

JOINT POWERS AGREEMENT

This Joint Powers Agreement (this "Agreement") is entered into as of this 26th day of ~~November~~ 2013 (the "Effective Date"), by and between Alameda County Medical Center, a public hospital authority created by the Alameda County Board of Supervisors pursuant to Section 101850 of the California Health and Safety Code, doing business as Alameda Health System ("AHS"), and the City of Alameda Health Care District, a California health care district organized under the California Local Health District Law, California Health and Safety Code 32000 *et seq.* ("District"). Each of AHS and District are referred to herein as a "Party" and together as the "Parties".

This Agreement is entered into pursuant to California law, including the provisions of (i) Chapter 5 (beginning with Section 6500) of Division 7 of Title 1 of the Government Code, authorizing local public entities, including healthcare districts and counties, to exercise their common powers through joint powers agreements, and (ii) Section 14000.2 of the California Welfare and Institutions Code, authorizing the integration of county hospitals with other hospitals into a system of community service.

RECITALS

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

B. District is seeking ways to operate Alameda Hospital within budgetary constraints while continuing to deliver comprehensive, high quality acute medical care, emergency services, health and wellness services, and community health benefits responsive to the diverse needs of the community. District has sought assistance from AHS to accomplish these goals.

C. AHS operates a comprehensive county health system that provides integrated health care services to residents of Alameda County.

D. District and AHS believe that county residents are best served by the preservation of Alameda Hospital as a health care resource in Alameda County under the terms and conditions of this Agreement.

E. To facilitate the preservation of Alameda Hospital as a health care resource in Alameda County, District and AHS intend, by the joint exercise of their common statutory powers to operate health care facilities as set forth in this Agreement, to provide for the continuing operation of Alameda Hospital through the delegation to AHS of the possession and control, and the ongoing operation, management and oversight, of Alameda Hospital, which shall include, but not be limited to, responsibilities for licensure, governance, operation, administration, financial management and maintenance (including, but not limited to, compliance with ongoing regulatory and seismic requirements to the extent set forth herein) of Alameda Hospital, all for the benefit of the communities that both parties serve.

AGREEMENT

THEREFORE, the parties agree as follows:

ARTICLE 1. GOVERNANCE, OPERATION AND MANAGEMENT OF ALAMEDA HOSPITAL

1.1. AHS' Governance, Operation and Management. As of the Closing (defined below), and subject to the terms and conditions of this Agreement, AHS shall take over possession, use and control of Alameda Hospital, and shall thereupon and thereafter provide the governance and all necessary management, supervision, and oversight (on behalf of District) for the ongoing administration and operation of Alameda Hospital. To effectively accomplish this task, it is necessary that AHS evaluate all matters affecting the operation of Alameda Hospital and be empowered to act on behalf of District and the Board of Directors of District (the "District Board") upon such matters where appropriate. Accordingly, the District Board hereby delegates its governance of Alameda Hospital and its authority over all matters relating to the management, direction, control, operation, licensure, financial management and maintenance of Alameda Hospital, including without limitation all matters specified in this Agreement, to the Board of Trustees of AHS (the "AHS Board"). District and the District Board will take all required actions necessary for the delegation of authority set forth herein. In addition to the general delegation of authority over the operation of Alameda Hospital as set forth above, AHS' specified powers and responsibilities shall include (but are not limited to):

(a) Governance. The AHS Board shall be the governing body of Alameda Hospital and shall exercise all rights, powers and privileges related thereto to the full extent permitted by law.

(b) Management. AHS shall have the authority and responsibility to supervise, control, operate and manage the day-to-day business affairs and administrative operations of Alameda Hospital. AHS shall provide all services necessary or appropriate for the supervision, control and management of Alameda Hospital. The AHS Board may delegate responsibility for the day-to-day operations of Alameda Hospital in its sole discretion, including without limitation to the Chief Executive Officer and management team of AHS.

(c) Personnel and Employment Policies and Procedures. AHS shall oversee all personnel decisions involving members of Alameda Hospital's executive management team and, except to the extent provided in Section 1.7, all other Hospital Personnel (as defined in Section 1.7(a)), including, without limitation, decisions involving the negotiation of, and "meet & confer" issues specified in, labor agreements and other recruitment, hiring, compensation, discipline and termination decisions. District shall promptly provide AHS copies of all memoranda of understanding affecting Alameda Hospital, together with a written description of District's current policies and practices regarding recruitment, salary levels, employee benefits, training programs, promotion procedures, disciplinary corrective action, and termination protocols affecting all Hospital Personnel; provided, however, that except to the extent provided in Section 1.7,

AHS shall have the authority in its sole discretion to revise and replace such policies and practices from time to time.

(d) Financial Responsibility; Financial Policies; Rates and Charges. As more particularly described in Article 2 below, AHS shall, upon the Closing and during the term of this Agreement, assume financial responsibility for the ongoing administration and operation of Alameda Hospital, including the responsibility for payment of all liabilities incurred by the District in connection with the operation of Alameda Hospital prior to the Closing (except as limited in this Agreement or as the Parties may otherwise agree). AHS shall oversee and determine Alameda Hospital's pricing and reimbursement policies and practices, including without limitation Alameda Hospital's chargemaster, collection, and charity care policies and practices, rates and charges for the services provided by Alameda Hospital, and such other fiscal policies underlying ordinary financial and strategic operations of Alameda Hospital.

(e) Licenses and Certifications. District shall cooperate with AHS to transfer promptly to AHS all licenses, accreditations and certifications required for proper operation of Alameda Hospital, including without limitation a general acute care hospital license. Pursuant to its delegated power set forth herein, AHS shall take such actions and implement such policies, procedures and protocols at Alameda Hospital as it deems necessary or appropriate in order to timely accomplish the relicensure and re-certification of Alameda Hospital and thereafter maintain compliance at all times with all licenses, accreditations and certifications required for proper operation of Alameda Hospital.

(f) Compliance with Law. AHS shall develop and implement policies, practices and compliance plans for ensuring compliance with federal, state and local laws and regulations governing the delivery of health care services at Alameda Hospital. AHS shall be responsible for obtaining and maintaining in force all licenses and permits to operate Alameda Hospital as required by local, county, state and federal laws and regulations throughout the term of this Agreement.

(g) Quality Assurance; Risk Management. AHS shall develop and carry out the day-to-day implementation of Alameda Hospital's quality assurance and quality control and risk management programs.

(h) Contracts and Contracting Policies. AHS will be the "provider" within the meaning of all third party contracts for hospital services provided at Alameda Hospital, including, without limitation, contracts with all state and federal health care programs (e.g., Medicare, Medi-Cal, Tri-Care). AHS shall oversee and direct Alameda Hospital's contracting with third party payors (e.g., health maintenance organizations, preferred provider organizations, insurance companies and state and federal health care programs) and shall have the authority to enter into, modify and terminate all such agreements. AHS shall further oversee and direct all operations of Alameda Hospital concerning contracts with third party vendors, the selection and installation of business office systems, data processing systems and computer hardware and software to provide management and clinical information systems support for Alameda Hospital, and all changes to such systems. Nothing in this Agreement shall be deemed to modify or amend any collective

bargaining or other labor contracts. Such contracts and/or policies shall be altered or amended, if at all, only pursuant to negotiation and execution of contract amendments with any other contracting party(ies).

(i) Procurement; Payment of Expenses. AHS shall be responsible for procuring and paying for all supplies, equipment and services necessary for the operation and maintenance of Alameda Hospital. AHS shall cause all expenses incurred in connection the operation of Alameda Hospital to be satisfied or discharged out of amounts made available therefor pursuant to Article 2.

(j) Marketing. AHS shall be responsible for all marketing and advertising of Alameda Hospital to patients, insurance companies and physicians.

(k) Legal Disputes. AHS shall be responsible for initiating, defending and settling, mediating and arbitrating all legal disputes and claims relating to Alameda Hospital, whether arising prior to or after the Closing.

(l) Records. AHS shall own and maintain all patient records and other records of Alameda Hospital.

(m) Bank Accounts. AHS shall own and maintain all bank accounts of the Hospital, and District shall cause such accounts to be transferred to AHS effective upon the Closing or as promptly thereafter as practicable, and in a manner that is consistent with the existing loans and bank covenants associated with such bank accounts.

(n) Seismic Upgrades at Alameda Hospital. AHS shall initiate and thereafter oversee and implement, out of funds made available for the payment of Hospital Financial Requirements (including the Parcel Tax Revenue), the process of completing seismic upgrades required at Alameda Hospital for compliance with the seismic requirements established by the State of California for the year 2013 (as the same have been and may be extended with respect to Alameda Hospital) (the "2013 Seismic Requirements"); provided, however, that AHS shall not be required to undertake any financial obligations with respect to any upgrades or any related matters with respect to the seismic requirements established by the State of California for the year 2030 (the "2030 Seismic Requirements").

