u>\$ 5,606,072</u>	<u>\$ 78,767</u>

CAMBRIA COMMUNITY HEALTHCARE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2024

NOTE 6 – LOANS FROM DIRECT BORROWING

During fiscal year 2016, the District entered into a loan agreement to purchase an ambulance and certain operating equipment. The loan carries interest at 3.25%. The term of the loan is six years with quarterly payments of \$7,983, commencing on October 31, 2016. The loan matured on July 31, 2022, when all remaining principal and interest on the loan was due. The remaining principal was paid in full during the fiscal year ended June 30, 2023.

During fiscal year 2020, the District entered into another loan agreement to purchase an ambulance. The loan carries interest at 3.5%. The term of the loan is five years with quarterly payments of \$5,035, commencing on November 28, 2019. The loan matures on August 28, 2024, when all remaining principal and interest on the loan is due. The District decided to make the final payment early in June 2024 and thus the loan was repaid in full by June 30, 2024.

During fiscal year 2023, the District entered into another loan agreement to purchase an ambulance. The loan carries interest at 6.15%. The term of the loan is five years with monthly payments of \$3,621, commencing on July 28, 2023. The loan matures on June 28, 2028, when all remaining principal and interest on the loan is due. The remaining principal owed as of June 30, 2024 was \$153,726.

The District’s outstanding loans from direct borrowings related to business-type activities are secured with collateral of the underlying assets purchased with these loans. If the District fails to make payments after 15 days of the due date, that will be considered an event of default and the lenders may pursue all available remedies including repossession.

Future payments of long-term liabilities in connection with the loan agreements are as follows:

<u>Fiscal year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 34,966	\$ 8,492	\$ 43,458
2026	37,181	6,277	43,458
2027	39,537	3,921	43,458
2028	42,042	1,416	43,458
Total	<u>\$ 153,726</u>	<u>\$ 20,106</u>	<u>\$ 173,832</u>

NOTE 7 – LEASE LIABILITY

The District has entered into an agreement to lease certain equipment. The lease agreement qualifies as other than short-term leases under GASB Statement No. 87 and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception.

An agreement with Zoll Medical Corporation was signed on June 30, 2020, to lease 4 X Series Manual Monitor/Defibrillators requiring 60 monthly payments of \$1,984. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3%, which is the implicit rate used for the lease agreement. As a result of the lease, the District recorded as of July 1, 2021 a right to use asset that has a net book value of \$31,629 at June 30, 2024. The right to use asset is discussed in more detail in Note 3.

Future payments of long-term liabilities in connection with the lease liability is as follows:

<u>Fiscal year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 23,192	\$ 615	\$ 23,807
2026	7,886	49	7,935
Total	<u>\$ 31,078</u>	<u>\$ 664</u>	<u>\$ 31,742</u>

CAMBRIA COMMUNITY HEALTHCARE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2024

NOTE 8 – PENSION PLAN

A. General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the District’s Miscellaneous Employee Pension Plan, cost-sharing multiple employer defined benefit plans administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS’ website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for nonduty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plans’ provisions and benefits in effect at June 30, 2023 (the Measurement Date), are summarized as follows:

	Miscellaneous		Safety		
	Classic Member Hired	New Member Hired	New Member Hired		New Member Hired
	Prior to January 1, 2013	On or after January 1, 2013	Classic Member Hired Prior to January 1, 2013	On or after January 1, 2010 and Before January 1, 2013	
Hire Date					
Benefit formula	2% @ 55	2% @ 62	2% @ 55	2% @ 62	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	50-63	52-67	50-63	52-67	52-67
Monthly benefits, as a % of eligible compensation	1.46% to 2.418%	1.0% to 2.5%	1.46% to 2.418%	1.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	7.00%	7.75%	9.00%	9.00%	13.75%
Required employer contribution rates	11.84% + \$14,974	7.68% + \$1,720	27.11% + \$134,776	24.15% + \$0	13.54% + \$1,606

Contributions

Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the fiscal year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Contributions to the pension plan from the District were \$246,120 (\$215,926 Safety and \$30,194 Miscellaneous) for the fiscal year ended June 30, 2024.

CAMBRIA COMMUNITY HEALTHCARE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2024

NOTE 8 – PENSION PLAN (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, 2024, the District reported a liability of \$2,302,394 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all pension plan participants, actuarially determined. At June 30, 2023, the District’s proportion share of net pension liability was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
Proportion-June 30, 2022	0.00325%	0.02827%	0.01814%
Proportion-June 30, 2023	0.00312%	0.02872%	0.03184%
Change-Increase (Decrease)	-0.00013%	0.00045%	0.01370%

For the fiscal year ended June 30, 2024, the District recognized pension expense of \$345,042. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
District contributions subsequent to the measurement date	\$ 246,120	\$ -
Changes in assumptions	134,684	
Differences between expected and actual experience	165,558	14,727
Net difference between projected and actual earnings on retirement plan investments	318,987	
Adjustment due to differences in proportion	55,652	3,219
Changes in proportion and differences between District contributions and proportionate share of contributions	17,532	97,127
	<u>\$ 938,533</u>	<u>\$ 115,073</u>

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

\$246,120 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

<u>Fiscal year ending June 30,</u>	<u>Amount</u>
2025	\$ 166,729
2026	136,082
2027	265,608
2028	8,921
	<u>\$ 577,340</u>

CAMBRIA COMMUNITY HEALTHCARE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 – PENSION PLAN (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions:

	Miscellaneous and Safety
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Projected Salary Increase	Varies by Entry Age and Service
Mortality	Derived using CalPERS' Membership Data for all Funds (1)
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The probabilities are based on the 2021 CalPERS' Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS' Experience Study and Review of Actuarial.

Long-term Expected Rate of Return

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. The expected real rates of return by asset class are as follows:

Asset Class	New Strategic Allocation	Real Return (a,b)
Global Equity - cap-weighted	30.0%	4.45%
Global Equity - non-cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporations	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	100.0%	

(a) An expected inflation of 2.30% was used for this period.

(b) Figures are based on the 2021 Asset Liability Management Study.

CAMBRIA COMMUNITY HEALTHCARE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2024

NOTE 8 – PENSION PLAN (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in Discount Rate

The following represents the District’s proportionate share of the net pension liability calculated using the discount rate of 6.90% percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.90 percent) or 1 percentage point higher (7.90 percent) than the current rate:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
1% Decrease	5.90%	5.90%	5.90%
Net Pension Liability	\$ 248,203	\$ 3,179,880	\$ 3,428,083
Current Discount Rate	6.90%	6.90%	6.90%
Net Pension Liability	\$ 155,820	\$ 2,146,574	\$ 2,302,394
1% Increase	7.90%	7.90%	7.90%
Net Pension Liability	\$ 79,782	\$ 1,301,772	\$ 1,381,554

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS’ financial reports.

C. Payable to Pension Plan

At June 30, 2024, the District had no amount outstanding for contributions to the pension plan required for the fiscal year ended June 30, 2024.

NOTE 9 – POSTEMPLOYMENT HEALTH CARE BENEFITS (OPEB)

A. Plan Description

The District provides other postemployment benefits (OPEB) under a single employer plan to qualified employees who retire from the District and meet the District’s vesting requirements. Qualified Employees may retire directly from the District under PERS (age 50 and 5 years of PERS service) and receive up to 90% of the PERS Choice Region 2 family premium rate. Employees hired on or after September 1, 2008 must retire with 10 years of CalPERS service and at least 5 years District service and are subject to vesting under Government code 22893. Survivor benefits are available. The District also pays the CalPERS’ administrative fee. The District does not offer vision, dental, or life benefits for retirees. Benefit provisions are established through negotiations between the District and the bargaining union representing District employees.

The District sponsors healthcare coverage under the California Public Employees Medical and Hospital Care Act (PEMHCA), commonly referred to as PERS Health. PEMHCA provides health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options.

CAMBRIA COMMUNITY HEALTHCARE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2024

NOTE 9 – POSTEMPLOYMENT HEALTH CARE BENEFITS (OPEB) (Continued)

B. Employees Covered

As of July 1, 2023, actuarial valuation, the following current and former employees were covered by the benefit terms under the District's Plan:

Active plan members	13
Inactive employees or beneficiaries currently receiving benefits	<u>5</u>
Total	<u><u>18</u></u>

C. Contributions

The District currently finances benefits on a pay-as-you-go basis and does not have any assets in an OPEB trust.

D. Total OPEB Liability

The District's OPEB Liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the OPEB Liability was determined by an actuarial valuation as of July 1, 2023.

Actuarial assumptions: The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.00%
Inflation rate	2.50%
Medical cost trend rate	5.50% for 2023-2034, 4.50% for 2035-2069, and 4.00% for 2070 and later years

Pre-retirement mortality and post-retirement mortality rates were based on the mortality projected fully generational with the 2021 CalPERS' Experience Study. Actuarial assumptions used in the July 1, 2023 valuation were based on a review of plan experience during the period July 1, 2021 to June 30, 2023.

Discount rate: GASB 75 requires a discount rate that reflects the following:

- a) The long-term expected rate of return on OPEB plan investments — to the extent that the OPEB plan's fiduciary net position (if any) is projected to be sufficient to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;
- b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher — to the extent that the conditions in (a) are not met.

To determine a resulting single (blended) rate, the amount of the plan's projected fiduciary net position (if any) and the amount of projected benefit payments is compared in each period of projected benefit payments. The discount rate used to measure the District's total OPEB liability is based on these requirements and the following information:

Reporting Date	Measurement Date	Municipal 20 Year High Grade Rate Index	Discount Rate
June 30, 2023	June 30, 2022	3.69%	3.69%
June 30, 2024	June 30, 2023	3.86%	3.86%

CAMBRIA COMMUNITY HEALTHCARE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2024

NOTE 9 – POSTEMPLOYMENT HEALTH CARE BENEFITS (OPEB) (Continued)

E. Changes in the OPEB Liability

	Total OPEB Liability
Balance at June 30, 2023 (Valuation Date July 1, 2023)	\$ 3,218,908
Changes recognized for the measurement period:	
Service cost	211,963
Interest	124,672
Changes of benefit terms	(67,967)
Difference between expected and actual experience	(289,166)
Changes of assumptions	(56,542)
Benefit payments	(105,430)
Net Changes	(182,470)
Balance at June 30, 2024 (Measurement Date June 30, 2023)	\$ 3,036,438

Sensitivity of the OPEB liability to changes in the discount rate: The following presents the OPEB liability, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.86 percent) or 1 percentage-point higher (4.86 percent) than the current discount rate:

	1% Decrease 2.86%	Current Rate 3.86%	1% Increase 4.86%
OPEB Liability	\$ 3,525,424	\$ 3,036,438	\$ 2,644,915

Sensitivity of the OPEB liability to changes in the healthcare cost trend rates. The following presents the OPEB liability, as well as what the OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (4.50 percent decreasing to 3.00 percent) or 1 percentage point higher (6.50 percent decreasing to 5.00 percent) than the current healthcare cost trend rates:

	1% Decrease 4.50% (Decreasing to 3.00%)	Current Rate 5.50% (Decreasing to 4.00%)	1% Increase 6.50% (Decreasing to 5.00%)
OPEB Liability	\$ 2,616,770	\$ 3,036,438	\$ 3,565,986

F. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2024, the District recognized an OPEB credit of \$40,165. As of the fiscal year ended June 30, 2024, the District reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 96,718	\$ -
Difference between expected and actual experience		396,594
Change in assumptions	441,912	748,775
	\$ 538,630	\$ 1,145,369

CAMBRIA COMMUNITY HEALTHCARE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2024

NOTE 9 – POSTEMPLOYMENT HEALTH CARE BENEFITS (OPEB) (Continued)

F. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

The reported deferred outflows of resources related to OPEB in the amount of \$96,718 resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the 2024-25 fiscal year. The additional amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Fiscal year Ending June 30,</u>	<u>Amount</u>
2025	\$ (145,824)
2026	(147,804)
2027	(147,803)
2028	(166,838)
2029	(50,104)
Thereafter	(45,084)
	<u>\$ (703,457)</u>

NOTE 10 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District, as a member of the Special District Risk Management Authority (SDRMA), has purchased various insurance policies to manage the potential liabilities that may occur from the previously named sources. SDRMA is an intergovernmental risk sharing joint powers authority, created pursuant to California Government Code Sections 6500 et Seq. SDRMA's purpose is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage.

At June 30, 2024, the District participated in the liability and property programs of the SDRMA as follows: general and auto liability, public officials' and employees' errors and omissions and employment practices liability; total risk financing limits of \$2.5 million, combined single limit at \$2.5 million per occurrence, subject to the following deductibles: 1) \$500 per occurrence for third-party general liability property damage, 2) \$1,000 per occurrence for third-party auto liability property damage, and 3) 50% co-insurance of cost expended by SDRMA, in excess of \$10,000 up to \$50,000, per occurrence, for employment related claims. However, 100% of the obligation is waived if certain criteria are met, as provided in the Memorandum of Coverages.

As respects, any employment practices claim or suit arising in whole or in part out of any action involving discipline, demotion, reassignment, or termination of any employee, leased worker, temporary worker, volunteer, or any worker who participates in an internship or training program which may lead to employment with the Member: (1) SDRMA shall be responsible for the first \$10,000 of loss, and (2) as to amounts expended for a loss in excess of \$10,000 up to \$110,000, such losses will be shared between SDRMA (50%) and the Member (50%) such that the Member will be responsible for up to but not in excess of \$50,000.

- Employee dishonesty coverage of \$1,000,000 per loss includes public employee dishonesty, forgery or alteration and theft, disappearance, and destruction coverage.
- Property loss is paid at the replacement cost for property on file, if replaced within three years after the loss, otherwise paid on an actual cash value (ACV) basis, to a combined (pool limit) total of \$1 billion per occurrence, subject to a \$1,000 deductible per occurrence.
- Boiler and machinery coverage is for the replacement cost up to \$100 million per (pool limit) occurrence, subject to \$1,000 deductible. Public officials' personal liability is up to \$500,000 each occurrence, with an annual aggregate of \$500,000 per each elected/appointed official to which this coverage applies, subject to the terms, conditions and exclusions as provided in the Memorandum of Coverage, deductible of \$500 per claim.
- Comprehensive and collision on selected vehicles, with deductibles of \$250/\$500 or \$500/\$1,000 as elected; ACV limits.