1.2. Ownership of Real and Personal Property.

(a) Transfer. At the Closing, District and AHS shall enter into a Transfer and Assignment Agreement in the form attached hereto as Exhibit A-1, pursuant to which all of the right, title and interest of District in and to all of the assets, properties and rights of District relating to or used in the operation of Alameda Hospital, directly or indirectly, in whole or in part (other than the Real Property), shall be conveyed, assigned, transferred and delivered to AHS, including without limitation, all cash and other deposits, accounts receivable, personal property (including all supplies, equipment and other fixed assets), intangible property, contractual rights, licenses, intellectual property and claims and causes of action. Upon any termination of this Agreement that requires the return of possession and control of Alameda Hospital to the District, District and AHS shall enter

into a Transfer and Assignment Agreement in the form attached hereto as Exhibit A-2, pursuant to which all of the right, title and interest of AHS in and to all of the assets, properties and rights of AHS located at or otherwise primarily relating to or used in the operation of Alameda Hospital, directly or indirectly, in whole or in part, as of the date of such termination shall be conveyed, assigned, transferred and delivered to the District.

(b) Owned Real Property. District shall retain title to and ownership of the real property (and all improvements thereon) currently owned by District and used in the operation of Alameda Hospital, as further described on Exhibit A-3 attached hereto (the "Real Property"); provided, however, that all such property shall be made available to AHS for possession, use and control by AHS in the operation of Alameda Hospital during the term of this Agreement, all in accordance with the Alameda Hospital Real Property Provisions attached hereto as Exhibit B-1. District represents and warrants to AHS that, except as set forth on Exhibit B-2 attached hereto (collectively, the "Permitted Encumbrances"), District owns the Real Property free and clear of all liens, pledges, mortgages, deeds of trust, security interests, claims, leases, options, rights of first refusal, covenants, easements, transfer restrictions or other encumbrances ("Encumbrances"). During the Term, District shall not, without the prior written consent of AHS, do any of the following, whether voluntarily or involuntarily, by operation of law or otherwise (each a "Transfer"): (i) sell, lease, convey, transfer, hypothecate, or otherwise dispose of any interest in all or any part of the Real Property, (ii) subject all or any part of the Real Property to any new or additional Encumbrance, or (iii) execute any agreement, letter of intent, or similar writing with a third party under which District agrees to do any of the foregoing in (i) or (ii) above with respect to all or a portion of the Real Property. District hereby grants to AHS the right, during the Term, to grant such licenses, leases or other similar rights as shall be reasonably incidental to the operation of the Hospital; provided, however, that other than the foregoing and other than immaterial Encumbrances, AHS shall not subject the Real Property to any Encumbrance without the prior written consent of District.

(c) Leased Real Property. District is the tenant under those certain leases and subleases described in Exhibit B-3 attached hereto (which the Parties shall mutually prepare in good faith prior to the Closing). District represents and warrants to AHS that: (i) Exhibit B-3 accurately describes any and all of the leases, subleases, amendments, modifications, documents, and agreements pursuant to which District holds a leasehold or sub-leasehold interest in any real property comprising or relating to Alameda Hospital (the "Real Property Leases"), and such Real Property Leases as described in Exhibit B-3 constitute the entirety of any agreement with respect to any leasehold or sub-leasehold interest held by District, and (ii) the Real Property Leases are in full force and effect and there exists no condition that constitutes a default or breach by District, the landlord, or sub-landlord under the Real Property Leases. Prior to Closing, with respect to each and every Real Property Lease, District shall exercise diligent efforts to obtain and deliver to AHS the written consent of each landlord, sublandlord, and other party whose consent is required under such Real Property Lease for the assignment of such Real Property Lease by District to AHS, or the sublease by District to AHS under such Real Property Lease. Upon or prior to Closing, District shall deliver to AHS duly executed originals of all lease assignments and/or subleases, each in form and content acceptable to AHS, to which

District has obtained the respective landlord or sub-landlord's prior written consent. Notwithstanding any other provision in this Agreement, AHS shall not be obligated to enter into any lease assignment or sublease, or otherwise assume any liabilities or obligations arising under any Real Property Lease, with respect to which District has not delivered the written consent required under this Section 1.2(c).

(d) Right of First Refusal. District hereby grants AHS the exclusive, irrevocable right to purchase all of District's right, title, and interest in and to the Real Property (the "ROFR") on the terms and conditions set forth in this Section 1.2(d), which right may be exercised by AHS upon the District's receipt of a bona fide offer to purchase all or a portion of the fee estate in the Real Property ("Offer"), which offer District is willing to accept. District shall give written notice of any Offer to AHS, together with a true and complete copy of such Offer, within five (5) business days after District's receipt of such Offer. AHS shall have the right, but not the obligation, to exercise the ROFR by delivering to District, within ten (10) business days after AHS' receipt of such notice or after AHS' good faith determination that an Offer was received by District, written notice of AHS' election to exercise the ROFR. The closing of the purchase and sale of the Real Property (the "ROFR Closing") shall occur within one hundred eighty (180) calendar days after the date of District's receipt of AHS' ROFR exercise notice. The ROFR Closing shall be deemed to have occurred when District has delivered to AHS a duly signed and notarized Grant Deed substantially in the form and content of Exhibit A-4 attached hereto (the "ROFR Grant Deed") conveying to AHS all of District's right, title, and interest in and to the Real Property, including but not limited to, fee title to the Real Property, subject only to the Permitted Encumbrances and other Encumbrances to which AHS has consented in accordance with Section 1.2(b) hereof, if any, and AHS has paid to District an amount equal to the ROFR Price. The term "ROFR Price" as used herein shall mean the amount equal to the exact purchase price specified in the Offer *minus* the aggregate amount of the AHS Capital Contributions (as defined in Section 2.4 hereof) that AHS has made from the Closing to the date that AHS exercises the ROFR as provided hereunder, which ROFR Price shall be payable by AHS in immediately available funds upon the same terms and conditions set forth in the Offer. Upon the Closing, District shall record or cause to be recorded in the Official Records of Alameda County, California (the "Official Records") a memorandum of the ROFR in substantially the form and content attached hereto as Exhibit A-5.

(e) Option to Lease. District hereby grants AHS the exclusive, irrevocable right to lease all or a portion of the Real Property (the "Lease Option") for an initial term of not more than thirty (30) years, with total rent for the duration of such initial term equal to ten (10) dollars, pursuant to a lease in substantially the form and content attached hereto as Exhibit A-6 (the "Lease"). District represents and warrants that it has received separate and adequate consideration for the grant of the Lease Option, and District acknowledges that the Lease Option is a material inducement for AHS to enter into this Agreement. The term of the Lease Option (the "Option Term") shall commence upon the Closing and shall expire on January 1, 2100. During the Option Term AHS shall have the right, but not the obligation, to exercise the Lease Option by delivering to District within ten (10) business days after the occurrence of a District Breach (as defined in

Article 5 hereof), written notice of AHS' election to exercise the Lease Option. Within sixty (60) calendar days after District's receipt of such written notice, AHS shall deliver an additional notice (the "Designation Notice") to District providing the duration of the initial term of the Lease, and a reasonably detailed description of the premises to be demised under the Lease (the "Leased Premises"); provided, however, that such sixty (60) day period shall be extended to accommodate any additional time that AHS reasonably determines to be necessary to complete its assessment of the Real Property and its designation of the Leased Premises. District acknowledges and agrees that AHS shall have the right, to designate, in its sole and absolute discretion (i) the duration of the initial term of the Lease, provided that such term does not exceed thirty (30) years, and (ii) the physical locations and proportions of the Leased Premises, and whether the Leased Premises shall include all or a portion of the Real Property. District shall cooperate in good faith with AHS, which shall bear all reasonable out-of-pocket-expenses incurred by AHS, in AHS' determination of and preparation of the description of the Leased Premises, including but not limited to, obtaining an ALTA land survey of all or a portion of the Real Property, and obtaining all necessary permits and approvals by all applicable governmental authorities in subdividing the Real Property. Within ten (10) business days after AHS' delivery of the Designation Notice to District, District shall deliver duly executed originals of the Lease demising the Leased Premises to AHS, and District shall record or cause to be recorded in the Official Records a Memorandum of Lease in the form and content attached as Exhibit A-7 hereto. District shall record or cause to be recorded in the Official Records a memorandum of the Lease Option in the form and content attached as Exhibit A-8 hereto as of the Closing.

(f) Restriction on Transfers. Upon the Closing, District shall deliver to AHS a duly signed and notarized original of the Memorandum of Agreement and Restrictive Covenants (the "Memorandum of Restrictive Covenants") in the form and content attached hereto as Exhibit A-9. The Memorandum of Restrictive Covenants shall be recorded in the Official Records as of the Closing.

(g) License. District hereby grants AHS and its successors and assigns a perpetual, irrevocable, royalty-free license to use all copyrights, trade secrets, patents, proprietary information or other intellectual property of District that are necessary for the operation of Alameda Hospital.

(h) Further Assurance. District will at any time, and from time to time, after the Closing, execute such additional instruments and take such actions as may be reasonably requested by AHS to confirm or perfect or otherwise to carry out the intent and purposes of this Section 1.2.

1.3. Annual Business Plans; Reports to District. AHS shall annually develop, direct performance of, and monitor compliance with, an annual business plan for Alameda Hospital, which will set forth short-range and long-range financial and operational performance goals for Alameda Hospital and the means for the attainment of those goals. AHS shall furnish the District with quarterly reports during the first two years of the Term of this Agreement, and annual reports during each year thereafter, in such form as the Parties may agree from time to time, on the operations of Alameda Hospital. Such reports shall address, without limitation, quality and

patient safety and satisfaction (to the extent such information is not privileged or confidential), finances (profit/loss, balance sheet and capital expenditures), AHS' utilization of Parcel Tax Revenue, compliance with seismic requirements and a summary of the results of any material state surveys or inspections.

1.4. Development of Health Care Delivery System at Alameda Hospital. AHS shall develop a plan on behalf of District and Alameda Hospital for the creation and operation of an efficient health care delivery system for indigent and non-indigent residents of Alameda County in order to maintain the existence at Alameda Hospital of emergency services as well as such inpatient and outpatient hospital services as are determined by AHS in its sole discretion to be needed. To the extent deemed by AHS to be financially and operationally appropriate and to the extent permissible under applicable laws, AHS shall endeavor to rationalize services between Alameda Hospital and other hospitals in the AHS system so as to enable Alameda Hospital and the community it serves to benefit from synergies between AHS and Alameda Hospital; provided, however, that except as set forth on Exhibit C to this Agreement (which the Parties shall mutually prepare in good faith prior to the Closing), AHS shall not divert any Hospital Personnel (as defined below) from, or consolidate any services at, Alameda Hospital during the Transition Period (as defined below) without the prior consent of District, which shall not be unreasonably withheld, conditioned or delayed.

1.5. Other Services. AHS shall provide such additional oversight and direction as are necessary and appropriate to implement the purposes of this Agreement by AHS pursuant to its delegated powers.

1.6. Medical Staff.

(a) The Alameda Hospital Medical Staff shall be governed by, and accountable to, the AHS Board or its delegated committees for all purposes, including without limitation, credentialing, peer review, patient quality and medical staff development. AHS shall oversee and support the Alameda Hospital Medical Staff's administrative affairs, including monitoring the performance of professional services by the Alameda Hospital Medical Staff and other health care professionals to ensure that Alameda Hospital maintains standards of quality patient care, treatment and related functions. The Alameda Hospital Medical Staff shall be expected to cooperate with other medical staffs organized by AHS to support the most efficient delivery of health care services within the AHS system. The Alameda Hospital Medical Staff shall be maintained without modification for a minimum period of one (1) year following the Closing.

(b) AHS and District understand and agree that the evolving health care marketplace will require AHS to continually monitor and implement best practices for the integration of health care services and the delivery of high quality and cost-efficient patient care with respect to both institutional and physician services. To that end, AHS expects to study, consider and offer a variety of voluntary integrative medical practice structures and opportunities for AHS, Alameda Hospital and community physicians even as it continues to accommodate physicians practicing in traditional office settings. Additionally, the Parties recognize that, to take advantage of the evolving health care

marketplace, reimbursement changes, regulatory and licensure opportunities, AHS may determine that the merger of hospital licenses and permits of AHS and Alameda Hospital is in the best economic interests of the health system. It is anticipated that such reimbursement, regulatory or licensure changes may require the integration of the AHS and Alameda Hospital Medical Staffs. In the event a merger of the hospital licenses is in the best economic interest of the health system, AHS shall discuss and consult with the Alameda Hospital Medical Staff as part of making such determination and shall engage in such discussions prior to implementation of any such proposed merger of licenses. Additionally, such discussions shall be guided by the "Principles of Collaboration" delineated on Exhibit D, which have been approved by the Boards of Directors of each Party.

(c) At the time the AHS Board resolves to appoint the Medical Staff of Alameda Hospital, which shall be effective as of the Closing, the AHS Board or its designee shall:

- (i) Invite all members of the Medical Staff of Alameda Hospital who are on staff as of the Closing to continue to provide services at the Hospital;
- (ii) Recognize and ratify the Alameda Hospital Medical Staff's Medical Executive Committee's recommendations as to the Medical Staff membership in effect for each member of the Medical Staff as of the Closing who accept such invitation ("Current Medical Staff") and;
- (iii) Permit all members of the Current Medical Staff to retain their membership on the Medical Staff until such time as they are no longer members of the Medical Staff of Alameda Hospital as currently constituted or in any successor form of Medical Staff.

1.7. Employment Matters.

(a) For a period ending on the one (1) year anniversary of the date of this Agreement or such earlier date as AHS may elect in its sole discretion (the "Transition Period"), all employees of District charged with carrying out the day-to-day work and duties of Alameda Hospital, including nurses and other healthcare professionals, managerial and administrative personnel, and housekeeping and janitorial workers (the "Hospital Personnel"), shall be employed by District and shall have no employment relationship with AHS. During such Transition Period, AHS shall oversee the general operation of Alameda Hospital; provided, however, that at a minimum, District human resources and labor relations staff, immediate supervisors of rank and file Hospital Personnel, and rank and file Hospital Personnel themselves, shall be employed and directed by District. As such, District shall remain responsible during the Transition Period for the payment of the Hospital Personnel's compensation and the provision of employee benefits to Hospital Personnel; provided, however, that AHS shall remit to District (or discharge on behalf of District) all amounts incurred by District in connection

therewith. District's decisions during the Transition Period to hire, terminate, discipline, effect any change in the compensation, benefits or responsibilities of, or enter into or amend any agreement with, any Hospital Personnel or labor organization representing Hospital Personnel shall be made in accordance with any overarching business and/or operational plans and operating budgets adopted by AHS for Hospital Personnel from time to time.

(b) During the Transition Period, the District will continue to maintain the frozen Alameda Hospital Pension Plan (the "Pension Plan"), and AHS shall remit amounts sufficient to fund (i) required contributions to the Pension Plan as determined by the District and the Pension Plan actuary and (ii) required employer contributions to the City of Alameda Health Care District 401(a) Retirement Plan (the "Retirement Plan") and all multiemployer plans to which the District contributes. Contributions to the District's 403(b) Plan and 457(b) Plan shall continue to be made by the District on a salary deferral basis. During the Transition Period, the District shall not, without AHS' prior written consent, amend or terminate the Pension Plan, Retirement Plan, 403(b) Plan or 457(b) Plan, or withdraw from any multiemployer plan to which the District contributes. The District shall discharge its duties with respect to the plans described in the previous sentence with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

(c) The Parties intend that the employment of Hospital Personnel by District during the Transition Period serve as a temporary and transitional arrangement only. As soon as practicable, but in no event later than the end of the Transition Period, AHS shall transition the employment of Hospital Personnel to AHS or to an appropriate AHS subsidiary. After the end of the Transition Period, AHS shall become the plan sponsor of the District benefit plans, including the plans described in Section 1.7(b) and shall determine whether to terminate the District benefit plans and transition District employees to AHS plans or assume District plans; provided, however, that, after the end of the Transition Period, AHS shall assume responsibility for funding the Pension Plan, including contributions and fees required to terminate the Pension Plan. In connection therewith, AHS agrees to assume, after the end of the Transition Period, all memoranda of understanding with labor organizations representing Hospital Personnel, subject to applicable law and the rights of AHS and the labor organizations representing Hospital Personnel to collectively bargain. After the end of the Transition Period, AHS shall also assume responsibility for contributions to the multiemployer plans to which the District contributes under such memoranda of understanding. While the parties will endeavor to avoid any withdrawal liability, AHS shall assume any withdrawal liability that arises after the Closing under any multiemployer plan, subject to the requirement that the District not withdraw from any multiemployer plan during the Transition Period, as set forth in Section 1.7(b).