The District maintains workers' compensation coverage and employer's liability coverage in accordance with statutory requirements of the state of California. Statutory limits per occurrence for workers' compensation and \$5.0 million for employers' liability coverage, subject to the terms, conditions, and exclusions as provided in the Memorandum of Coverage.

CAMBRIA COMMUNITY HEALTHCARE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Litigation

According to the District's staff and attorney, no contingent liabilities or lawsuits are pending of any financial consequence as of June 30, 2024.

State and Federal Allowances, Awards, and Grants

The District receives grant monies as reimbursements for specific costs incurred in certain projects it administers that may be subject to review and audit by the reimbursing agencies. Although such audits could generate expenditure disallowances under the terms of the grants, it is believed that any required reimbursements will not be material.

NOTE 12 – ACCUMULATED NET DEFICIT AND MANAGEMENT PLANS

In fiscal year 2023-2024, the District experienced a total decrease in net position of \$5,527. This decrease has increased the accumulated net deficit to \$4,480,604 at June 30, 2024. As of that date, current assets exceeded current liabilities by \$475,712. Prior to fiscal 2019, the District had experienced substantial negative net cash flow from operations which resulted in a sustained draw down of the District's available cash reserves.

In the fiscal year 2018, management and the board of directors implemented a strategic deployment plan to maximize the potential for emergency response based on the highest probability for 911 requests for service, and at the same time reduce unnecessary payroll expenses, which was fully implemented.

The District is operating at a net deficit. The significant expenses of the District are payroll and benefit related expenses. The primary reason for the net deficit is the recognition of net pension and OPEB long-term liabilities and recognition of their related expenses as required by the GASB.

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REQUIRED SUPPLEMENTARY INFORMATION

CAMBRIA COMMUNITY HEALTHCARE DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
 Last 10 Years
 As of June 30, 2024

The following table provides required supplementary information regarding the District's Pension Plan.

	2024	2023	2022	2021	2020
Proportion of the net pension liability	0.01846%	0.01814%	0.02078%	0.01662%	0.01605%
Proportionate share of the net pension liability (asset)	\$ 2,302,394	\$ 2,094,778	\$ 1,123,584	\$ 1,808,233	\$ 1,644,639
Covered payroll	\$ 653,690	\$ 598,978	\$ 830,041	\$ 823,817	\$ 923,563
Proportionate share of the net pension liability as a percentage of covered payroll	352.21%	349.73%	135.36%	219.49%	178.08%
Plan's total pension liability	\$52,441,984,274	\$49,525,975,138	\$46,174,942,264	\$43,702,930,887	\$ 41,426,453,489
Plan's fiduciary net position	\$39,966,633,692	\$37,975,170,163	\$40,766,653,876	\$32,822,501,335	\$ 31,179,414,067
Plan fiduciary net position as a percentage of the total pension liability	76.21%	76.68%	88.29%	75.10%	75.26%
	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.01503%	0.01577%	0.01669%	0.01741%	0.01786%
Proportionate share of the net pension liability (asset)	\$ 1,448,721	\$ 1,564,188	\$ 1,444,091	\$ 1,194,756	\$ 1,111,455
Covered payroll	\$ 905,129	\$ 951,188	\$ 955,565	\$ 894,213	\$ 752,508
Proportionate share of the net pension liability as a percentage of covered payroll	160.06%	164.45%	151.12%	133.61%	147.70%
Plan's total pension liability	\$ 38,944,855,364	\$ 37,161,348,332	\$ 33,358,627,624	\$ 31,771,217,402	\$ 30,829,966,631
Plan's fiduciary net position	\$ 29,308,589,559	\$ 27,244,095,376	\$ 24,705,532,291	\$ 24,907,305,871	\$ 24,607,502,515
Plan fiduciary net position as a percentage of the total pension liability	75.26%	73.31%	74.06%	78.40%	79.82%

Notes to Schedule:

Changes in assumptions

In the reporting fiscal year ended June 30, 2023, the discount rate was reduced from 7.15% to 6.90% and price inflation was reduced from 2.50% to 2.30%.

CAMBRIA COMMUNITY HEALTHCARE DISTRICT
SCHEDULE OF PENSION CONTRIBUTIONS
 Last 10 Years
 As of June 30, 2024

The following table provides required supplementary information regarding the District's Pension Plan.

	2024	2023	2022	2021	2020
Contractually required contribution (actuarially determined)	\$ 246,120	\$ 259,196	\$ 231,332	\$ 76,889	\$ 68,150
Contribution in relation to the actuarially determined contributions	(246,120)	(259,196)	(231,332)	(76,889)	(68,150)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 682,008	\$ 653,690	\$ 598,978	\$ 830,041	\$ 823,817
Contributions as a percentage of covered payroll	36.09%	39.65%	38.62%	9.26%	8.27%
	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 82,840	\$ 130,863	\$ 195,492	\$ 180,930	\$ 167,727
Contribution in relation to the actuarially determined contributions	(82,840)	(130,863)	(195,492)	(180,930)	(167,727)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 923,563	\$ 905,129	\$ 951,188	\$ 955,565	\$ 894,213
Contributions as a percentage of covered payroll	8.97%	14.46%	20.55%	18.93%	18.76%

Notes to Schedule:

Changes in assumptions

No changes in assumptions were noted for the fiscal year ended June 30, 2024.

CAMBRIA COMMUNITY HEALTHCARE DISTRICT
SCHEDULE OF CHANGES IN THE OPEB LIABILITY AND RELATED RATIOS
Last 10 Years*
As of June 30, 2024

Reporting Period	2024	2023	2022	2021
Total OPEB liability				
Service cost	\$ 211,963	\$ 303,839	\$ 214,277	\$ 150,519
Interest on the total OPEB liability	124,672	82,159	83,501	89,393
Changes of benefit terms	(67,967)			
Actual and expected experience difference	(289,166)		(189,585)	
Changes in assumptions	(56,542)	(1,089,554)	770,770	327,817
Benefit payments	(105,430)	(105,142)	(90,022)	(68,556)
Net change in total OPEB liability	\$ (182,470)	\$ (808,698)	\$ 788,941	\$ 499,173
Total OPEB liability-beginning	3,218,908	4,027,606	3,238,665	2,739,492
Total OPEB liability-ending	<u>\$ 3,036,438</u>	<u>\$ 3,218,908</u>	<u>\$ 4,027,606</u>	<u>\$ 3,238,665</u>
Covered Payroll	\$ 813,582	\$ 871,823	\$ 894,805	\$ 823,816
Total OPEB Liability as a percentage of covered payroll	373.22%	369.22%	450.11%	393.13%
Reporting Period	2020	2019	2018	
Total OPEB liability				
Service cost	\$ 139,691	\$ 365,841	\$ 355,185	
Interest on the total OPEB liability	129,180	104,446	92,171	
Actual and expected experience difference	(963,671)			
Changes in assumptions	33,431	(322,844)		
Benefit payments	(55,424)	(55,769)	(54,570)	
Net change in total OPEB liability	\$ (716,793)	\$ 91,674	392,786	
Total OPEB liability-beginning	3,456,285	3,364,611	2,971,825	
Total OPEB liability-ending	<u>\$ 2,739,492</u>	<u>\$ 3,456,285</u>	<u>\$ 3,364,611</u>	
Covered Payroll	\$ 826,535	\$ 923,563	\$ 905,129	
Total OPEB Liability as a percentage of covered payroll	331.44%	374.23%	371.73%	

Notes to Schedule:

The discount rate was changed to 3.86% from 3.69% for the June 30, 2023 measurement date.

*-Fiscal year 2018 was the first year of implementation, therefore only seven years are shown.

CAMBRIA COMMUNITY HEALTHCARE DISTRICT
SCHEDULE OF OPEB CONTRIBUTIONS
For the Fiscal Year Ended June 30, 2024

The District's contributions for the fiscal year ended June 30, 2024 were \$96,718. The District did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2024, therefore, the District does not need to comply with the GASB Statement No. 75's Required Supplementary Information requirements.

The District's contributions for the fiscal year ended June 30, 2023 were \$84,270. The District did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2023, therefore, the District does not need to comply with the GASB Statement No. 75's Required Supplementary Information requirements.

The District's contributions for the fiscal year ended June 30, 2022 were \$85,198. The District did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2022, therefore, the District does not need to comply with the GASB Statement No. 75's Required Supplementary Information requirements.

The District's contributions for the fiscal year ended June 30, 2021 were \$90,022. The District did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2021, therefore, the District does not need to comply with the GASB Statement No. 75's Required Supplementary Information requirements.

The District's contributions for the fiscal year ended June 30, 2020 were \$68,556. The District did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2020, therefore, the District does not need to comply with the GASB Statement No. 75's Required Supplementary Information requirements.

The District's contributions for the fiscal year ended June 30, 2019 were \$55,424. The District did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2019, therefore, the District does not need to comply with the GASB Statement No. 75's Required Supplementary Information requirements.

The District's contributions for the fiscal year ended June 30, 2018 were \$55,769. The District did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2018, therefore, the District does not need to comply with the GASB Statement No. 75's Required Supplementary Information requirements.



CAMBRIA COMMUNITY HEALTHCARE DISTRICT
BOARD AGENDA STAFF REPORT – 03

TO: Board of Directors
FROM: Linda Hendy, Administrator
DATE: January 28, 2025
DESCRIPTION: Ambulance Unit-23 Loan Agreement – Resolution 52-25

RECOMMENDATION

Recommend approving Resolution 52-25.

FISCAL IMPACT

Financing Ambulance Unit-23 in the amount of \$143,000.

DISCUSSION

On November 19, 2024, the Board of Directors approved a modified purchase agreement with Redsky Emergency Vehicles for one (1) Crestline Type III Ambulance at a cost of \$206,560.74. Community donations to the District Trust account and a 2024 grant award from the Cambria Community Council provided a down payment of \$63,560.74, leaving a remaining principal balance of \$143,000.

At the Board meeting on December 17, 2024, the District Directors unanimously approved financing through Republic First National Corporation. To proceed with the Government Obligation Contract with Republic First National Corporation, Resolution 52-25 is required.

ATTACHMENT(S)

1. Resolution 52-25
2. Republic First National Corporation Government Obligation Contract

BOARD ACTION

Motion to approve Resolution 52-25.

UNANIMOUS: __

MONTALVO __ MILEUR __ FEDOROFF __ MUMPER __ KULESA __



**BOARD OF DIRECTORS OF
CAMBRIA COMMUNITY HEALTHCARE DISTRICT
COUNTY OF SAN LUIS OBISPO
STATE OF CALIFORNIA**

CAMBRIA, CALIFORNIA

JANUARY 28, 2025

RESOLUTION 52-25

**AUTHORIZING THE PURCHASE OF A
CRESTLINE FORD E-450 TYPE III AMBULANCE
(VIN # 1FDWE3FN9SDD30243)
PURCHASED FROM REDSKY EMERGENCY VEHICLES**

WHEREAS, the Cambria Community Healthcare District (the “District”), provides ambulance services to the Northern Area of San Luis Obispo County as authorized by statute and by the San Luis Obispo County Public Health Department through the Emergency Medical Services Agency; and

WHEREAS, the District is a healthcare district duly organized and existing under and pursuant to the laws of the State of California; and

WHEREAS, on November 19, 2024, the District Board of Directors unanimously approved a motion to purchase a Type III ambulance with an estimated delivery in Fiscal Year 2024/2025; and

WHEREAS, funding for the ambulance and equipment purchase will be provided through financing with a selected finance company, grant funds received from Cambria Community Council, and community donations held in the District Trust account; and

WHEREAS, the District desires to secure financing in the amount of \$143,000 for the acquisition of a Crestline Ford E-450 Type III Ambulance; and

WHEREAS, Republic First National Corporation through KS State Bank has provided a cost-effective six-year installment sale financing arrangement at a 6.53% interest rate; and

WHEREAS, in accordance with California Government Code Section § 5852.1, the Board of Directors has obtained and disclosed the information set forth in Exhibit A hereto;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Cambria Community Healthcare District as follows:

1. The District Board of Directors finds and determines Republic First National Corporation through KS State Bank as the preferred financing option for purchasing the Crestline Ford E-450 Type III Ambulance (the "Property"),
2. The President of the Board of Directors, the Administrator, or a designee in writing (each an "Authorized Officer") is hereby authorized to enter into an installment Sale Agreement with Republic First National Corporation through KS State Bank to finance the Property with a six-year financing term with a 6.53% interest rate.
3. The Secretary of the Board or other appropriate District officer is hereby authorized and directed to attest the signature of the Authorized Officer as may be required or appropriate in connection with the execution and delivery of the installment Sale.
4. The Authorized Officer and other officers of the District each hereby authorized and directed, jointly and severally, to take any and all actions and to execute and deliver any and all documents, agreements, and certificates which they may deem necessary or advisable in order to carry out, give effect to and comply with the terms of this Resolution and the Installment Sale. Such actions are hereby ratified, confirmed, and approved.
5. The Installment Sale is hereby designated as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The District, together with the subordinate entities of the District, does not reasonably expect to issue during the calendar year in which the Installment Sale is issued more than \$10,000,000 of obligations which it could designate as "qualified tax-exempt obligations" under Section 26S(b) of the Code.

PASSED AND ADOPTED by the Cambria Community Healthcare District Board of Directors of San Luis Obispo County of State of California on January 28, 2025.