1.8. Debts and Liabilities. AHS shall assume all liabilities of District, whether known and unknown, incurred in the ordinary course of the operation of Alameda Hospital, both pre- and post-Closing, including without limitation accounts payable, obligations under contracts assumed by AHS and indebtedness for borrowed money primarily relating to the operation of

Alameda Hospital; provided, however, that AHS shall not assume any other non-operational liabilities or liabilities of District that are unrelated to the operation of Alameda Hospital. Nothing in this Agreement shall be deemed to alter or affect the responsibility of District or AHS for their own respective debts, liabilities, claims or obligations unrelated to the administration and operation of Alameda Hospital. Subject to the first sentence of this Section 1.8, the debts, liabilities, claims and obligations of each Party shall at all times remain the debts, liabilities, claims and obligations of such Party, and shall not be, or by virtue hereof become, the debts, liabilities, claims or obligations of the other Party.

1.9. District Operations Apart From Administration of Alameda Hospital. AHS is not by virtue of this Agreement delegated oversight of those general operations of District under Health and Safety Code Section 32121 that are unrelated to the administration and operation of Alameda Hospital as a health care facility. Such general powers include (but are not limited to) the organization or any reorganization of District or its governing body, the sale or disposition of surplus District property, conducting elections, the assessment and collection of the Parcel Tax Revenue (as defined below) and similar general powers of District. Should District and AHS disagree about whether a proposed action of District falls within the purview of this Agreement, either Party may pursue dispute resolution with respect to such disagreement through the process described in Article 8 of this Agreement.

1.10. Verification of Costs. If and to the extent required by Section 1395(x)(v)(1) of Title 42 of the United States Code, until the expiration of four (4) years after the termination of this Agreement, AHS shall make available upon written request, to the Secretary of the United States Department of Health and Human Services or, upon request, to the Comptroller General of the United States General Accounting Office, or any of their duly authorized representatives, a copy of this contract and such books, documents and records as are necessary to certify the nature and extent of the costs of the services provided by AHS to Alameda Hospital under this Agreement. In the event that AHS carries out any of its duties under this Agreement through a subcontractor with a value or cost of Ten Thousand Dollars (\$10,000) or more over a twelve (12) month period, such subcontract shall contain a clause to the effect that until the expiration of four (4) years after the furnishing of such services pursuant to such subcontract, the subcontractor shall make available, upon written request, to the Secretary of the United States Department of Health and Human Services or to the Comptroller General of the United States General Accounting Office, or any of their duly authorized representatives, a copy of such subcontract and such books, documents and records of such organization as are necessary to verify the nature and extent of such costs. Should either Party receive an oral or written request for copies of this Agreement and the books, documents, and records referenced hereinabove, such Party shall give prompt written notice to the other Party in order that such Party may exercise its legal rights as to such request.

ARTICLE 2. FINANCIAL MATTERS

2.1. Capital Requirements. AHS and District acknowledge that expenditures for the operational, financial and capital needs of Alameda Hospital shall be required for the continued operation of Alameda Hospital (the "Hospital Financial Requirements"), which shall include, without limitation, all costs and expenses for the operation and maintenance of Alameda Hospital, including heat, water, electricity and all other utilities; taxes; insurance premiums;

licenses; supplies; permits and inspection fees; facilities and equipment (including leases therefor); costs of labor including Hospital Personnel (including all salaries, fringe benefits, insurance benefits, payroll taxes and similar costs); costs of services and materials; marketing and advertising expenses; costs of legal, accounting and audit services; architectural services, feasibility studies, and similar items related to capital expenditures; electronic health records implementation; compliance with 2013 Seismic Requirements; and routine property, plant and equipment repair, maintenance and replacement. Attached as Exhibit E to this Agreement (which the Parties shall mutually prepare in good faith prior to the Closing) is an estimate of the Hospital Financial Requirements through the year 2020. The parties have made no estimate of the financial and capital needs of Alameda Hospital after 2020.

2.2. Parcel Tax Revenue. District shall support the ongoing operation and capital needs of Alameda Hospital through the annual assessment and collection of its duly authorized parcel tax. District agrees that it shall use its best efforts to assess and collect its parcel tax, and, except as provided below with respect to District Expenses, District shall promptly pay all amounts that it collects from the parcel tax after the date of this Agreement, together with any other revenue received by District after the date of this Agreement except as set forth on Schedule 2.2 (which the Parties shall mutually prepare in good faith prior to the Closing) (collectively, the "Parcel Tax Revenue"), to AHS (a) first, for the repayment of any outstanding amounts advanced under the Line of Credit (as defined below) and any interest accrued thereon and (b) thereafter, for use by AHS in its operation of Alameda Hospital. The Parties agree and acknowledge that the Parcel Tax Revenue shall be used solely and exclusively for repayment of amounts outstanding under the Line of Credit and the operating and capital support of Alameda Hospital, including the funding of the Hospital Financial Requirements and the Capital Reserve Fund (as defined in Section 2.5). For the avoidance of doubt, any amounts repaid under the Line of Credit from the Parcel Tax Revenue shall be the property of AHS, and AHS shall not be required to use such amounts to fund Hospital Financial Requirements. Notwithstanding anything in this Agreement to the contrary, District shall be permitted to withhold and retain from the Parcel Tax Revenue an amount equal to the reasonable out-of-pocket costs and expenses actually incurred by District for its statutorily required operations, including without limitation expenses of administrative, legal and accounting services, cost of elections, meetings, strategic planning, insurance, administration and collection of the parcel tax, and payment of legal obligations, if any (known or unknown), unrelated to the administration and operation of Alameda Hospital ("District Expenses"); provided, however, that in no event shall the amounts withheld and retained by District in accordance with the foregoing exceed what is reasonably required for such District Expenses during any fiscal year without the prior written approval of AHS.

2.3. Parcel Tax Budget. At least sixty (60) days before the end of each fiscal year, AHS shall prepare and submit to District for its approval, which shall not be unreasonably withheld, conditioned or delayed, a proposed spending plan for the Parcel Tax Revenue for the next fiscal year, which shall set forth generally the anticipated Hospital Financial Requirements for which the Parcel Tax Revenue shall be allocated (the "Parcel Tax Budget"). The Parcel Tax Budget shall (i) make specific allocation for capital and operating costs of Alameda Hospital and (ii) cover the reasonably anticipated costs of ongoing District operations including, without limitation, the District Expenses. AHS shall, on an on-going basis, propose appropriate revisions to the Parcel Tax Budget to reflect material changes during the course of each fiscal year. Once

District has approved the Parcel Tax Budget and any appropriate revisions thereto, AHS shall be authorized to proceed with expenditures contemplated by the approved Parcel Tax Budget without the need for further approval by District. If there is no approved Parcel Tax Budget at the beginning of any fiscal year, AHS shall operate Alameda Hospital in accordance with the most recent approved Parcel Tax Budget until the Parcel Tax Budget for the fiscal year is adopted. If District fails to approve the Parcel Tax Budget or the Parties otherwise disagree on the Parcel Tax Budget, such dispute shall be subject to the Dispute Resolution Process.

2.4. AHS Capital Contributions. AHS agrees to make such capital commitments as AHS shall deem necessary, in its sole discretion, to supplement the Parcel Tax Revenue described in Section 2.2 for the funding of the Hospital Financial Requirements on an annual basis (the "AHS Capital Contributions"). The amount of AHS Capital Contributions shall be determined after giving consideration to, and in a manner consistent with, AHS' obligations hereunder and the overall capital requirements and planned expenditures for the comprehensive health system operated by AHS. Notwithstanding anything in this Agreement to the contrary, AHS shall not be required to construct, or make any capital commitments for the construction of, a new acute care facility in compliance with the 2030 Seismic Requirements. The manner and funding of such a facility shall be the subject of further negotiations between the Parties beginning in the year 2020.

2.5. Capital Reserve Fund. The parties shall establish a long-term capital reserve fund for meeting the ongoing capital needs of Alameda Hospital, including compliance with the 2030 Seismic Requirements (the "Capital Reserve Fund"), which shall be funded solely by any Parcel Tax Revenue that exceeds the applicable Hospital Financial Requirements in a given year. AHS shall be entitled to draw from the Capital Reserve Fund to fund any Hospital Financial Requirements that exceed the Parcel Tax Revenue from time to time.

2.6. Line of Credit. On July 1, 2013, AHS and District entered into that certain Line of Credit Agreement, whereby AHS has made available to District a line of credit with an initial advance in the amount of \$1,500,000 and has agreed to consider making an additional advance, up to \$1,500,000, available to District upon the execution hereof, in order to assist District in paying operating expenses essential to the continued operation of Alameda Hospital (as the same may be increased or decreased from time to time, the "Line of Credit"). Following the Closing, District shall repay to AHS the amounts loaned under the Line of Credit from the Parcel Tax Revenue collected by District. In the event this Agreement is terminated, any outstanding amounts advanced under the Line of Credit (and any interest thereon as provided in the Line of Credit Agreement) shall become immediately due and payable to AHS, and District shall pay such amounts in full from the next year's assessment and collection of the Parcel Tax Revenue.

2.7. Real Estate Taxes. During the term hereof, AHS shall pay all real estate taxes, levies, assessments and all other charges in the nature of taxes or assessments, general or special, ordinary and extraordinary of any kind or nature, if any, which during the term of this Agreement may be laid, levied, assessed or imposed or become a lien upon or chargeable against any of the Real Property. AHS shall pay to the taxing authorities any such real estate taxes not later than ten (10) days before the taxing authority's delinquency date. AHS shall not be required to pay any municipal, county, state or federal income or franchise taxes of District.

ARTICLE 3. GOVERNANCE

3.1. District Designee. AHS and District agree that, in order to ensure the advancement of District's and Alameda Hospital's interests in the affiliation contemplated by this Agreement and the broader interests of AHS' emerging health system, District shall be entitled to nominate one (1) designee (the "District Designee") to serve as a voting member of the AHS Board during the term of this Agreement, except as provided in Article 5.

3.2. Nomination and Appointment Process. District may nominate any person to serve as the District Designee by providing written notice thereof to the AHS Board, provided that the appointment of such nominee to the AHS Board shall require the approval of the Board of Supervisors of Alameda County (the "Board of Supervisors"). The Board of Supervisors may, in its sole discretion, elect to accept or reject any District nominee to the AHS Board; provided, however, that in the event that the Board of Supervisors (i) rejects three (3) successive nominees to serve as the District Designee or (ii) fails to appoint or reject any nominee to serve as the District Designee within six (6) months of District's initial nomination thereof, there shall be deemed to be a material breach of District's Reserved Rights (as defined in Section 4.1) and District may pursue remedies set forth in Section 4.2, subject to the dispute resolution requirements set forth therein.

3.3. Term of Service; Removal; Vacancies. Each District Designee shall serve in such capacity until the end of three (3) years (or such shorter or longer term as may apply to the members of the AHS Board from time to time) or the earlier of his or her death, resignation or removal; provided, however, that each District Designee may be reappointed to serve additional terms in accordance with provisions of this Agreement up to the maximum term limit then applicable to the members of the AHS Board. District Designees may be removed as a member of the AHS Board for cause by District or the other members of the AHS Board in accordance with the AHS Bylaws, but District Designees may only be removed without cause by District. Any vacancy in the position to be held by the District Designee shall be filled pursuant to the procedures set forth in Section 3.2.

3.4. AHS Board Committees. The AHS Board shall permit one or more members of the District Board to serve as regular appointed members on one or more of the committees of the AHS Board.

ARTICLE 4. DISTRICT RESERVED RIGHTS; REMEDIES

4.1. Reserved Rights. AHS hereby agrees that, throughout the term of this Agreement, District shall have the following rights and privileges (collectively, the "Reserved Rights"), which shall be binding contractual obligations of AHS:

- (a) AHS shall not change the name of Alameda Hospital without the consent of District.
- (b) AHS shall not reduce the number of Alameda Hospital's licensed beds for acute inpatient services to less than fifty (50) or close Alameda Hospital's Basic Level Emergency Department, in either case, without the prior written consent of District.

(c) The District Designee shall be appointed to the AHS Board in accordance with Section 3.2.

(d) District shall have the rights set forth in Section 3.4.

(e) AHS shall develop and submit to District for approval the Parcel Tax Budget within the time period set forth in Section 2.3.

(f) AHS shall make the AHS Capital Contributions for planned expenditures for the financial and capital needs of Alameda Hospital as contemplated in Section 2.4.

(g) AHS shall make available on a regular and mutually agreeable basis meeting rooms and support personnel (including, without limitation, an individual to serve as "Clerk of the District") required for the conduct of District business.

4.2. Breach of Reserved Rights; Remedies. In the event that AHS fails to comply in any material respect with any of the Reserved Rights set forth in Section 4.1(a)-(f), and either such failure is not curable or AHS does not cure such failure within sixty (60) days of its receipt of written notice thereof from District, such failure shall be deemed a Dispute (as defined in Article 8) and shall be subject to the dispute resolution procedures in Article 8. In the event that a final non-appealable order of a court of competent jurisdiction or final non-appealable arbitration decision has been made determining that AHS has materially breached and failed to cure its obligations set forth in Section 4.1(a)-(f) within such cure period, or AHS delivers to District a written acknowledgement regarding the same, District shall be entitled to elect, at its sole discretion, either of the following remedies:

(a) District may reaffirm the Agreement, and each Party shall be required to continue to fulfill its obligations hereunder; provided, however, that (i) District shall no longer be required to assess, collect or remit to AHS any portion of the Parcel Tax Revenue, (ii) the Line of Credit shall be terminated and District shall have no further obligation to repay AHS any principal or interest thereunder outstanding as of the date of such termination, (iii) District shall be relieved of any obligation to repay AHS any AHS Capital Contributions, and (iv) AHS shall cause any balance in the Capital Reserve Fund to be paid to District; or

(b) District may elect to terminate the Agreement, in which case AHS shall promptly return possession, control and operation of Alameda Hospital, together with title to all real and personal property located at Alameda Hospital or otherwise primarily used in its operation and any balance in the Capital Reserve Fund, to District or its designee. AHS shall reasonably cooperate with District or its designee to effectuate the transfer of the operation of Alameda Hospital, including but not limited to using commercially reasonable efforts to effectuate the transfer all licenses and certifications of Alameda Hospital back to District. In the event that District terminates the Agreement pursuant to this Section 4.2(b), (i) the Line of Credit shall be terminated and District shall have no further obligation to repay AHS any principal or interest thereunder outstanding as of the date of such termination and (ii) District shall be relieved of any obligation to repay AHS any AHS Capital Contributions.

ARTICLE 5. AHS REMEDIES

In the event that (i) District fails to assess, collect and distribute the Parcel Tax Revenue to AHS as provided herein, (ii) District rescinds the delegation of the operation, governance and management of Alameda Hospital to AHS or otherwise fails to support AHS in its operation and management of Alameda Hospital as contemplated in this Agreement, (iii) the voters of the City of Alameda rescind or reduce the parcel tax or District elects not to or is otherwise unable to assess, collect and distribute the Parcel Tax Revenue to AHS as provided herein, (iv) District's material breach of Section 1.2(b) or 1.2(d) hereof, including without limitation, a breach resulting from the occurrence of a Transfer without AHS' prior written consent, (v) the termination, disturbance, interruption, or impairment, for any reason, of AHS' exclusive occupancy, possession, use, control, or operation with respect to all or a portion of the Real Property, or (vi) District is dissolved, ceases to do business, makes an assignment for the benefit of creditors or files or has instituted against it any insolvency, receivership or bankruptcy proceeding, and either such failure is not curable or District does not cure such failure within sixty (60) days of its receipt of written notice thereof from AHS, such failure shall be deemed a Dispute (as defined in Article 8) and shall be subject to the dispute resolution procedures in Article 8. In the event that: (A) a final non-appealable order of a court of competent jurisdiction or final non-appealable arbitration decision has been made confirming any of the matters set forth in clauses (i) through (vi), or (B) District delivers to AHS a written acknowledgement regarding the same (in the case of (A) or (B), each a "District Breach"), AHS shall be entitled to elect, at its sole discretion, either of the following remedies (in addition to the rights set forth in Section 1.2(e), to the extent applicable):

(a) AHS may reaffirm the Agreement, and each Party shall be required to continue to fulfill its obligations hereunder; provided, however, that (i) District shall no longer be entitled to exercise any of the Reserved Rights, (ii) AHS may immediately remove the District Designee from the AHS Board and any members of the District Board that are serving on any committees of the AHS Board, (iii) any amounts outstanding under the Line of Credit (including any interest thereon), any AHS Capital Contributions, and any other amounts advanced by AHS for the use and benefit of Alameda Hospital (i.e. not attributable to Parcel Tax Revenue received from District), whether for capital expenses or for the support, management and operation of Alameda Hospital by AHS, from the date of this Agreement to such date (the "Default Payments"), shall become immediately due and payable under the terms of the Line of Credit; provided, further, however, that District shall not be required to pay any portion of the Default Payments that exceed a total cap equal to five (5) times the average annual amount of the Parcel Tax Revenue from the parcel tax assessments for three (3) years prior to such date (the "Cap"); or

(b) AHS may elect to terminate the Agreement, in which case AHS shall promptly return possession, control and operation of Alameda Hospital, together with title to the Real Property and personal property located at Alameda Hospital or otherwise primarily used in its operation, to District or its designee, with no further obligations on the part of AHS. AHS shall reasonably cooperate with District or its designee to effectuate the transfer of the operation of Alameda Hospital, including but not limited to using commercially reasonable efforts to effectuate the transfer personnel, leased

properties and all licenses and certifications of Alameda Hospital back to District. In the event of such termination by AHS, District shall be required to pay AHS the Default Payments, subject to the Cap. AHS shall cause any balance in the Capital Reserve Fund to be paid to District after payment by District of the Default Payments.