Cecilia Montalvo
CCHD Board President

ATTEST:

Igor Fedoroff
CCHD Board Secretary

3363613%CONTRACT%12.23.2024

GOVERNMENT OBLIGATION CONTRACT

Obligor

Cambria Community Healthcare District
2535 Main Street
Cambria, California 93428

Obligee

Republic First National Corporation
2525 West State Road 114
Rochester, Indiana 46975

Dated as of December 23, 2024

This Government Obligation Contract dated as of the date listed above is between Obligee and Obligor listed directly above. Obligee desires to finance the purchase of the Equipment described in Exhibit A to Obligor and Obligor desires to have Obligee finance the purchase of the Equipment subject to the terms and conditions of this Contract which are set forth below.

I. Definitions

Section 1.01 Definitions. The following terms will have the meanings indicated below unless the context clearly requires otherwise:

"Additional Schedule" refers to the proper execution of additional schedules to Exhibit A and Exhibit B, as well as other exhibits or documents that may be required by the Obligee all of which relate to the financing of additional Equipment.

"Budget Year" means the Obligor's fiscal year.

"Commencement Date" is the date when Obligor's obligation to pay Contract Payments begins.

"Contract" means this Government Obligation Contract and all Exhibits attached hereto, all addenda, modifications, schedules, refinancings, guarantees and all documents relied upon by Obligee prior to execution of this Contract.

"Contract Payments" means the payments Obligor is required to make under this Contract as set forth on Exhibit B.

"Contract Term" means the Original Term and all Renewal Terms.

"Exhibit" includes the Exhibits attached hereto, and any "Additional Schedule", whether now existing or subsequently created.

"Equipment" means all of the items of Equipment listed on Exhibit A and any Additional Schedule, whether now existing or subsequently created, and all replacements, restorations, modifications and improvements.

"Government" as used in the title hereof means a State or a political subdivision of the State within the meaning of Section 103(a) of the Internal Revenue Code of 1986, as amended ("Code"), or a constituted authority or district authorized to issue obligations on behalf of the State or political subdivision of the State within the meaning of Treasury Regulation 1.103-1(b), or a qualified volunteer fire company within the meaning of section 150(e)(1) of the Code.

"Obligee" means the entity originally listed above as Obligee or any of its assignees.

"Obligor" means the entity listed above as Obligor and which is financing the Equipment through Obligee under the provisions of this Contract.

"Original Term" means the period from the Commencement Date until the end of the Budget Year of Obligor.

"Partial Prepayment Date" means the first Contract Payment date that occurs on or after the earlier of (a) the twenty-four month (24) anniversary of the Commencement Date or (b) the date on which Obligor has accepted all the Equipment and all amounts have been disbursed from the Vendor Payable Account to pay for the Equipment.

"Purchase Price" means the total cost of the Equipment, including all delivery charges, installation charges, legal fees, financing costs, recording and filing fees and other costs necessary to vest full, clear legal title to the Equipment in Obligor, subject to the security interest granted to and retained by Obligee as set forth in this Contract, and otherwise incurred in connection with the financing of this Equipment.

"Renewal Term" means the annual term which begins at the end of the Original Term and which is simultaneous with Obligor's Budget Year and each succeeding Budget Year for the number of Budget Years necessary to comprise the Contract Term.

"State" means the state which Obligor is located.

"Surplus Amount" means any amount on deposit in the Vendor Payable Account on the Partial Prepayment Date.

"Vendor Payable Account" means the separate account of that name established pursuant to Section X of this Contract.

II. Obligor Warranties

Section 2.01 Obligor represents, warrants and covenants as follows for the benefit of Obligee or its assignees:

- (a) Obligor is an "issuer of tax exempt obligations" because Obligor is the State or a political subdivision of the State within the meaning of Section 103(a) of the Internal Revenue Code of 1986, as amended, (the "Code") or because Obligor is a constituted authority or district authorized to issue obligations on behalf of the State or political subdivision of the State within the meaning of Treasury Regulation 1.103-1(b), or a qualified volunteer fire company within the meaning of section 150(e)(1) of the Code.
- (b) Obligor has complied with any requirement for a referendum and/or competitive bidding.
- (c) Obligor has complied with all statutory laws and regulations that may be applicable to the execution of this Contract; Obligor, and its officer executing this Contract, are authorized under the Constitution and laws of the State to enter into this Contract and have used and followed all proper procedures of its governing body in executing and delivering this Contract. The officer of Obligor executing this Contract has the authority to execute and deliver this Contract. This Contract constitutes a legal, valid, binding and enforceable obligation of the Obligor in accordance with its terms.
- (d) Obligor shall use the Equipment only for essential, traditional government purposes.
- (e) Should the IRS disallow the tax-exempt status of the interest portion of the Contract Payments as a result of the failure of the Obligor to use the Equipment for governmental purposes, or should the Obligor cease to be an issuer of tax exempt obligations, or should the obligation of Obligor created under this Contract cease to be a tax exempt obligation for any reason, then Obligor shall be required to pay additional sums to the Obligee or its assignees so as to bring the after tax yield on this Contract to the same level as the Obligee or its assignees would attain if the transaction continued to be tax-exempt.
- (f) Obligor has never non-appropriated funds under a contract similar to this Contract.
- (g) Obligor will submit to the Secretary of the Treasury an information reporting statement as required by the Code.
- (h) Upon request by Obligee, Obligor will provide Obligee with current financial statements, reports, budgets or other relevant fiscal information.
- (i) Obligor shall retain the Equipment free of any hazardous substances as defined in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 et. seq as amended and supplemented.
- (j) Obligor hereby warrants the General Fund of the Obligor is the primary source of funds or a backup source of funds from which the Contract Payments will be made.
- (k) Obligor presently intends to continue this Contract for the Original Term and all Renewal Terms as set forth on Exhibit B hereto. The official of Obligor responsible for budget preparation will include in the budget request for each Budget Year the Contract Payments to become due in such Budget Year, and will use all reasonable and lawful means available to secure the appropriation of money for such Budget Year sufficient to pay the Contract Payments coming due therein. Obligor reasonably believes that moneys can and will lawfully be appropriated and made available for this purpose.
- (l) Obligor has selected both the Equipment and the vendor(s) from whom the Equipment is to be purchased upon its own judgment and without reliance on any manufacturer, merchant, vendor or distributor, or agent thereof, of such equipment to the public.
- (m) Obligor owns the Equipment and any additional collateral free and clear of any liens, and Obligor has not and will not, during the Contract Term, create, permit, incur or assume any liens, liens or encumbrances of any kind with respect to the Equipment or any additional collateral except those created by this Contract.
- (n) Obligor warrants, as applicable, the purchase of any telecommunications and video surveillance services or equipment financed hereunder complies with 2 CFR § 200.216 and 2 CFR § 200.471.
- (o) Obligor warrants that it understands and has complied with 2 CFR § 200.322 in relation to domestic preferences for procurements, as applicable.

Section 2.02 Escrow Agreement. In the event both Obligee and Obligor mutually agree to utilize an Escrow Account, then immediately following the execution and delivery of this Contract, Obligor and Obligor agree to execute and deliver and to cause Escrow Agent to execute and deliver the Escrow Agreement. This Contract shall take effect only upon execution and delivery of the Escrow Agreement by the parties thereto. Obligee shall deposit or cause to be deposited with the Escrow Agent for credit to the Equipment Acquisition Fund the sum of N/A, which shall be held, invested and disbursed in accordance with the Escrow Agreement.

III. Acquisition of Equipment, Contract Payments and the Purchase Option Price

Section 3.01 Acquisition and Acceptance. Obligor shall be solely responsible for the ordering of the Equipment and for the delivery and installation of the Equipment. The Payment Request and Equipment Acceptance Form must be signed by the same authorized individual(s) who signed the Signature Card, Exhibit G. By making a Contract Payment after its receipt of the Equipment pursuant to this Contract, Obligor shall be deemed to have accepted the Equipment on the date of such Contract Payment for purposes of this Contract. All Contract Payments paid prior to delivery of the Payment Request and Equipment Acceptance Form shall be credited to Contract Payments as they become due as shown on the Contract Payment Schedule attached as Exhibit B hereto.

Section 3.02 Contract Payments. Obligor shall pay Contract Payments exclusively to Obligee or its assignees in lawful, legally available money of the United States of America. The Contract Payments shall be sent to the location specified by the Obligee or its assignees. The Contract Payments shall constitute a current expense of the Obligor and shall not constitute an indebtedness of the Obligor. The Contract Payments, payable without notice or demand, are due as set forth on Exhibit B. Obligee shall have the option to charge interest at the highest lawful rate on any Contract Payment received later than the due date for the number of days that the Contract Payment(s) were late, plus any additional accrual on the outstanding balance for the number of days that the Contract Payment(s) were late. Obligee shall also have the option, on monthly payments only, to charge a late fee of up to 10% of the monthly Contract Payment that is past due. Furthermore, Obligor agrees to pay any fees associated with the use of a payment system other than check, wire transfer, or ACH. Once all amounts due Obligee hereunder have been received, Obligee will release any and all of its rights, title and interest in the Equipment.

SECTION 3.03 CONTRACT PAYMENTS UNCONDITIONAL. Except as provided under Section 4.01, THE OBLIGATIONS OF OBLIGOR TO MAKE CONTRACT PAYMENTS AND TO PERFORM AND OBSERVE THE OTHER COVENANTS CONTAINED IN THIS CONTRACT SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF, OR SUBJECT TO DEFENSE OR COUNTERCLAIM.

Section 3.04 Purchase Option Price. Upon thirty (30) days written notice, Obligor shall have the option to pay, in addition to the Contract Payment, the corresponding Purchase Option Price which is listed on the same line on Exhibit B. This option is only available to the Obligor on the Contract Payment date and no partial prepayments are allowed. If Obligor chooses this option and pays the Purchase Option Price to Obligee then Obligee will transfer any and all of its rights, title and interest in the Equipment to Obligor.

Section 3.05 Contract Term. The Contract Term shall be the Original Term and all Renewal Terms until all the Contract Payments are paid as set forth on Exhibit B except as provided under Section 4.01 and Section 9.01 below. If, after the end of the budgeting process which occurs at the end of the Original Term or any Renewal Term, Obligor has not non-appropriated as provided for in this Contract then the Contract Term shall be extended into the next Renewal Term and the Obligor shall be obligated to make all the Contract Payments that come due during such Renewal Term.

Section 3.06 Disclaimer of Warranties. OBLIGEE MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR ANY OTHER WARRANTY WITH RESPECT TO THE EQUIPMENT. OBLIGEE IS NOT A MANUFACTURER, SELLER, VENDOR OR DISTRIBUTOR, OR AGENT THEREOF, OF SUCH EQUIPMENT; NOR IS OBLIGEE A MERCHANT OR IN THE BUSINESS OF DISTRIBUTING SUCH EQUIPMENT TO THE PUBLIC. OBLIGEE SHALL NOT BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGE ARISING OUT OF THE INSTALLATION, OPERATION, POSSESSION, STORAGE OR USE OF THE EQUIPMENT BY OBLIGOR.

IV. Non-Appropriation

Section 4.01 Non-Appropriation. If insufficient funds are available in Obligor's budget for the next Budget Year to make the Contract Payments for the next Renewal Term and the funds to make such Contract Payments are otherwise unavailable by any lawful means whatsoever, then Obligor may non-appropriate the funds to pay the Contract Payments for the next Renewal Term. Such non-appropriation shall be evidenced by the passage of an ordinance or resolution by the governing body of Obligor specifically prohibiting Obligor from performing its obligations under this Contract and from using any moneys to pay the Contract Payments due under this Contract for a designated Budget Year and all subsequent Budget Years. If Obligor non-appropriates, then all obligations of the Obligor under this Contract regarding Contract Payments for all remaining Renewal Terms shall be terminated at the end of the then current Original Term or Renewal Term without penalty or liability to the Obligor of any kind provided that if Obligor has not delivered possession of the Equipment to Obligee as provided herein and conveyed to Obligee or released its interest in the Equipment by the end of the last Budget Year for which Contract Payments were paid, the termination shall nevertheless be effective but Obligor shall be responsible for the payment of damages in an amount equal to the amount of the Contract Payments thereafter coming due under Exhibit B which are attributable to the number of days after such Budget Year during which Obligor fails to take such actions and for any other loss suffered by Obligee as a result of Obligor's failure to take such actions as required. Obligor shall immediately notify the Obligee as soon as the decision to non-appropriate is made. If such non-appropriation occurs, then Obligor shall deliver the Equipment to Obligee as provided below in Section 9.04. Obligor shall be liable for all damage to the Equipment other than normal wear and tear. If Obligor fails to deliver the Equipment to Obligee, then Obligee may enter the premises where the Equipment is located and take possession of the Equipment and charge Obligor for costs incurred.

V. Insurance, Damage, Insufficiency of Proceeds

Section 5.01 Insurance. Obligor shall maintain both property insurance and liability insurance at its own expense with respect to the Equipment. Obligor shall be solely responsible for selecting the insurer(s) and for making all premium payments and ensuring that all policies are continuously kept in effect during the period when Obligor is required to make Contract Payments. Obligor shall provide Obligee with a certificate of insurance which lists the Obligee and/or assigns as a loss payee and an additional insured on the policies with respect to the Equipment.

- (a) Obligor shall insure the Equipment against any loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State and any other risks reasonably required by Obligee in an amount at least equal to the then applicable Purchase Option Price of the Equipment. Alternatively, Obligor may insure the Equipment under a blanket insurance policy or policies.
- (b) The liability insurance shall insure Obligee from liability and property damage in any form and amount satisfactory to Obligee.
- (c) Obligor may self-insure against the casualty risks and liability risks described above. If Obligor chooses this option, Obligor must furnish Obligee with a certificate and/or other documents which evidences such coverage.
- (d) All insurance policies issued or affected by this Section shall be so written or endorsed such that the Obligee and its assignees are named additional insureds and loss payees and that all losses are payable to Obligor and Obligee or its assignees as their interests may appear. Each policy issued or affected by this Section shall contain a provision that the insurance company shall not cancel or materially modify the policy without first giving thirty (30) days advance notice to Obligee or its assignees. Obligor shall furnish to Obligee certificates evidencing such coverage throughout the Contract Term.

Section 5.02 Damage to or Destruction of Equipment. Obligor assumes the risk of loss or damage to the Equipment. If the Equipment or any portion thereof is lost, stolen, damaged, or destroyed by fire or other casualty, Obligor will immediately report all such losses to all possible insurers and take the proper procedures to obtain all insurance proceeds. At the option of Obligee, Obligor shall either (1) apply the Net Proceeds to replace, repair or restore the Equipment or (2) apply the Net Proceeds to the applicable Purchase Option Price. For purposes of this Section and Section 5.03, the term Net Proceeds shall mean the amount of insurance proceeds collected from all applicable insurance policies after deducting all expenses incurred in the collection thereof.

Section 5.03 Insufficiency of Net Proceeds. If there are no Net Proceeds for whatever reason or if the Net Proceeds are insufficient to pay in full the cost of any replacement, repair, restoration, modification or improvement of the Equipment, then Obligor shall, at the option of Obligee, either (1) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds or (2) apply the Net Proceeds to the Purchase Option Price and pay the deficiency, if any, to the Obligee.

Section 5.04 Obligor Negligence. Obligor assumes all risks and liabilities, whether or not covered by insurance, for loss or damage to the Equipment and for injury to or death of any person or damage to any property whether such injury or death be with respect to agents or employees of Obligor or of third parties, and whether such property damage be to Obligor's property or the property of others (including, without limitation, liabilities for loss or damage related to the release or threatened release of hazardous substances under the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act or similar or successor law or any State or local equivalent now existing or hereinafter enacted which in any manner arise out of or are incident to any possession, use, operation, condition or storage of any Equipment by Obligor), which is proximately caused by the negligent conduct of Obligor, its officers, employees and agents.

Section 5.05 Reimbursement. Obligor hereby assumes responsibility for and agrees to reimburse Obligee for all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorneys' fees) of whatsoever kind and nature, imposed on, incurred by or asserted against Obligee that in any way relate to or arise out of a claim, suit or proceeding, based in whole or in part upon the negligent conduct of Obligor, its officers, employees and agents, or arose out of installation, operation, possession, storage or use of any item of the Equipment, to the maximum extent permitted by law.

VI. Title and Security Interest

Section 6.01 Title. Title to the Equipment shall vest in Obligor when Obligor acquires and accepts the Equipment. Title to the Equipment will automatically transfer to the Obligee in the event Obligor non-appropriates under Section 4.01 or in the event Obligor defaults under Section 9.01. In such event, Obligor shall execute and deliver to Obligee such documents as Obligee may request to evidence the passage of legal title to the Equipment to Obligee.

Section 6.02 Security Interest. To secure the payment of all Obligor's obligations under this Contract, as well as all other obligations, debts and liabilities, plus interest thereon, whether now existing or subsequently created, Obligor hereby grants to Obligee a security interest under the Uniform Commercial Code constituting a first lien on the Equipment described more fully on Exhibit A. Furthermore, Obligor agrees that any other collateral securing any other obligation(s) to Obligee, whether offered prior to or subsequent hereto, also secures this obligation. The security interest established by this section includes not only all additions, attachments, repairs and replacements to the Equipment but also all proceeds therefrom. Obligor authorizes Obligee to prepare and record any Financing Statement required under the Uniform Commercial Code to perfect the security interest created hereunder. Obligor agrees that any Equipment listed on Exhibit A is and will remain personal property and will not be considered a fixture even if attached to real property.

VII. Assignment

Section 7.01 Assignment by Obligor. All of Obligor's rights, title and/or interest in and to this Contract may be assigned and reassigned in whole or in part to one or more assignees or sub-assignees by Obligor at any time without the consent of Obligor. No such assignment shall be effective as against Obligor until the assignor shall have filed with Obligor written notice of assignment identifying the assignee. Obligor shall pay all Contract Payments due hereunder relating to such Equipment to or at the direction of Obligor or the assignee named in the notice of assignment. Obligor shall keep a complete and accurate record of all such assignments.

Section 7.02 Assignment by Obligor. None of Obligor's right, title and interest under this Contract and in the Equipment may be assigned by Obligor unless Obligor approves of such assignment in writing before such assignment occurs and only after Obligor first obtains an opinion from nationally recognized counsel stating that such assignment will not jeopardize the tax-exempt status of the obligation.

VIII. Maintenance of Equipment

Section 8.01 Equipment. Obligor shall keep the Equipment in good repair and working order, and as required by manufacturer's and warranty specifications. If Equipment consists of copiers, Obligor is required to enter into a copier maintenance/service agreement. Obligor shall have no obligation to inspect, test, service, maintain, repair or make improvements or additions to the Equipment under any circumstances. Obligor will be liable for all damage to the Equipment, other than normal wear and tear, caused by Obligor, its employees or its agents. Obligor shall pay for and obtain all permits, licenses and taxes related to the ownership, installation, operation, possession, storage or use of the Equipment. If any fees are required to be paid by the California Debt & Investment Advisory Commission then such fees shall be paid directly from the Obligor to the California Debt & Investment Advisory Commission. If the Equipment includes any titled vehicle(s), then Obligor is responsible for obtaining such title(s) from the State and also for ensuring that Obligor is listed as First Lienholder on all of the title(s). Obligor shall not use the Equipment to haul, convey or transport hazardous waste as defined in the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et. seq. Obligor agrees that Obligor or its Assignee may execute any additional documents including financing statements, affidavits, notices, and similar instruments, for and on behalf of Obligor which Obligor deems necessary or appropriate to protect Obligor's interest in the Equipment and in this Contract. Obligor shall allow Obligor to examine and inspect the Equipment at all reasonable times.

IX. Default

Section 9.01 Events of Default defined. The following events shall constitute an "Event of Default" under this Contract:

- (a) Failure by Obligor to pay any Contract Payment listed on Exhibit B for fifteen (15) days after such payment is due according to the Payment Date listed on Exhibit B.
- (b) Failure to pay any other payment required to be paid under this Contract at the time specified herein and a continuation of said failure for a period of fifteen (15) days after written notice by Obligor that such payment must be made. If Obligor continues to fail to pay any payment after such period, then Obligor may, but will not be obligated to, make such payments and charge Obligor for all costs incurred plus interest at the highest lawful rate.
- (c) Failure by Obligor to observe and perform any warranty, covenant, condition, promise or duty under this Contract for a period of thirty (30) days after written notice specifying such failure is given to Obligor by Obligor, unless Obligor agrees in writing to an extension of time. Obligor will not unreasonably withhold its consent to an extension of time if corrective action is instituted by Obligor. Subsection (c) does not apply to Contract Payments and other payments discussed above.
- (d) Any statement, material omission, representation or warranty made by Obligor in or pursuant to this Contract which proves to be false, incorrect or misleading on the date when made regardless of Obligor's intent and which materially adversely affects the rights or security of Obligor under this Contract.
- (e) Any provision of this Contract which ceases to be valid for whatever reason and the loss of such provision would materially adversely affect the rights or security of Obligor.
- (f) Except as provided in Section 4.01 above, Obligor admits in writing its inability to pay its obligations.
- (g) Obligor defaults on one or more of its other obligations.
- (h) Obligor becomes insolvent, is unable to pay its debts as they become due, makes an assignment for the benefit of creditors, applies for or consents to the appointment of a receiver, trustee, conservator, custodian, or liquidator of Obligor, or all or substantially all of its assets, or a petition for relief is filed by Obligor under federal bankruptcy, insolvency or similar laws, or is filed against Obligor and is not dismissed within thirty (30) days thereafter.

Section 9.02 Remedies on Default. Whenever any Event of Default exists, Obligor shall have the right to take one or any combination of the following remedial steps:

- (a) With or without terminating this Contract, Obligor may declare all Contract Payments and other amounts payable by Obligor hereunder to the end of the then current Budget Year to be immediately due and payable.
- (b) With or without terminating this Contract, Obligor may require Obligor at Obligor's expense to redeliver any or all of the Equipment and any additional collateral to Obligor as provided below in Section 9.04. Such delivery shall take place within fifteen (15) days after the Event of Default occurs. If Obligor fails to deliver the Equipment and any additional collateral, Obligor may enter the premises where the Equipment and any additional collateral is located and take possession of the Equipment and any additional collateral and charge Obligor for costs incurred. Notwithstanding that Obligor has taken possession of the Equipment and any additional collateral, Obligor shall still be obligated to pay the remaining Contract Payments due up until the end of the then current Original Term or Renewal Term. Obligor will be liable for any damage to the Equipment and any additional collateral caused by Obligor or its employees or agents.
- (c) Obligor may take whatever action at law or in equity that may appear necessary or desirable to enforce its rights. Obligor shall be responsible to Obligor for all costs incurred by Obligor in the enforcement of its rights under this Contract including, but not limited to, reasonable attorney fees.

Section 9.03 No Remedy Exclusive. No remedy herein conferred upon or reserved to Obligor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Contract 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 shall be construed to be a waiver thereof.

Section 9.04 Return of Equipment and Storage.

- (a) **Surrender:** The Obligor shall, at its own expense, surrender the Equipment, any additional collateral and all required documentation to evidence transfer of title from Obligor to the Obligor in the event of a default or a non-appropriation by delivering the Equipment and any additional collateral to the Obligor to a location accessible by common carrier and designated by Obligor. In the case that any of the Equipment and any additional collateral consists of software, Obligor shall destroy all intangible items constituting such software and shall deliver to Obligor all tangible items constituting such software. At Obligor's request, Obligor shall also certify in a form acceptable to Obligor that Obligor has complied with the above software return provisions and that they will immediately cease using the software and that they shall permit Obligor and/or the vendor of the software to inspect Obligor's locations to verify compliance with the terms hereto.
- (b) **Delivery:** The Equipment and any additional collateral shall be delivered to the location designated by the Obligor by a common carrier unless the Obligor agrees in writing that a common carrier is not needed. When the Equipment and any additional collateral is delivered into the custody of a common carrier, the Obligor shall arrange for the shipping of the item and its insurance in transit in accordance with the Obligor's instructions and at the Obligor's sole expense. Obligor at its expense shall completely sever and disconnect the Equipment and any additional collateral or its component parts from the Obligor's property all without liability to the Obligor. Obligor shall pack or crate the Equipment and any additional collateral and all of the component parts of the Equipment and any additional collateral carefully and in accordance with any recommendations of the manufacturer. The Obligor shall deliver to the Obligor the plans, specifications, operation manuals or other warranties and documents furnished by the manufacturer or vendor on the Equipment and any additional collateral and such other documents in the Obligor's possession relating to the maintenance and methods of operation of such Equipment and any additional collateral.
- (c) **Condition:** When the Equipment is surrendered to the Obligor it shall be in the condition and repair required to be maintained under this Contract. It will also meet all legal regulatory conditions necessary for the Obligor to sell or lease it to a third party and be free of all liens. If Obligor reasonably determines that the Equipment or an item of the Equipment, once it is returned, is not in the condition required hereby, Obligor may cause the repair, service, upgrade, modification or overhaul of the Equipment or an item of the Equipment to achieve such condition and upon demand, Obligor shall promptly reimburse Obligor for all amounts reasonably expended in connection with the foregoing.
- (d) **Storage:** Upon written request by the Obligor, the Obligor shall provide free storage for the Equipment and any additional collateral for a period not to exceed 60 days after the expiration of the Contract Term before returning it to the Obligor. The Obligor shall arrange for the insurance described to continue in full force and effect with respect to such item during its storage period and the Obligor shall reimburse the Obligor on demand for the incremental premium cost of providing such insurance.

X. Vendor Payable Account

Section 10.01 Establishment of Vendor Payable Account. On the date that the Obligor executed this Contract, which is on or after the date that the Obligor executes this Contract, Obligor agrees to (i) make available to Obligor an amount sufficient to pay the total Purchase Price for the Equipment by establishing a separate, non-interest bearing account (the "Vendor Payable Account"), as agent for Obligor's account, with a financial institution that Obligor selects that is acceptable to Obligor (including Obligor or any of its affiliates) and (ii) to deposit an amount equal to such Purchase Price as reflected on Exhibit B in the Vendor Payable Account. Obligor hereby further agrees to make the representations, warranties and covenants relating to the Vendor Payable Account as set forth in Exhibit C attached hereto. Upon Obligor's delivery to Obligor of a Payment Request and Equipment Acceptance Form in the form set forth in Exhibit F attached hereto, Obligor authorizes Obligor to withdraw funds from the Vendor Payable Account from time to time to pay the Purchase Price, or a portion thereof, for each item of Equipment as it is delivered to Obligor. The Payment Request and Equipment Acceptance Form must be signed by an authorized individual acting on behalf of Obligor. The authorized individual or individuals designated by the Obligor must sign the Signature Card which will be kept in the possession of the Obligor.

Section 10.02 Down Payment. Prior to the disbursement of any funds from the Vendor Payable Account, the Obligor must either (1) deposit all the down payment funds that the Obligor has committed towards the purchase of the Equipment into the Vendor Payable Account or (2) Obligor must provide written verification to the satisfaction of the Obligor that all the down payment funds Obligor has committed towards the purchase of the Equipment have already been spent or are simultaneously being spent with the funds requested from the initial Payment Request

and Equipment Acceptance Form. For purposes of this Section, the down payment funds committed towards the Equipment from the Obligor are the down payment funds that were represented to the Oblgee at the time this transaction was submitted for credit approval by the Obligor to the Oblgee.

Section 10.03 Disbursement upon Non-Appropriation or Default. If an event of non-appropriation or default occurs prior to the Partial Prepayment Date, the amount then on deposit in the Vendor Payable Account shall be retained by the Oblgee and Obligor will have no interest therein.

Section 10.04 Surplus Amount. Any Surplus Amount then on deposit in the Vendor Payable Account on the Partial Prepayment Date shall, at Oblgee's sole discretion, either a) be returned to Obligor, or b) be applied to pay on such Partial Prepayment Date a portion of the Purchase Option Price then applicable.