If District fails to pay the Default Payments within thirty (30) days' of the date such payments become due, AHS shall be entitled to enforce payment thereof by any legal process available to it and such breach shall not be further subject to the dispute resolution procedures in Article 8.

ARTICLE 6. CLOSING; TERM AND TERMINATION

6.1. Closing.

(a) The closing of the transactions contemplated by this Agreement, and the effective date of the delegation of the management and supervision of Alameda Hospital to AHS (the "Closing"), shall be conditioned upon, and shall occur as soon as reasonably practicable following, the receipt by AHS of the general acute care hospital license and such other licenses, certifications and permits (including skilled nursing facility licenses) necessary to operate Alameda Hospital as currently operated and the written consents contemplated in Section 1.2(c). The Parties anticipate the Closing will occur on or about February 28, 2014.

(b) Prior to the date of this Agreement, AHS commenced its due diligence inspection of Alameda Hospital and its operations and District commenced a more limited due diligence inspection of AHS and its operations (the "Due Diligence Activities"). Prior to the Closing, District shall, and shall cause its employees, representative and agents to, cooperate with AHS in connection with its Due Diligence Activities as reasonably requested by AHS. In furtherance of the foregoing, District shall (i) provide all information and documentation relating to the operation of Alameda Hospital as shall be reasonably requested by AHS or its representatives and (ii) afford to the officers and agents of AHS (which shall include accountants, attorneys, bankers and other consultants and authorized agents of AHS) reasonably full and complete access during normal business hours to, and the right to inspect, the facilities, properties, books, accounts, records and all other relevant documents and information with respect to the operation of Alameda Hospital. Prior to the Closing, either party shall be entitled to terminate this Agreement in the event that it determines not to continue with the transactions contemplated by this Agreement as a result of its Due Diligence Activities.

6.2. Term. This Agreement shall continue in effect until terminated as provided in this Article 6.

6.3. Mutual Termination. The Parties may terminate this Agreement at any time by mutual written consent.

6.4. Termination by AHS. AHS may terminate this Agreement in accordance with Article 5. AHS may also terminate this Agreement upon the occurrence of (i) any "act of God," including, without limitation, weather, earthquakes and other natural disasters, (ii) any hostilities, acts of war, sabotage or terrorism or (iii) any changes in law or reimbursement or shutdown of

any governmental body, in each case, that is reasonably expected to have a material and adverse effect on the operation of the Hospital.

6.5. Termination by District. District may terminate this Agreement in accordance with Article 4.

6.6. Effect of Termination. In the event that this Agreement is terminated pursuant to Section 6.3, 6.4 or 6.5, AHS shall promptly return possession, control and operation of Alameda Hospital, together with title to all real and personal property located at Alameda Hospital or otherwise primarily used in its operation, to District or its designee, and District or its designee shall assume all liabilities with respect thereto. In so doing, AHS shall use commercially reasonable efforts to effectuate the transfer of personnel, leased properties and all licenses and certifications of Alameda Hospital back to District. Except as set forth in this Agreement, no termination of this Agreement shall release either Party from any liability that has already accrued as of the effective date of the termination, nor in any way affect the survival of any right, duty or obligation of either Party that is intended to survive the termination hereof.

ARTICLE 7. INSURANCE; INDEMNIFICATION

7.1. Insurance.

(a) AHS shall be responsible for obtaining all insurance, including without limitation general, workers' compensation and professional liability insurance, appropriate and necessary for the operation of Alameda Hospital after the Closing. AHS shall be named as an additional insured party on all insurance policies of the District related to its operation, maintenance, or administration of Alameda Hospital prior to the Closing. AHS shall be subrogated to all rights and remedies of District to any insurance benefits with respect to Losses (as defined below) arising out of or relating to the operation of Alameda Hospital prior to the Closing, and District shall execute upon request all instruments necessary to evidence and perfect such subrogation rights.

(b) Prior to the Closing, the Parties shall meet and confer with each other and with knowledgeable insurance broker(s) to design and implement a mutually beneficial and cost-effective insurance program for each Party that appropriately provides all the coverages required hereunder without any unnecessary duplication of coverage or cost.

7.2 Indemnification.

(a) AHS shall indemnify and hold harmless District from and against any and all demands, losses, claims, costs, suits, liabilities and reasonable out-of-pocket costs and expenses (including attorneys' fees) (collectively, "Losses") suffered or incurred by District arising from (i) the operation of Alameda Hospital by AHS after the Closing, (ii) any breach of any representation, warranty or covenant of AHS under this Agreement and any failure by AHS to perform any of its obligations under this Agreement, or (iii) any willful act or gross negligence of AHS or any of its agents, representatives or employees. In the event any action or proceeding is brought against District for which District is entitled to indemnification hereunder, AHS, upon notice from District, shall defend the same at AHS' expense by counsel reasonably satisfactory to District. Except in the event

of the willful misconduct or gross negligence of AHS or any of its agents, representatives or employees, AHS shall not be liable for injury or damage which may be sustained by the person, goods, wares, merchandise or property of District, its employees or invitees or any other person in or about Alameda Hospital from any cause.

(b) District shall indemnify and hold harmless AHS from and against any and all Losses suffered or incurred by AHS arising from (i) any breach of any representation, warranty or covenant of District under this Agreement and any failure by District to perform any of its obligations under this Agreement, (ii) any violation of law, breach of contract or otherwise wrongful act arising from or relating to the District's maintenance, operation or administration of the benefit plans described in Section 1.7 of this Agreement during the Transition Period, or (iii) any willful act or gross negligence of District or any of its agents, representatives or employees. In the event any action or proceeding is brought against AHS for which AHS is entitled to indemnification hereunder, District, upon notice from AHS, shall defend the same at District's expense by counsel reasonably satisfactory to AHS. Except in the event of the willful misconduct or gross negligence of District or any of its agents, representatives or employees, District shall not be liable for injury or damage which may be sustained by the person, goods, wares, merchandise or property of AHS, its employees or invitees or any other person in or about Alameda Hospital from any cause.

(c) Notwithstanding anything in this Agreement to the contrary, in no event shall either party be liable to the other party or in connection with this Agreement for any consequential, special, incidental, indirect or punitive damages of any nature whatsoever, including, but not limited to, lost profits, or for any claims or liabilities that arise in whole or part from the acts or omissions of the indemnified party or its affiliates. Each party's obligation to indemnify the other party hereunder shall be reduced by any insurance proceeds recovered by the other party.

ARTICLE 8. DISPUTE RESOLUTION

8.1. Exclusive Process for Disputes. This Article 8 establishes the exclusive process by which any dispute, claim, or cause of action between the Parties concerning or relating to this Agreement shall be resolved (each, a "Dispute"). The dispute resolution process established herein shall apply to Disputes between the Parties related to the interpretation or enforcement of, or compliance with, the terms and provisions of this Agreement (including without limitation determinations as to the materiality of any alleged breaches of this Agreement and the violation of any of District's Reserved Rights). Disputes between the Parties that are not alleged to relate to the interpretation or enforcement of, or compliance with, this Agreement are not subject to this dispute resolution process.

8.2. Informal Conference. If a Dispute arises as described above in Section 8.1, the Parties will first attempt to resolve the Dispute through informal discussions by designated representatives of each Party. The Parties will coordinate the date, time and location of the informal conference, which shall take place within thirty (30) days following the date that the Party initiating dispute resolution notifies the other Party in writing of the existence of the dispute.

8.3. Mediation. In the event a Dispute cannot be resolved through informal conference within the thirty (30) day period set forth in Section 8.2, the Parties shall endeavor to settle the Dispute by mediation. The Parties shall select, by mutual agreement, a neutral third party to mediate the Dispute. The costs of the mediation will be paid borne equally by the Parties.