Section 10.05 Recalculation of Contract Payments. Should Oblgee decide to apply the Surplus Amount to the then applicable Purchase Option Price as provided in Section 10.04 above, each Contract Payment thereafter shall be reduced by an amount calculated by Oblgee based upon a fraction the numerator of which is the Surplus Amount and the denominator of which is the Purchase Option Price on such Partial Prepayment Date. Within 15 days after such Partial Prepayment Date, Oblgee shall provide to Obligor a revised Exhibit B to this Contract, which shall take into account such payment of a portion of the Purchase Option Price thereafter and shall be and become thereafter Exhibit B to this Contract. Notwithstanding any other provision of this Section 10, this Contract shall remain in full force and effect with respect to all or the portion of the Equipment accepted by Obligor as provided in this Contract, and the portion of the principal component of Contract Payments remaining unpaid after the Partial Prepayment Date plus accrued interest thereon shall remain payable in accordance with the terms of this Contract, including revised Exhibit B hereto which shall be binding and conclusive upon Oblgee and Obligor.

XI. Miscellaneous

Section 11.01 Notices. All notices shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties at their respective places of business as first set forth herein or as the parties shall designate hereafter in writing.

Section 11.02 Binding Effect. Obligor acknowledges this Contract is not binding upon the Oblgee or its assignees unless the Conditions to Funding listed on the Documentation Instructions have been met to Oblgee's satisfaction, and Oblgee has executed the Contract. Thereafter, this Contract shall inure to the benefit of and shall be binding upon Oblgee and Obligor and their respective successors and assigns.

Section 11.03 Severability. In the event any provision of this Contract 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 11.04 Amendments, Addenda, Changes or Modifications. This Contract may be amended, added to, changed or modified by written agreement duly executed by Oblgee and Obligor. Furthermore, Oblgee reserves the right to directly charge or amortize into the remaining balance due from Obligor, a reasonable fee, to be determined at that time, as compensation to Oblgee for the additional administrative expense resulting from such amendment, addenda, change or modification requested by Obligor.

Section 11.05 Execution in Counterparts and Electronic Signatures. This Contract may be simultaneously executed in several counterparts, including electronically, each of which shall be an original and all of which shall constitute one and the same instrument.

Section 11.06 Captions. The captions or headings in this Contract do not define, limit or describe the scope or intent of any provisions or sections of this Contract.

Section 11.07 Master Contract. This Contract can be utilized as a Master Contract. This means that the Oblgee and the Obligor may agree to the financing of additional Equipment under this Contract at some point in the future by executing one or more Additional Schedules to Exhibit A and Exhibit B, as well as other exhibits or documents that may be required by Oblgee. Additional Schedules will be consecutively numbered on each of the exhibits which make up the Additional Schedule and all the terms and conditions of the Contract shall govern each Additional Schedule.

Section 11.08 Entire Writing. This Contract constitutes the entire writing between Oblgee and Obligor. No waiver, consent, modification or change of terms of this Contract shall bind either party unless in writing and signed by both parties, and then such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements, representations, conditions, or warranties, express or implied, which are not specified herein regarding this Contract, the Equipment or any additional collateral, financed hereunder. Any terms and conditions of any purchase order or other documents submitted by Obligor in connection with this Contract which are in addition to or inconsistent with the terms and conditions of this Contract will not be binding on Oblgee and will not apply to this Contract.

Oblgee and Obligor have caused this Contract to be executed in their names by their duly authorized representatives listed below.

Cambria Community Healthcare District

E-SIGNED by Linda Hendy
on 2025-01-03 09:55:47 CST

Signature

Linda Hendy, Administrator/Finance

Printed Name and Title

Republic First National Corporation

E-SIGNED by Monica Huffman
on 2025-01-06 08:02:01 CST

Signature

Monica Huffman, Assistant Secretary

Printed Name and Title

EXHIBIT A
DESCRIPTION OF EQUIPMENT

RE: Government Obligation Contract dated as of December 23, 2024, between Republic First National Corporation (Obligee) and Cambria Community Healthcare District (Obligor)

Below is a detailed description of all the items of Equipment including quantity, model number and serial number where applicable:

One (1) New Crestline Ford E-450 Type III Ambulance

Physical Address of Equipment after Delivery : 2535 Main Street, Cambria, CA 93428

EXHIBIT B
PAYMENT SCHEDULE

RE: Government Obligation Contract dated as of December 23, 2024, between Republic First National Corporation (Obligee) and Cambria Community Healthcare District (Obligor)

Date of First Payment: February 15, 2025
 Original Balance: \$143,000.00
 Total Number of Payments: Seventy-Two (72)
 Number of Payments Per Year: Twelve (12)

Pmt No.	Due Date	Contract Payment	Applied to Interest	Applied to Principal	*Purchase Option Price
1	15-Feb-25	\$2,418.80	\$1,386.76	\$1,032.04	Not Available
2	15-Mar-25	\$2,418.80	\$777.45	\$1,641.35	Not Available
3	15-Apr-25	\$2,418.80	\$768.46	\$1,650.34	\$142,568.19
4	15-May-25	\$2,418.80	\$759.42	\$1,659.38	\$140,809.96
5	15-Jun-25	\$2,418.80	\$750.33	\$1,668.47	\$139,043.58
6	15-Jul-25	\$2,418.80	\$741.20	\$1,677.60	\$137,269.02
7	15-Aug-25	\$2,418.80	\$732.01	\$1,686.79	\$135,486.23
8	15-Sep-25	\$2,418.80	\$722.77	\$1,696.03	\$133,695.18
9	15-Oct-25	\$2,418.80	\$713.48	\$1,705.32	\$131,895.83
10	15-Nov-25	\$2,418.80	\$704.15	\$1,714.65	\$130,088.15
11	15-Dec-25	\$2,418.80	\$694.76	\$1,724.04	\$128,272.09
12	15-Jan-26	\$2,418.80	\$685.31	\$1,733.49	\$126,447.62
13	15-Feb-26	\$2,418.80	\$675.82	\$1,742.98	\$124,614.69
14	15-Mar-26	\$2,418.80	\$666.28	\$1,752.52	\$122,773.27
15	15-Apr-26	\$2,418.80	\$656.68	\$1,762.12	\$120,923.32
16	15-May-26	\$2,418.80	\$647.03	\$1,771.77	\$119,064.80
17	15-Jun-26	\$2,418.80	\$637.33	\$1,781.47	\$117,197.67
18	15-Jul-26	\$2,418.80	\$627.57	\$1,791.23	\$115,321.89
19	15-Aug-26	\$2,418.80	\$617.76	\$1,801.04	\$113,437.41
20	15-Sep-26	\$2,418.80	\$607.90	\$1,810.90	\$111,544.20
21	15-Oct-26	\$2,418.80	\$597.98	\$1,820.82	\$109,642.22
22	15-Nov-26	\$2,418.80	\$588.01	\$1,830.79	\$107,731.43
23	15-Dec-26	\$2,418.80	\$577.99	\$1,840.81	\$105,811.79
24	15-Jan-27	\$2,418.80	\$567.90	\$1,850.90	\$103,883.25
25	15-Feb-27	\$2,418.80	\$557.77	\$1,861.03	\$101,945.78
26	15-Mar-27	\$2,418.80	\$547.58	\$1,871.22	\$99,999.33
27	15-Apr-27	\$2,418.80	\$537.33	\$1,881.47	\$98,043.86
28	15-May-27	\$2,418.80	\$527.03	\$1,891.77	\$96,079.33
29	15-Jun-27	\$2,418.80	\$516.67	\$1,902.13	\$94,105.70
30	15-Jul-27	\$2,418.80	\$506.25	\$1,912.55	\$92,122.92
31	15-Aug-27	\$2,418.80	\$495.78	\$1,923.02	\$90,130.96
32	15-Sep-27	\$2,418.80	\$485.25	\$1,933.55	\$88,129.77
33	15-Oct-27	\$2,418.80	\$474.66	\$1,944.14	\$86,119.30
34	15-Nov-27	\$2,418.80	\$464.01	\$1,954.79	\$84,099.52
35	15-Dec-27	\$2,418.80	\$453.31	\$1,965.49	\$82,070.38
36	15-Jan-28	\$2,418.80	\$442.54	\$1,976.26	\$80,031.84

EXHIBIT B - CONTINUED

PAYMENT SCHEDULE

RE: Government Obligation Contract dated as of December 23, 2024, between Republic First National Corporation (Obligee) and Cambria Community Healthcare District (Obligor)

Pmt No.	Due Date	Contract Payment	Applied to Interest	Applied to Principal	*Purchase Option Price
37	15-Feb-28	\$2,418.80	\$431.72	\$1,987.08	\$77,983.85
38	15-Mar-28	\$2,418.80	\$420.84	\$1,997.96	\$75,926.38
39	15-Apr-28	\$2,418.80	\$409.90	\$2,008.90	\$73,859.37
40	15-May-28	\$2,418.80	\$398.90	\$2,019.90	\$71,782.79
41	15-Jun-28	\$2,418.80	\$387.84	\$2,030.96	\$69,696.58
42	15-Jul-28	\$2,418.80	\$376.71	\$2,042.09	\$67,600.71
43	15-Aug-28	\$2,418.80	\$365.53	\$2,053.27	\$65,495.13
44	15-Sep-28	\$2,418.80	\$354.29	\$2,064.51	\$63,379.79
45	15-Oct-28	\$2,418.80	\$342.98	\$2,075.82	\$61,254.65
46	15-Nov-28	\$2,418.80	\$331.61	\$2,087.19	\$59,119.66
47	15-Dec-28	\$2,418.80	\$320.18	\$2,098.62	\$56,974.78
48	15-Jan-29	\$2,418.80	\$308.69	\$2,110.11	\$54,819.96
49	15-Feb-29	\$2,418.80	\$297.14	\$2,121.66	\$52,655.16
50	15-Mar-29	\$2,418.80	\$285.52	\$2,133.28	\$50,480.33
51	15-Apr-29	\$2,418.80	\$273.83	\$2,144.97	\$48,295.42
52	15-May-29	\$2,418.80	\$262.09	\$2,156.71	\$46,100.39
53	15-Jun-29	\$2,418.80	\$250.28	\$2,168.52	\$43,895.19
54	15-Jul-29	\$2,418.80	\$238.40	\$2,180.40	\$41,679.77
55	15-Aug-29	\$2,418.80	\$226.46	\$2,192.34	\$39,454.09
56	15-Sep-29	\$2,418.80	\$214.46	\$2,204.34	\$37,218.09
57	15-Oct-29	\$2,418.80	\$202.38	\$2,216.42	\$34,971.73
58	15-Nov-29	\$2,418.80	\$190.25	\$2,228.55	\$32,714.97
59	15-Dec-29	\$2,418.80	\$178.04	\$2,240.76	\$30,447.75
60	15-Jan-30	\$2,418.80	\$165.77	\$2,253.03	\$28,170.02
61	15-Feb-30	\$2,418.80	\$153.43	\$2,265.37	\$25,881.74
62	15-Mar-30	\$2,418.80	\$141.03	\$2,277.77	\$23,582.86
63	15-Apr-30	\$2,418.80	\$128.56	\$2,290.24	\$21,273.33
64	15-May-30	\$2,418.80	\$116.01	\$2,302.79	\$18,953.10
65	15-Jun-30	\$2,418.80	\$103.40	\$2,315.40	\$16,622.12
66	15-Jul-30	\$2,418.80	\$90.72	\$2,328.08	\$14,280.34
67	15-Aug-30	\$2,418.80	\$77.97	\$2,340.83	\$11,927.71
68	15-Sep-30	\$2,418.80	\$65.16	\$2,353.64	\$9,564.18
69	15-Oct-30	\$2,418.80	\$52.27	\$2,366.53	\$7,189.69
70	15-Nov-30	\$2,418.80	\$39.31	\$2,379.49	\$4,804.20
71	15-Dec-30	\$2,418.80	\$26.28	\$2,392.52	\$2,407.66
72	15-Jan-31	\$2,418.80	\$13.12	\$2,405.68	\$0.00

Cambria Community Healthcare District

E-SIGNED by Linda Hendy
on 2025-01-03 09:49:15 CST

Signature

Linda Hendy, Administrator/Finance

Printed Name and Title

*Assumes all Contract Payments due to date are paid

EXHIBIT C
ACCEPTANCE OF OBLIGATION
TO COMMENCE CONTRACT PAYMENTS UNDER EXHIBIT B

RE: Government Obligation Contract dated as of December 23, 2024, between Republic First National Corporation (Obligee) and Cambria Community Healthcare District (Obligor)

I, the undersigned, hereby certify that I am a duly qualified representative of Obligor and that I have been given the authority by the governing body of Obligor to sign this Acceptance of Obligation to commence Contract Payments with respect to the above referenced Contract. I hereby certify that:

1. The Equipment described on Exhibit A has not been delivered, installed or available for use as of the Commencement date of this Contract.
2. Obligor acknowledges that Obligee has agreed to deposit into a Vendor Payable Account an amount sufficient to pay the total purchase price (the "Purchase Price") for the Equipment so identified in such Exhibit A;
3. The principal amount of the Contract Payments in the Exhibit B accurately reflects the Purchase Price;
4. Obligor agrees to execute a Payment Request and Equipment Acceptance Form authorizing payment of the Purchase Price, or a portion thereof, for each withdrawal of funds from the Vendor Payable Account.

Notwithstanding that the Equipment has not been delivered to or accepted by Obligor on the date of execution of the Contract, Obligor hereby warrants that:

- (a) Obligor's obligation to commence Contract Payments as set forth in Exhibit B is absolute and unconditional as of the Commencement Date and on each date set forth in Exhibit B thereafter, subject to the terms and conditions of the Contract;
- (b) immediately upon delivery and acceptance of all the Equipment, Obligor will notify Obligee of Obligor's final acceptance of the Equipment by delivering to Obligee the "Payment Request and Equipment Acceptance Form" in the form set forth in Exhibit F attached to the Contract;
- (c) in the event that any Surplus Amount is on deposit in the Vendor Payable Account when an event of non-appropriation or default under the Contract occurs, then those amounts shall be applied as provided in Section 10 of the Contract;
- (d) regardless of whether Obligor delivers a final Payment Request and Equipment Acceptance Form, all Contract Payments paid prior to delivery of all the Equipment shall be credited to Contract Payments as they become due under the Contract as set forth in Exhibit B.

Cambria Community Healthcare District

E-SIGNED by Linda Hendy
on 2025-01-03 09:55:50 CST

Signature

Linda Hendy, Administrator/Finance

Printed Name and Title

EXHIBIT D
OBLIGOR RESOLUTION

RE: Government Obligation Contract dated as of December 23, 2024, between Republic First National Corporation (Obligee) and Cambria Community Healthcare District (Obligor)

At a duly called meeting of the Governing Body of the Obligor (as defined in the Contract) held on January 28, 2025 the following resolution was introduced and adopted:

BE IT RESOLVED by the Governing Body of Obligor as follows:

- Determination of Need.** The Governing Body of Obligor has determined that a true and very real need exists for the acquisition of the Equipment described on Exhibit A of the Government Obligation Contract dated as of December 23, 2024, between Cambria Community Healthcare District (Obligor) and Republic First National Corporation (Obligee).
- Approval and Authorization.** The Governing Body of Obligor has determined that the Contract, substantially in the form presented to this meeting, is in the best interests of the Obligor for the acquisition of such Equipment, and the Governing Body hereby approves the entering into of the Contract by the Obligor and hereby designates and authorizes the following person(s) to execute and deliver the Contract on Obligor's behalf with such changes thereto as such person(s) deem(s) appropriate, and any related documents, including any Escrow Agreement, necessary to the consummation of the transaction contemplated by the Contract.

Authorized Individual(s): Linda Hendy, Administrator/Finance
(Typed or Printed Name and Title of individual(s) authorized to execute the Contract)

- Adoption of Resolution.** The signatures below from the designated individuals from the Governing Body of the Obligor evidence the adoption by the Governing Body of this Resolution.

Signature: E-SIGNED by Linda Hendy
on 2025-01-03 09:49:53 CST
(Signature of Board Chairman or other authorized member of the Obligor's Governing Body)

Printed Name & Title: Linda Hendy, Administrator/Finance
(Printed Name and Title of individual who signed directly above)

Attested By: E-SIGNED by Timothy Nurge
on 2025-01-03 13:34:00 CST
(Signature of Obligor's Board Secretary or Board Clerk)

Printed Name & Title: Timothy Nurge, Operations Manager
(Printed Name of individual who signed directly above)

EXHIBIT E
OFFICER'S CERTIFICATE

RE: Government Obligation Contract dated as of December 23, 2024, between Republic First National Corporation (Obligee) and Cambria Community Healthcare District (Obligor)

I, the undersigned, hereby certify that I am a duly qualified representative of Obligor and that I have been given the authority by the governing body of Obligor to sign this Officer's Certificate with respect to the above referenced Contract. I hereby certify that:

1. Obligor has appropriated and/or taken other lawful actions necessary to provide moneys sufficient to pay all Contract Payments required to be paid under the Contract during the current Budget Year of Obligor, and such moneys will be applied in payment of all Contract Payments due and payable during such current Budget Year.
2. Obligor has obtained insurance coverage as required under the Contract from an insurer qualified to do business in the State.
3. No event or condition that constitutes or would constitute an Event of Default exists as of the date hereof.
4. The governing body of Obligor has approved the authorization, execution and delivery of this Contract on its behalf by the authorized representative of Obligor who signed the Contract.
5. Please list the Source of Funds (Fund Item in Budget) for the Contract Payments that come due under Exhibit B of this Contract.

Source of Funds : General

By signing below, Obligor hereby authorizes the General Fund of the Obligor as a backup source of funds from which the Contract Payments can be made.

Cambria Community Healthcare District

E-SIGNED by Linda Hendy
on 2025-01-03 09:50:00 CST

Signature

Linda Hendy, Administrator/Finance

Printed Name and Title

EXHIBIT F

PAYMENT REQUEST AND EQUIPMENT ACCEPTANCE FORM

RE: Government Obligation Contract dated as of December 23, 2024, between Republic First National Corporation (Obligee) and Cambria Community Healthcare District (Obligor)

In accordance with Section 10.01, by executing this Payment Request and Equipment Acceptance Form the Obligor hereby represents that the Payee or Payees listed below who are requesting payment have delivered the Equipment or a portion of the Equipment or performed the services to the satisfaction of the Obligor and that the amounts requested below by the Payee or Payees are proportionate with the value of the Equipment delivered or services rendered by the Payee or Payees. The Obligor hereby represents and warrants for all purposes that:

1. Pursuant to the invoice attached hereto, the amount to be disbursed is \$ _____ and this amount is consistent with the Contract between Obligor and vendor.
2. Payment is to be made to: Payee: RedSky Fire Apparatus LLC dba RedSky Emergency Vehicles
3. The undersigned certifies that the following documents are attached to this Payment Request and Equipment Acceptance Form when there is a request for a release of funds from the Vendor Payable Account to pay for a portion, or all, of the Equipment: (1) Invoice from the vendor, (2) copy of the Contract between Obligor and vendor (if requested by the Obligee), (3) Insurance Certificate (if applicable), (4) front and back copy of the original MSO/Title listing KS StateBank and/or its assigns as the first lien holder (if applicable). By executing this Payment Request and Equipment Acceptance Form and attaching the documents as required above, the Obligor shall be deemed to have accepted this portion of the Equipment for all purposes under the Contract, including, without limitation, the obligation of Obligor to make the Contract Payments with respect thereto in a proportionate amount of the total Contract Payment.
4. No amount listed in this exhibit was included in any such exhibit previously submitted.
5. Each disbursement hereby requested has been incurred and is a proper charge against the Vendor Payable Account. No amount hereby requested to be disbursed will be paid to Obligor as reimbursement for any expenditure paid by Obligor more than 60 days prior to the date of execution and delivery of the Contract.
6. The Equipment referenced in the attached has been delivered, installed, inspected and tested as necessary and in accordance with Obligor's specifications and accepted for all purposes.
7. That Obligor is or will be the title owner to the Equipment referenced in the attached, and that in the event that any third party makes a claim to such title that Obligor will take all measures necessary to secure title including, without limitation, the appropriation of additional funds to secure title to such Equipment, or a portion thereof, and keep the Contract in full force and effect. Furthermore, Obligor has obtained insurance coverage as required under the Contract from an insurer qualified to do business in the State.
8. Obligor has appropriated and/or taken other lawful actions necessary to provide moneys sufficient to pay all Contract Payments required to be paid under the Contract during the current Budget Year of Obligor, and such moneys will be applied in payment of all Contract Payments due and payable during such current Budget Year.
9. No event or condition that constitutes or would constitute an Event of Default exists as of the date hereof.

I, the undersigned, hereby certify that I am a duly qualified representative of Obligor and that I have been given the authority by the governing body of Obligor to sign this Payment Request and Equipment Acceptance Form.

Please forward this document and any correspondence relating to vendor payment to:

Email: monica@rfnonline.com

or

Fax: 800-865-8517

Please call 800-700-7878 if you have any questions.

Cambria Community Healthcare District

E-SIGNED by Linda Hendy
on 2025-01-03 09:50:08 CST

Signature

Linda Hendy, Administrator/Finance

Printed Name and Title

EXHIBIT G
SIGNATURE CARD

RE: Government Obligation Contract dated as of December 23, 2024, between Republic First National Corporation (Obligee) and Cambria Community Healthcare District (Obligor)

The below signatures will be used for purposes of verifying the signature on a Payment Request and Equipment Acceptance Form prior to making payments from the Equipment Acquisition Fund or Vendor Payable Account. By signing below, the undersigned represents and warrants that s/he has received all appropriate authority from Cambria Community Healthcare District.

Cambria Community Healthcare District

E-SIGNED by Linda Hendy
on 2025-01-03 09:50:12 CST

Signature

Linda Hendy, Administrator/Finance

Printed Name and Title

Signature of additional authorized individual (optional) of Obligor

E-SIGNED by Timothy Nurge
on 2025-01-03 13:34:52 CST

Signature

Timothy Nurge, Operations Manager

Printed Name and Title

EXHIBIT H
OBLIGOR ACKNOWLEDGEMENT

RE: Government Obligation Contract dated as of December 23, 2024, between Republic First National Corporation (Obligee) and Cambria Community Healthcare District (Obligor)

Obligor hereby acknowledges that it has ordered or caused to be ordered the equipment that is the subject of the above-mentioned Contract.

Please complete the below information, attach another page if necessary

Vendor Name: RedSky Fire Apparatus LLC dba RedSky Emergency Vehicles
Equipment: One (1) New Crestline Ford E-450 Type III Ambulance
Cost of Equipment: \$206,560.74

Vendor Name: _____
Equipment: _____
Cost of Equipment: _____

Vendor Name: _____
Equipment: _____
Cost of Equipment: _____

Vendor Name: _____
Equipment: _____
Cost of Equipment: _____

Vendor Name: _____
Equipment: _____
Cost of Equipment: _____

Obligor will immediately notify Obligee if any of the information listed above is changed.

EXHIBIT I
BANK QUALIFIED CERTIFICATE

RE: Government Obligation Contract dated as of December 23, 2024, between Republic First National Corporation (Obligee) and Cambria Community Healthcare District (Obligor)

Whereas, Obligor hereby represents that it is a "Bank Qualified" Issuer for the calendar year in which this Contract is executed by making the following designations with respect to Section 265 of the Internal Revenue Code of 1986, as amended (the "Code"). (A "Bank Qualified Issuer" is an issuer that issues less than ten million (\$10,000,000) dollars of tax-exempt obligations other than "private activity bonds" as defined in Section 141 of the Code, excluding certain "qualified 501(c)(3) bonds" as defined in Section 145 of the Code, during the calendar year).

Now, therefor, Obligor hereby designates this Contract as follows:

1. **Designation as Qualified Tax-Exempt Obligation.** Pursuant to Section 265(b)(3)(B)(i) of the Code, the Obligor hereby specifically designates the Contract as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code. In compliance with Section 265(b)(3)(D) of the Code, the Obligor hereby represents that the Obligor will not designate more than \$10,000,000 of obligations issued by the Obligor in the calendar year during which the Contract is executed and delivered as such "qualified tax-exempt obligations".
2. **Issuance Limitation.** In compliance with the requirements of Section 265(b)(3)(C) of the Code, the Obligor hereby represents that the Obligor (including all subordinate entities of the Obligor within the meaning of Section 265(b)(3)(E) of the Code) reasonably anticipates not to issue in the calendar year during which the Contract is executed and delivered, obligations bearing interest exempt from federal income taxation under Section 103 of the Code (other than "private activity bonds" as defined in Section 141 of the Code and excluding certain "qualified 501(c)(3) bonds" as defined in Section 145 of the Code) in an amount greater than \$10,000,000.

Cambria Community Healthcare District

E-SIGNED by Linda Hendy
on 2025-01-03 09:50:17 CST

Signature

Linda Hendy, Administrator/Finance

Printed Name and Title

NOTICE OF ASSIGNMENT

DECEMBER 23, 2024

Republic First National Corporation (Obligee/Assignor) hereby gives notice of an Assignment between Obligee/Assignor and KS StateBank (Assignee) of the Government Obligation Contract (Contract) between Obligee/Assignor and Cambria Community Healthcare District, dated as of December 23, 2024.

All Contract Payments coming due pursuant to the Contract shall be made to:

KS StateBank
P.O. Box 1608
Manhattan, Kansas 66505

Republic First National Corporation, Obligee/Assignor

E-SIGNED by Monica Huffman
on 2025-01-06 08:02:11 CST

Signature

Monica Huffman, Assistant Secretary

Printed Name and Title

ACKNOWLEDGEMENT OF AND CONSENT TO ASSIGNMENT

Cambria Community Healthcare District (Obligor) as party to a Government Obligation Contract dated as of December 23, 2024 between Obligor and Republic First National Corporation (Obligee), hereby acknowledges receipt of a Notice of Assignment dated December 23, 2024 whereby Obligee gave notice of its assignment to KS StateBank of its right to receive all Contract Payments due from Obligor under the Contract and hereby consents to that Assignment. Pursuant to the Notice of Assignment from Obligee, Obligor agrees to deliver all Contract Payments coming due under the Contract to:

KS StateBank
P.O. Box 1608
Manhattan, Kansas 66505

Cambria Community Healthcare District

E-SIGNED by Linda Hendy
on 2025-01-03 09:55:55 CST

Signature

Linda Hendy, Administrator/Finance

Printed Name and Title



CAMBRIA COMMUNITY HEALTHCARE DISTRICT

BOARD AGENDA STAFF REPORT – 04

TO: Board of Directors

FROM: Dr. Laurie Mileur, Director

DATE: January 28, 2025

DESCRIPTION: Establish Independent Citizens’ Bond Oversight Committee for Measure C-24 – Resolution 50-25

RECOMMENDATION

Recommendation to fulfill the requirement of establishing the creation of an independent Citizens’ Bond Oversight Committee for Measure C-24.

FISCAL IMPACT

None at this time.

DISCUSSION

The Cambria Community Healthcare District (“District”) has successfully obtained authorization from its voters to issue up to \$5,900,000 in general obligation bonds for the construction of a new ambulance station. While these bonds are outstanding, the District is required to implement appropriate accountability measures for the bond proceeds in accordance with California Government Code § 53410, which includes the establishment of an independent Citizens’ Bond Oversight Committee.

The following attachments are submitted to the District Board of Directors for review and approval to form the independent Citizens’ Bond Oversight Committee for Measure C-24.

ATTACHMENT(S)

1. About the independent Citizen’s Bond Oversight Committee
2. Independent Citizens’ Bond Oversight Committee Bylaws
3. Resolution 50-25 establishing an independent Citizens’ Bond Oversight Committee

BOARD ACTION

Motion to approve Resolution 50-25 establishing an independent Citizens’ Bond Oversight Committee for Measure C-24.