8.4. Arbitration. Should the Parties be unable to resolve a Dispute through informal discussions or mediation, within thirty (30) days of written notice by either Party, the Parties shall submit the dispute to the Judicial Arbitration and Mediation Service (“JAMS”) or other mutually agreeable arbitrator for binding arbitration. Arbitration will be conducted in accordance with the Streamlined Arbitration Rules and Procedures of JAMS. The arbitration shall be conducted by a single arbitrator and the selection of such arbitrator shall be governed by the Streamlined Arbitration Rules and Procedures of JAMS. The Parties shall bear the arbitrator’s fees and expenses equally. The arbitration shall take place in Alameda County, California. The Parties shall undertake to cause the arbitration to be concluded within one hundred eighty (180) days after the filing of the arbitration claim, and the final award shall be conclusive and binding. Judgment upon the award may be entered and enforced in the appropriate state or federal court sitting in Alameda County, California, in any court having jurisdiction thereof, and is subject only to challenge on the grounds set forth in California Code of Civil Procedure section 1285 *et seq.* or on the grounds that the arbitrator exceeded his or her powers by making a mistake of law or legal reasoning. The Parties agree the court shall have jurisdiction to review, and shall review, all challenged findings of law and legal reasoning based on a *de novo* review. The arbitrator shall have the power to grant all legal and equitable remedies available to the Parties under California law; provided, however, the arbitrator shall not be empowered to award punitive damages or decide matters contrary to law. The final award shall state findings of fact and conclusions of law and shall apply California and applicable federal law.

8.5. Specific Performance. The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their respective terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, this being in addition to any other remedy they are entitled pursuant to this Agreement.

ARTICLE 9. MISCELLANEOUS PROVISIONS

9.1. Entire Agreement. This Agreement (together with all Exhibits attached hereto) contains the entire agreement of the Parties with respect to the matters contemplated herein and fully and completely integrates all prior or contemporaneous discussions, agreements and understandings of the Parties regarding its subject matter. There are no other agreements, written or oral, between the Parties or their representatives with respect to the matters set forth herein.

9.2. No Assignment; Successors and Assigns. Neither Party may assign any of its rights nor delegate any of its responsibilities under this Agreement without the written approval of the other Party. The provisions of this Agreement shall inure to the benefit of the Parties and their respective successors and permitted assigns.

9.3. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of California.

9.4. Interaction with Government Agencies. In all interactions with governmental agencies having jurisdiction over Alameda Hospital or any of the transactions contemplated herein or any aspect thereof, District will cooperate with AHS and shall keep AHS informed of its discussions with, and submissions to, such agencies.

9.5. Construction. This Agreement shall not be construed more strictly against either Party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the parties, it being recognized that both Parties have been independently represented and have contributed substantially and materially to the preparation of this Agreement.

9.6. Headings. The headings of various sections in this Agreement are for convenient reference only, are not intended to be utilized in construing the content or meaning of the substantive provisions hereof, and shall be of no legal force or effect.

9.7. Severability. If any one or more of the provisions of this Agreement is for any reason held to be invalid, illegal, void or unenforceable by a court of competent jurisdiction for any reason, the remaining provisions shall not be affected thereby, but shall remain in full force and effect.

9.8. Waiver. Either Party may specifically and expressly waive, but only in writing, any term or condition of this Agreement, or breach thereof, by the other Party, but no such waiver shall constitute a further or continuing waiver of any preceding or succeeding breach of the same or any other provision, whether or not similar. Consent by one Party to any act by the other Party for which such consent is required shall not be deemed to imply consent or waiver of the necessity of obtaining such consent for the same or similar acts in the future.

9.9. Notices. Any notice required or permitted hereunder shall be in writing and shall be deemed given (i) upon personal delivery; or (ii) twenty-four (24) hours following electronically confirmed transmission by facsimile, or by deposit for overnight delivery with a bonded courier holding itself out to the public as providing overnight service; or (iii) forty-eight (48) hours following deposit in the United States Mail, certified or registered mail, postage prepaid, and addressed as follows or to such other addresses as either party may provide to the other from time to time in the manner provided herein.

If to District: City of Alameda Health Care District
 2070 Clinton Avenue
 Alameda, CA 94501
 Fax: (510) 814-4005
 Attn: Chief Executive Officer

If to AHS: Alameda Health System
 1411 East 31st. Street
 Oakland, CA 94602
 Fax: (510) 535-7722

Attn: Chief Executive Officer

9.10. Further Assurances. Each Party shall each execute and deliver such other documents and instruments and take such other actions as may reasonably be required to consummate the transactions contemplated herein and to otherwise effectuate the agreements of the parties hereto.

9.11. No Joint Venture or Partnership; No Third-Party Beneficiaries. Nothing in this Agreement shall be deemed to establish relationships between the Parties other than those expressly described and set forth herein. No provision of this Agreement is intended to benefit any person or entity not a signatory hereto, nor shall any other person or entity have any right or standing to seek to enforce or recover any right or remedy that may be binding hereunder. There shall be no third party beneficiaries of this Agreement.

9.12. Amendments. This Agreement may only be amended by an instrument in writing signed by both Parties.

9.13. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

[Signatures on the Following Page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their proper officers as of the date first above written.

AHS:

ALAMEDA COUNTY MEDICAL CENTER, a
public hospital authority doing business as
ALAMEDA HEALTH SYSTEM

By: W. J. Wright
Name: Wright Crasster, ~~MD~~
Title: CEO

DISTRICT:

CITY OF ALAMEDA HEALTH CARE
DISTRICT

By: Reborah E. Skelbins
Name: Reborah E. Skelbins
Title: CEO

EXHIBIT A-1

TRANSFER AND ASSIGNMENT AGREEMENT

THIS TRANSFER AND ASSIGNMENT AGREEMENT (this "Agreement") is entered into as of this ___ day of _____, 2014, by and between Alameda County Medical Center, a public hospital authority created by the Alameda County Board of Supervisors pursuant to Section 101850 of the California Health and Safety Code, doing business as Alameda Health System ("AHS"), and the City of Alameda Health Care District, a California health care district organized under the California Local Health District Law, California Health and Safety Code 32000 *et seq.* ("District"). Each of AHS and District are referred to herein as a "Party" and together as the "Parties".

WHEREAS, the Parties have entered into that certain Joint Powers Agreement, dated [____], 2013 (the "Joint Powers Agreement"), pursuant to which District and AHS intend, by the joint exercise of their common statutory powers to operate health care facilities as set forth in the Joint Powers Agreement, to provide for the continuing operation of Alameda Hospital through the delegation to AHS of the possession and control, and the ongoing operation, management and oversight, of Alameda Hospital, which shall include, but not be limited to, responsibilities for licensure, governance, operation, administration, financial management and maintenance (including, but not limited to, compliance with ongoing regulatory and seismic requirements to the extent set forth therein) of Alameda Hospital, all for the benefit of the communities that both parties serve; and

WHEREAS, in furtherance of the foregoing, the Parties desire to enter into this Agreement to convey, assign, transfer and deliver to AHS all of the right, title and interest of District in and to all of the assets, properties and rights of District relating to or used in the operation of Alameda Hospital.

NOW, THEREFORE, pursuant to the Joint Powers Agreement and in consideration of the mutual promises it contains, and for other good and valuable consideration, the receipt and sufficiency of which AHS and District each acknowledge, the Parties agree as follows:

1. Each capitalized term used but not defined in this Agreement shall have the meaning ascribed to it in the Joint Powers Agreement.
2. Effective as of the date hereof, District hereby conveys, grants, assigns, transfers, delivers and sets over to AHS and its successors and assigns, all of the right, title and interest of District in and to all of the assets, properties and rights of District relating to or used in the operation of Alameda Hospital, directly or indirectly, in whole or in part (other than the Real Property), including, without limitation, all cash and other deposits, accounts receivable, personal property (including all supplies, equipment and other fixed assets), intangible property, contractual rights, licenses, intellectual property and claims and causes of action (the "Transferred Assets"), together with all the rights and privileges in any way belonging thereto, free and clear of all Encumbrances.

3. Effective as of the date hereof, District hereby assigns and transfers to AHS all of District's right, title and interest in, to and under the contracts set forth on Exhibit A attached hereto (the "Assumed Contracts"). Subject to the terms of the Joint Powers Agreement, AHS accepts such assignment and assumes agrees to be responsible and liable for all the terms, conditions, provisions and covenants required of District under the Assumed Contracts.
4. Nothing in this Agreement shall be deemed to supersede, alter or modify any of the provisions of the Joint Powers Agreement, all of which survive the execution and delivery of this Agreement as provided and subject to the limitations set forth in the Joint Powers Agreement. If any conflict exists between the terms of this Agreement and the terms of the Joint Powers Agreement, the terms of the Joint Powers Agreement shall govern and control.
5. District covenants and agrees to warrant and defend the transfer, assignment, conveyance, grant and delivery of the Transferred Assets and Assumed Contracts hereby made against all persons whomsoever, to take all steps reasonably necessary to establish the record of AHS's title to the Transferred Assets and Assumed Contracts and, at the reasonable request of AHS, to execute and deliver (or cause to be executed and delivered) further instruments of transfer and assignment and take such other action as AHS may reasonably request to more effectively transfer and assign to and vest in AHS each of the Transferred Assets and Assumed Contracts.
6. This Agreement shall be governed by and construed in accordance with the laws of the State of California and shall be subject to the dispute resolution provisions in Article 8 of the Joint Powers Agreement, which are incorporated herein.
7. This Agreement may be executed in two or more counterparts (including by means of telecopied signature pages) each of which shall be deemed to be an original, but all of which together shall constitute one and the same agreement.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their proper officers as of the date first above written.