UNANIMOUS: __

MONTALVO __ MILEUR __ FEDOROFF __ MUMPER __ KULESA __



Cambria Community Healthcare District – Measure C-24

Citizens' Bond Oversight Committee

About the Citizens' Bond Oversight Committee

The formally adopted roles and responsibilities of the Citizens' Bond Oversight Committee (the "Committee") can be found in the Committee Bylaws. The following provides summary information about the committee.

What is the Citizens' Bond Oversight Committee?

The Board of Directors (the "Board") of the Cambria Community Healthcare District (the "District") has established a Citizens' Bond Oversight Committee to review expenditures from construction activity associated with the Measure C-24 General Obligation Bond, which District voters approved in November 2024. The Committee's purpose is to review expenditures from the proceeds of the Measure C-24 General Obligation Bond and the construction activity associated therewith and to inform the public about the use of the proceeds.

Who serves on the Citizens' Bond Oversight Committee?

The Citizens' Bond Oversight Committee consists of five members, with at least one member from each of the following groups:

- a) One member who is active in a business organization representing the business community located within the District.
- b) One member active in a senior citizen's organization.
- c) One member appointed by the selection committee as an at-large member.
- d) One member shall be a senior citizen, and
- e) One member shall be both a parent or guardian of a child in the District.

The Committee may not include any employee or official of the District or any person who owns or is employed by a vendor, contractor, or consultant of the District.

The term for Committee members is two (2) years from the date of the member's appointment. Members may not serve more than three consecutive terms.

What will the Committee do?

The Committee will meet with District staff to review bond expenditures and shall present to the Board, in a public session, an annual report summarizing the District's compliance and the Committee's activities for the preceding year.

How often will the Committee meet?

The Committee is required to meet at least one time per year or more frequently as it deems necessary to fulfill its duty. It is estimated at this time that the Committee will meet approximately two times per year, with specific meeting dates determined by the Committee.

How is the Committee selected?

Committee members will be appointed by the District's Board of Directors, taking into account:

- The applicants' professional and/or practical experience;
- The applicants' contributions to his/her community;
- The diversity of experience on the Committee as a whole; and
- Representation on the Committee from various communities within the District, including the requirements for representation described above.

How do I apply to be a member?

Interested persons are encouraged to apply for the independent Citizens' Bond Oversight Committee by submitting a resume and cover letter (1-2 pages each) to the District Administrator at Lhendy@cambria-healthcare.org. Applications will be considered by the Board on a rolling basis. So, even if a current position is unavailable, applications will be held for consideration as future opportunities become available.

Cambria Community Healthcare District – Measure C-24

Citizens’ Bond Oversight Committee Bylaws

Section 1 - Committee Established. The Cambria Community Healthcare District (the “District”) successfully obtained authorization from the District’s voters to issue up to \$5,900,000 of bonds at legal rates at the election conducted on November 5, 2024 (the “Election”). While bonds are outstanding, the District is now obligated to establish appropriate accountability measures for such bond proceeds in accordance with Cal. Gov’t Code § 53410. Pursuant to Section 8, paragraph (f) of Resolution 44-24 of the District Board of Directors, passed and adopted on May 28, 2024, these accountability measures include the appointment of “an independent citizens’ oversight committee to ensure that Bond proceeds are expended only for the purposes described in the measure approved by the voters.” The Board of Directors of the Cambria Community Healthcare District (the “Board”) hereby establishes the Citizens’ Bond Oversight Committee (the “Committee”), which shall have the duties and rights set forth in these Bylaws. The Committee does not have legal capacity independent from these bylaws and any other actions taken by the District Board of Directors.

Section 2 - Purposes. The purpose of the Committee is to review expenditures from the proceeds of the Measure C-24 General Obligation Bond and the construction activity associated therewith and to inform the public about the use of the proceeds of the general obligation bonds issued pursuant to the Election (the “Bond Proceeds”). The Committee shall be deemed to be subject to the Ralph M. Brown Public Meetings Act, Cal. Gov’t Code § 54950 et seq., and shall conduct its meetings in accordance with the provisions thereof. The District shall provide necessary administrative support to the Committee as shall be consistent with the Committee’s purposes.

The Committee shall confine itself specifically to oversight of the Bond Proceeds generated under Measure C-24. Regular and deferred maintenance projects and all monies generated from other sources shall fall outside the scope of the Committee’s review.

Section 3 - Duties. To carry out its stated purposes, the Committee shall perform only the duties set forth in Sections 3.1, 3.2, and 3.3, and shall refrain from those activities set forth in Sections 3.4 and 3.5.

3.1 Inform the Public. The Committee shall inform the public concerning the District’s expenditure of Bond Proceeds. In fulfilling this duty, all official communications to either the Board or the public shall come from the Chair of the Committee acting on behalf of the Committee. The Chair shall only release information that reflects the majority view of the

Committee, as expressed by an action of the Committee taken at a duly noticed, public meeting of the Committee.

3.2 Review Expenditures. The Committee shall review expenditure reports produced by the District to ensure that; (a) Bond Proceeds were expended only for the purposes set forth in Measure C-24; and (b) no Bond Proceeds were used for administrative salaries or other operating expenses.

3.3 Annual Report. The Committee shall present to the Board, in public session, an annual written report which shall include the following:

- (a) A statement indicating whether the District is in compliance with the Measure's requirement that bond proceeds are spent only on projects listed in the Bond Project List (both individually and collectively, the "Projects"); and
- (b) A summary of the Committee's proceedings and activities for the preceding year.

3.4 Duties of the Board/Administrator. In accordance with the California Health Care District Law, Cal. Gov't Code § 32000, et seq., the Board reserves and does not delegate herein its sole authority to bind or commit the District to any policy, act, or expenditure. Specifically, either the Board or the Administrator, as the Board shall determine, shall have the following powers reserved to it, and the Committee shall have no jurisdiction over the following types of activities:

- (a) Approval of contracts,
- (b) Approval of change orders,
- (c) Expenditures of bond funds,
- (d) Handling of all legal matters,
- (e) Approval of project plans and schedules,
- (f) Approval of all deferred maintenance plans, and
- (g) Approval of the sale of bonds.

3.5 Measure C-24 Projects Only. The Committee is charged with overseeing the expenditure of Bond Proceeds only. The Board does not charge the Committee with responsibility for any of the following:

- (a) The establishment of priorities and order of construction for the bond Projects, which shall be made by the Board in its sole discretion.
- (b) The selection of architects, engineers, soils engineers, owner's advisors, construction managers, project managers, CEQA consultants, and any other such professional service firms as are required to complete the Projects based on District criteria established by the Board in its sole discretion.

- (c) The approval of the design for each of the Projects, including exterior materials, paint color, interior finishes, site plan, and construction methods (modular vs. permanent), which shall be determined by the Board in its sole discretion.
- (d) The selection of independent audit firm(s), performance audit consultants and such other consultants as are necessary to support the activities of the Committee.
- (e) The approval of an annual budget for the Committee that is sufficient to carry out the activities described herein.
- (f) The appointment or reappointment of qualified applicants to serve on the Committee, subject to legal limitations and based on criteria adopted in the Board's sole discretion.

Section 4 - Authorized Activities.

4.1 In order to perform the duties set forth in Section 3.0, the Committee shall engage in the following authorized activities:

- (a) Receive copies of the District's annual independent performance audit and annual independent financial audit.
- (b) Inspect District facilities and grounds for which Bond Proceeds have been or will be expended in accordance with any access procedure established by the District's Administrator, with prior notice to the District.
- (c) Receive from the Board, within three months of the District receiving the audits described in Section 4.1(a), responses to any and all findings, recommendations, and concerns addressed in such audits, and review said responses.

Section 5 - Membership.

5.1 Number.

The Committee shall consist of five (5) members appointed by the Board from a list of candidates submitting applications. =

5.2 Qualification Standards.

- (a) Members of the Committee must be at least 18 years of age and must continue to meet the requirements under which they are appointed in Section 5.1 and this Section 5.2 during the entirety of their term.
- (b) The Committee may not include any employee, official of the District, or any vendor, contractor, or consultant of the District.

5.3 Ethics: Code of Ethics and Conflict of Interest.

- (a) Members of the Committee are not subject to the Political Reform Act, Gov't Code § 81000 et seq.), and are not required to complete Form 700, but each member shall comply with the District's Code of Ethics policy (Policy Number 1030) and Conflict of Interest policy (Policy Number 1035).

These two policies provide general guidelines for members of the Committee in carrying out their responsibilities. Not all ethical issues that Committee members may face are covered in these policies. However, these policies capture some of the critical areas that help define ethical and professional conduct for Committee members.

- (b) **CONFLICT OF INTEREST.** A Committee member shall not make or influence a District decision related to (1) any contract funded by bond proceeds, or (2) any construction project that will benefit the Committee member's outside employment, business, or personal finance or benefit an immediate family member, such as a spouse, child or parent.

(i) Members of the Committee shall not be financially interested in any contract made by them in their official capacity or by the Committee, nor shall they be purchasers at any sale or vendors at any purchase made by them in their official capacity, all as prohibited by subsection (b) of Section 5.2; and

(ii) Members of the Committee shall not engage in any employment, activity, or enterprise for compensation which is inconsistent, incompatible, in conflict with, or inimical to duties as a member of the Committee or with the duties, functions, or responsibilities of the Committee or the District. A member of the Committee shall not perform any work, service, or counsel for compensation where any part of his or her efforts will be subject to approval by any other officer, employee, board, or commission of the District's Board of Directors.

- (c) **OUTSIDE EMPLOYMENT.** A Committee member shall not use his or her authority over a particular matter to negotiate future employment with any person or organization that relates to (1) any contract funded by bond proceeds or (2) any construction project. A Committee member shall not make or influence a District decision related to any construction project involving the interest of a person with whom the member has an agreement concerning current or future employment or remuneration of any kind.

- (d) **COMMITMENT TO UPHOLD LAW.** A Committee member shall uphold the federal and California Constitutions, the laws and regulations of the United States and the State

of California and all other applicable government entities, and the policies, procedures, rules, and regulations of the Cambria Community Healthcare District.

(e) COMMITMENT TO DISTRICT. A Committee member shall place the interests of the District above any personal or business interest of the member.

5.4 Term. Except as otherwise provided herein, each member shall serve a term of two (2) years. No member may serve more than three (3) consecutive terms. Members whose terms have expired may continue to serve on the Committee until a successor has been appointed. Terms commence on the date the Member is appointed to the Committee by the Board of Directors.

5.5 Appointment. Members of the Committee shall be appointed by the Board through the following process: (a) the District will advertise the positions; (b) the Administrator will review the applications; and (c) the Administrator will make recommendations to the Board.

5.6 Removal; Vacancy. The Board may remove any Committee member for any reason, including failure to attend two consecutive Committee meetings without reasonable excuse, failure to comply with Section 5.3 - Ethics, or failure to meet the qualification standards in Section 5.2. Upon a member's removal, his or her seat shall be considered vacant. The Board, in accordance with the established appointment process, shall fill any vacancies on the Committee. The Board shall seek to fill vacancies within 90 days of the date of the vacancy.

5.7 Compensation. The Committee members shall not be compensated for their services.

Section 6 - Meetings of the Committee.

6.1 Regular Meetings. The Committee shall meet at least once a year but shall not meet more frequently than quarterly.

6.2 Location. All meetings shall be held within the boundaries of the Cambria Community Healthcare District in Cambria, California.

6.3 Procedures. All meetings shall be open to the public and follow any procedural rules the Committee may adopt. Three Members shall be required to constitute a quorum for the transaction of any business of the Committee.

Section 7 - District Support.

7.1 The District shall provide to the Committee necessary technical and administrative assistance as follows:

- (a) preparation of and posting of public notices;
- (b) provision of a meeting room, including any necessary audio/visual equipment;

- (c) preparation, translation, and copies of any documentary meeting materials, such as agendas and reports; and
- (d) retention of all Committee records and providing public access to such records, including posting the annual report and any other documents at the Committee's request on an Internet website maintained by the District.

7.2 District staff and/or District consultants shall attend Committee proceedings as requested or as necessary in order to report on the status of projects and the expenditure of Bond Proceeds.

Section 8 - Reports. In addition to the Annual Report required in Section 3.3, the Committee may report to the Board from time to time in order to advise the Board on the activities of the Committee. Such report shall be in writing and shall summarize the proceedings and activities conducted by the Committee.

Section 9 - Officers. The Board President shall appoint the initial Chair. Thereafter, the Committee shall elect a Chair and a Vice-Chair who shall act as Chair only when the Chair is absent. The Chair and Vice-Chair shall serve in such capacities for a term of one year and may be re-elected by a vote of a majority of the members of the Committee.

Section 10 - Amendment of Bylaws. Any amendment to these Bylaws shall be approved by a majority vote of the District Board.

Section 11 - Termination. The Committee shall automatically terminate and disband concurrently with the Committee's submission of the final Annual Report, which reflects the final accounting of the expenditure of all Measure C-24 Bond Proceeds.



BOARD OF DIRECTORS OF
CAMBRIA COMMUNITY HEALTHCARE
DISTRICT COUNTY OF SAN LUIS OBISPO
STATE OF CALIFORNIA

CAMBRIA, CALIFORNIA

JANUARY 28, 2025

RESOLUTION 50-25

**ESTABLISHING AN INDEPENDENT CITIZENS' BOND
OVERSIGHT COMMITTEE FOR MEASURE C-24**

WHEREAS, The Board of Directors of the Cambria Community Healthcare District (the "Board"), previously adopted Resolution No. 44-24 requesting the Registrar of Voters of the San Luis Obispo County to call an election on November 5, 2024, on a measure to authorize a sale of bonds for the new ambulance station: and

WHEREAS, on November 5, 2024, the Bond Election was duly held and conducted for the purpose of voting on a measure, designated as Measure C-24, to issue general obligation bonds (the "Bond") of the Cambria Community Healthcare District (the "District") in the amount of \$5,900,000; and

WHEREAS, more than two-thirds of the votes cast on Measure C-24 were in favor of issuing the Bond; and

WHEREAS, In accordance with Sections 53410 and 53411 of the California Government Code, and Resolution 44-24 of the District Board of Directors, Bond Measure C-24 declares that the District Board of Directors shall implement appropriate accountability measures, including an independent Citizens' Bond Oversight Committee; and

WHEREAS, the District Board of Directors believes that it is in the best interest of the District and its residents to form and appoint members to an independent Citizens' Bond Oversight Committee who shall review expenditures and construction activity associated with the Measure C-24 General Obligation Bond, and provide an annual written report to the Board regarding use of such bond funds.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of the Cambria Community Healthcare District hereby authorizes the following:

Section 1. An independent Citizens' Bond Oversight Committee (the "Committee") is hereby established pursuant to Measure C-24 for the general purpose of providing oversight as to the expenditures of Measure C-24 general obligation bond revenues.

Section 2. The independent Citizens' Bond Oversight Committee Bylaws (the "Bylaws"), a copy of which is attached hereto as Exhibit A, are hereby approved and adopted.

Section 3. The Committee shall have the specific purposes and be operated in the manner required by the Bylaws, and such Bylaws may be amended from time to time by a majority vote of the District Board of Directors. The initial appointment of Committee members shall be undertaken in accordance with the Bylaws.

Section 4. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED, by the Cambria Community Healthcare District Board of Directors of San Luis Obispo County of State of California on January 28, 2025.

Cecilia Montalvo, CCHD Board President

ATTEST:

Igor Fedoroff, CCHD Board Secretary



CAMBRIA COMMUNITY HEALTHCARE DISTRICT
BOARD AGENDA STAFF REPORT – 05

TO: Board of Directors
FROM: Tim Nurge, Operations Manager
DATE: January 28, 2025
DESCRIPTION: Key Performance Indicators (KPI) Biannual Report

RECOMMENDATION

Monitor the intubation success rate for first-attempt procedures on an ongoing basis.

FISCAL IMPACT

None at this time.

DISCUSSION

In the second half of 2024, the District experienced both improvements and deficiencies in various areas. The success rate for intravenous (IV) access increased from the first half of 2024 to the second half. This metric is our most reliable due to the large sample size. Other metrics, including 12-Lead EKG assessments, STEMI, trauma, stroke, and cardiac arrest triage remained consistent.

The number of advanced airways placed between the first and second halves of 2024 significantly increased. Although the overall success rate for advanced airways was only 55%, it is important to note that 100% of calls requiring advanced airways resulted in a successfully established airway. The County is currently discussing ways to make data compilation easier and to monitor the first-pass success rate.

The percentage of trauma patients with on-scene times under 20 minutes decreased from 74% in the first half of 2024 to 55% in the second half. This decline was largely attributed to extended extrication times and patient reluctance to be transported. To address this issue, the County is considering adding descriptors for extended on-scene times for trauma patients.

Please refer to *Attachment 1* for a detailed breakdown of KPI metrics and descriptions.

ATTACHMENT(S)

1. Cambria Community Healthcare District Key Performance Indicators 2024

BOARD ACTION

None at this time.

UNANIMOUS: __

MONTALVO__MILEUR__FEDOROFF__MUMPER__KULESA__

Metric	Objective	Jan-June 2024	July-Dec 2024	Success Rate: January - December 2024	Notes	Status
Placement of IVs	IV Placed successfully on each attempt	66-Unsuccessful/207-Successful/273 Total	55- Unsuccessful/242-Successful/297 Total	76% / 81%	IV Success rate compared to 82.7% County success rate.	
Advanced Airway Placement	Placement of Endotracheal tubes and Supraglottic Airways	0-Unsuccessful/2 Successful/2 Total	6-Successful/5-Unsuccessful/11 Total	100% / 54% (100% Advanced Airway Established)	Use of Advanced airways (ETI and SGA) is currently low due to patient volume and use of BLS airways instead. A bulletin from SLOEMSA was recently received encouraging more use of Advanced Airways. This metric is projected to be higher next year.	
12 Lead EKG Assessment with chest pain	Diagnostic procedure completed in the field to assess for possible heart attack. Shall be done on all suspected cardiac chest pain patients per SLOEMSA Procedure #707.	36- 12 Lead Performed/ 38 Total	25- 12 Lead Performed/ 27 Total	CP-Suspected Cardiac 100% CP-Not Cardiac- 92.1% / 92.5%	Metric Count is based on successful 12 lead performed on Chest Pain patients with a provider impression of "Chest Pain- Suspected Cardiac, or Chest Pain- Not Cardiac). Chest Pain-Not Cardiac may have justification for not performing 12 Lead EKG based on age, social circumstances, or trauma	
Specialty Care: STEMI	Specialty Care System metrics for STEMI's (heart attacks). This metric measures number of patients and 12 Lead EKG accurate recognition/treatment given.	2-STEMI EKG/2- STEMI ALERT and Correct Triage	8- STEMI EKG/8 STEMI ALERT or EKG CONSULTATION	100% / 100%	Accurate treatment includes early and serial 12 Lead ECGs, appropriate medication administration, and appropriate Call In to the hospital (STEMI ALERT)	
Specialty Care: Trauma	Specialty Care System metrics for Trauma Alerts/Consultations. This metric measures number of patients and accurate categorization/treatment given.	30 Trauma Consult or Alert/ 30 Appropriate Destination/Treatment	29 Trauma Consult or Alert/ 29 Appropriate Destination/Treatment	100% / 100%	Accurate treatment includes proper trauma categorization, appropriate treatments. .	
Specialty Care: Stroke	Specialty Care System metrics for Stroke Alerts. This metric measures number of patients and accurate recognition/treatment given.	25/25	11/11	100% / 100%	Accurate treatment includes proper recognition of stroke criteria, obtaining blood glucose and 12 lead, and expedited on transport with last known normal < 6 hours.	
Specialty Care: Cardiac Arrest	Specialty Care System metrics for Cardiac Arrests. This metric measures number of patients who suffered Cardiac Arrest and accurate treatment/decisions were made.	4/4	8/8	100% / 100%	Accurate treatment includes quick recognition/CPR initiation, advanced airway, appropriate medications/procedures rendered, proper recognition of obvious death, and appropriate transport and termination decisions.	
Specialty Care Trauma: On Scene Time	The recommended on scene time for trauma patients is 10-20 minutes to transport.	<20 Minutes- 22/20+ Minutes- 8/ Total-30	<20 Minutes- 16/20+ Minutes- 15/ Total-29	74%/55%	Certain situations may require extrication or patient reluctant to transport which may extend on scene time	
Specialty Care: Cardiac Arrest- Return of Spontaneous Circulation	Specialty Care System metrics for Cardiac Arrests. This metric measures number of patients who received ALS Cardiac Arrest Care and achieved Return of Spontaneous Circulation and were transported to the correct hospital.	1-ROSC, 3-Working Cardiac Arrests	1-ROSC, 4-Working Cardiac Arrests Out of Hospital	33%/25%	Accurate treatment includes quick recognition/CPR initiation, appropriate medications/procedures rendered, proper appropriate transport destinations. National Average: ~30%	



CAMBRIA COMMUNITY HEALTHCARE DISTRICT

BOARD AGENDA STAFF REPORT – 06

TO: Board of Directors
FROM: Linda Hendy, Administrator/Finance
DATE: January 28, 2025
DESCRIPTION: Renewal of California Special Districts Association (CSDA) Membership

RECOMMENDATION

Recommendation to continue membership with the California Special Districts Association (CSDA).

FISCAL IMPACT

The negotiated membership fee is \$7,747, which includes a one-time discount saving the District \$890 in 2025.

DISCUSSION

After conducting further research, Administrator Hendy confirmed that the District must maintain an active membership with the California Special Districts Association (CSDA) in order to participate in the Special District Insurance Program offered by the Special District Risk Management Authority (SDRMA). A Joint Powers Agreement has been established between SDRMA and CSDA.

BACKGROUND

The CSDA was established to assist and promote special districts. It has also played a key role in creating the SDRMA to serve the best interests of special districts and other public agencies throughout the state.

SDRMA provides risk management programs and insurance coverage for local governments. Currently, SDRMA serves as the District's insurance carrier for both workers' compensation and general liability insurance.

ATTACHMENT(S)

None at this time.

BOARD ACTION

Motion to approve 2025 California Special Districts Association (CSDA) membership.

UNANIMOUS: __

MONTALVO __ MILEUR __ FEDOROFF __ MUMPER __ KULESA __



CAMBRIA COMMUNITY HEALTHCARE DISTRICT
BOARD AGENDA STAFF REPORT – 07

TO: Board of Directors
FROM: Linda Hendy, Administrator/Finance
DATE: January 28, 2025
DESCRIPTION: Establish a Debt Management Policy

RECOMMENDATION

Recommendation to establish Policy 2170 - Debt Management.

FISCAL IMPACT

None at this time.

DISCUSSION

A debt management policy provides a structured framework for managing debt, ensuring responsible borrowing practices, promoting long-term financial stability, and minimizing risks. It allows the District's Board of Directors to make informed decisions about when and how to take on debt, ultimately protecting the District's creditworthiness and financial health.

Proposed Policy 2170 - Debt Management clearly outlines goals and limits for debt levels, ensuring fiscal responsibility.

ATTACHMENT(S)

1. Policy 2170 - Debt Management

BOARD ACTION

Motion to approve Policy 2170 - Debt Management.

UNANIMOUS: __

MONTALVO __ MILEUR __ FEDOROFF __ MUMPER __ KULESA __

CAMBRIA COMMUNITY HEALTHCARE DISTRICT
DEBT MANAGEMENT POLICY 2170

This Debt Management Policy shall govern the issuance and administration of debt issued by the Cambria Community Healthcare District (the "District"). To provide for the appropriate issuance and responsible use of debt, the District has adopted this Debt Policy.

1. Findings

This Debt Policy is intended to comply with Government Code Section 8855(i), and shall govern all debt undertaken by the District. The District hereby recognizes that a fiscally prudent debt policy is required in order to: (1) Maintain the District's sound financial position; (2) Ensure the District has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses; (3) Protect the District's credit-worthiness; (4) Ensure that all debt is structured in order to protect both current and future taxpayers, ratepayers and constituents of the District; and (5) Ensure that the District's debt is consistent with the District's planning goals and objectives and capital improvement program or budget, as applicable.

2. Policies

A. Purposes For Which Debt May Be Issued

Long-Term Debt. Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment and land to be owned and operated by the District, as well as management of other long-term obligation such as pension and OPEB obligations. Long-term debt financings are appropriate when the following conditions exist: (1) When the project to be financed is necessary to provide basic services; (2) When the project to be financed will provide benefit to constituents over multiple years; (3) When total debt does not constitute an unreasonable burden to the District and its taxpayers and/or ratepayers, as applicable; (4) When the debt is used to refinance outstanding debt in order to produce debt service savings or to realize the benefits of a debt restructuring.

Long-term debt financings will not generally be considered appropriate for current operating expenses and routine maintenance expenses. The District may use long-term debt financings subject to the following conditions: (1) The project to be financed must be approved by the Board of Directors; (2) The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%; (3) The District estimates that sufficient revenues will be available to service the debt through its maturity; and (4) The District determines that the issuance of the debt will comply with all applicable state and federal law.

Short-term debt. Short-term debt may be issued to provide financing for the District's operational cash flows in order to maintain a steady and even cash flow balance. Short-term debt may also be used to finance short-lived capital projects; for example, the District may undertake lease-purchase financing for equipment.

B. Types of Debt

The following types of debt are allowable under this Debt Policy: general obligation bonds (GO Bonds); loan agreements and revenue bonds; lease revenue bonds, certificates of participation (COPs) and lease-purchase transactions; pension obligation bonds; grant anticipation notes; tax and revenue anticipation notes (TRANs); Land-secured financings, such as special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended; and limited obligation bonds issued under applicable assessment statutes; state revolving loan funds; and lines of credit or interim borrowings.

The Board of Directors may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy. Debt shall be issued as fixed rate debt unless the District makes a specific determination as to why a variable rate issue would be beneficial to the District in a specific circumstance.

C. Relationship of Debt to Capital Improvement Program and Budget

The District is committed to long-term capital planning. The District intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the District's capital budget and the capital improvement plan. The District shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues. The District shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear. As applicable, the District shall integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the District's public purposes. The District shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its general fund.

D. Policy Goals Related to Planning Goals and Objectives

The District is committed to long-term financial planning, maintaining appropriate reserves levels and employing prudent practices in governance, management and budget administration. The District intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the District's annual operations budget. It is a policy goal of the District to protect taxpayers, ratepayers (if applicable) and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs. The District will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges. When refinancing debt, it shall be the policy goal of the District to realize, whenever possible, and subject to any overriding non-financial policy considerations, minimum net present value debt service savings equal to or greater than 3.0% of the refunded principal amount.

The District shall strive for good communications with bond rating agencies, bond counsel, banks, financial advisors, and other involved in debt issuance and management. Comprehensive annual financial reports and official statements will reflect the District's commitment to full and open disclosure concerning debt

E. Internal Control Procedures

When issuing debt, in addition to complying with the terms of this Debt Policy, the District shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds. Without limiting the foregoing, the District will periodically review the requirements of and will endeavor to remain in compliance with the following: (1) Any continuing disclosure undertakings entered into by the District in accordance with SEC Rule 15c2-12; (2) Any federal tax compliance requirements, including, without limitation, arbitrage and rebate compliance; and (3) The District's investment policies as they relate to the use and investment of bond proceeds.

Proceeds of debt will be held either (1) by a third-party trustee or fiscal agent, which will disburse such proceeds to or upon the order of the District upon the submission of one or more written requisitions by the Director of Administrative Services (or his or her written designee), or (2) by the District, to be held and accounted for in a separate fund or account, the expenditure of which will be carefully documented by the District.