AHS:

ALAMEDA COUNTY MEDICAL CENTER, a
public hospital authority doing business as
ALAMEDA HEALTH SYSTEM

By: _____

Name: _____

Title: _____

DISTRICT:

CITY OF ALAMEDA HEALTH CARE
DISTRICT

By: _____

Name: _____

Title: _____

Exhibit A

Assumed Contracts

EXHIBIT A-2

TRANSFER AND ASSIGNMENT AGREEMENT

THIS TRANSFER AND ASSIGNMENT AGREEMENT (this "Agreement") is entered into as of this ___ day of _____, ____, by and between Alameda County Medical Center, a public hospital authority created by the Alameda County Board of Supervisors pursuant to Section 101850 of the California Health and Safety Code, doing business as Alameda Health System ("AHS"), and the City of Alameda Health Care District, a California health care district organized under the California Local Health District Law, California Health and Safety Code 32000 *et seq.* ("District"). Each of AHS and District are referred to herein as a "Party" and together as the "Parties".

WHEREAS, the Parties previously entered into that certain Joint Powers Agreement, dated [____], 2013 (the "Joint Powers Agreement"), pursuant to which District and AHS intended, by the joint exercise of their common statutory powers to operate health care facilities as set forth in the Joint Powers Agreement, to provide for the operation of Alameda Hospital through the delegation to AHS of the possession and control, and the ongoing operation, management and oversight, of Alameda Hospital; and

WHEREAS, the Joint Powers Agreement was terminated effective _____, ____.

WHEREAS, the Joint Powers Agreement provides that, upon a termination of the Joint Powers Agreement, AHS shall convey, assign, transfer and deliver to District all of the right, title and interest of AHS in and to all of the assets, properties and rights of AHS located at or otherwise primarily relating to or used in the operation of Alameda Hospital.

NOW, THEREFORE, pursuant to the Joint Powers Agreement and in consideration of the mutual promises it contains, and for other good and valuable consideration, the receipt and sufficiency of which AHS and District each acknowledge, the Parties agree as follows:

1. Each capitalized term used but not defined in this Agreement shall have the meaning ascribed to it in the Joint Powers Agreement.
2. Effective as of the date hereof, AHS hereby conveys, grants, assigns, transfers, delivers and sets over to District and its successors and assigns, all of the right, title and interest of AHS in and to all of the assets, properties and rights of AHS located at or otherwise primarily relating to or used in the operation of Alameda Hospital, directly or indirectly, in whole or in part, including, without limitation, all cash and other deposits, accounts receivable, personal property (including all supplies, equipment and other fixed assets), intangible property, contractual rights, licenses, intellectual property and claims and causes of action (the "Transferred Assets"), together with all the rights and privileges in any way belonging thereto, free and clear of all Encumbrances.
3. Effective as of the date hereof, AHS hereby assigns and transfers to District all of AHS's right, title and interest in, to and under the contracts set forth on Exhibit A

attached hereto (the "Assumed Contracts"). Subject to the terms of the Joint Powers Agreement, District accepts such assignment and assumes agrees to be responsible and liable for all the terms, conditions, provisions and covenants required of AHS under the Assumed Contracts.

4. Nothing in this Agreement shall be deemed to supersede, alter or modify any of the provisions of the Joint Powers Agreement, all of which survive the execution and delivery of this Agreement as provided and subject to the limitations set forth in the Joint Powers Agreement. If any conflict exists between the terms of this Agreement and the terms of the Joint Powers Agreement, the terms of the Joint Powers Agreement shall govern and control.
5. AHS covenants and agrees to warrant and defend the transfer, assignment, conveyance, grant and delivery of the Transferred Assets and Assumed Contracts hereby made against all persons whomsoever, to take all steps reasonably necessary to establish the record of District's title to the Transferred Assets and Assumed Contracts and, at the reasonable request of District, to execute and deliver (or cause to be executed and delivered) further instruments of transfer and assignment and take such other action as District may reasonably request to more effectively transfer and assign to and vest in District each of the Transferred Assets and Assumed Contracts.
6. This Agreement shall be governed by and construed in accordance with the laws of the State of California and shall be subject to the dispute resolution provisions in Article 8 of the Joint Powers Agreement, which are incorporated herein.
7. This Agreement may be executed in two or more counterparts (including by means of telecopied signature pages) each of which shall be deemed to be an original, but all of which together shall constitute one and the same agreement.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their proper officers as of the date first above written.

AHS:

ALAMEDA COUNTY MEDICAL CENTER, a
public hospital authority doing business as
ALAMEDA HEALTH SYSTEM

By: _____
Name: _____
Title: _____

DISTRICT:

CITY OF ALAMEDA HEALTH CARE
DISTRICT

By: _____
Name: _____
Title: _____

Exhibit A

Assumed Contracts

EXHIBIT A-3

Legal Description of Real Property

Real property in the City of Alameda, County of Alameda, State of California, described as follows:

PARCEL ONE:

PORTION OF BLOCK 78, AS SAID BLOCK IS SHOWN ON THE "MAP OF LANDS ADJACENT TO THE TOWN OF ENCINAL, ALAMEDA COUNTY, CAL.", ETC., FILED MAY 28, 1867, IN BOOK 19 OF MAPS, PAGE 53, IN THE OFFICE OF THE COUNTY RECORDER OF ALAMEDA COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHERN LINE OF CLINTON AVENUE, WITH THE WESTERN LINE OF WILLOW STREET, AS SAID STREETS ARE SHOWN ON SAID MAP; RUNNING THENCE WESTERLY ALONG SAID LINE OF CLINTON AVENUE, 278 FEET; THENCE SOUTHERLY PARALLEL WITH SAID LINE OF WILLOW STREET TO THE UNITED STATES PATENT LINE OF THE RANCHO DE SAN ANTONIO; THENCE EASTERLY ALONG SAID PATENT LINE TO THE WESTERN LINE OF WILLOW STREET, PRODUCED SOUTHERLY; AND THENCE NORTHERLY ALONG SAID LAST NAMED LINE AND ALONG SAID LINE OF WILLOW STREET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION THEREOF LYING WITHIN THE LINES OF WILLOW STREET, AS SAID STREET NOW EXISTS.

PARCEL TWO:

PORTION OF BLOCK 78, AS SAID BLOCK IS SHOWN ON THE "MAP OF LANDS ADJACENT TO THE TOWN OF ENCINAL, ALAMEDA COUNTY, CAL.", ETC., FILED MAY 28, 1867, IN BOOK 19, OF MAPS, AT PAGE 53, IN THE OFFICE OF THE COUNTY RECORDER OF ALAMEDA COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHWESTERN LINE OF CLINTON AVENUE, DISTANT THEREON, 400 FEET NORTHWESTERLY FROM THE NORTHWESTERN LINE OF WILLOW STREET, AS SAID STREETS ARE SHOWN ON SAID MAP; AND RUNNING THENCE NORTHWESTERLY ALONG SAID LINE OF CLINTON AVENUE, 50 FEET; THENCE AT RIGHT ANGLES SOUTHWESTERLY, 85 FEET, MORE OR LESS, TO THE UNITED STATES PATENT LINE TO THE RANCHO SAN ANTONIO, THENCE SOUTHEASTERLY ALONG THE LAST NAMED LINE, 50 FEET, MORE OR LESS, TO A LINE DRAWN SOUTHWESTERLY FROM THE POINT OF BEGINNING AND AT RIGHT ANGLES TO SAID LINE OF CLINTON AVENUE; AND THENCE NORTHEASTERLY ALONG THE LINE SO DRAWN TO THE POINT OF BEGINNING.

PARCEL THREE:

BEGINNING AT A POINT ON THE SOUTHERN LINE OF CLINTON AVENUE, DISTANT THEREON WESTERLY 270 FEET FROM THE INTERSECTION THEREOF, WITH THE WESTERN LINE OF WILLOW STREET, AS SAID STREET AND AVENUE ARE SHOWN ON THE MAP HEREINAFTER REFERRED TO; RUNNING THENCE WESTERLY ALONG SAID LINE OF CLINTON AVENUE, 30 FEET; THENCE AT RIGHT ANGLES SOUTHERLY 96 FEET, MORE OR LESS, TO THE SHORE LINE OF SAN FRANCISCO BAY; THENCE EASTERLY ALONG SAID SHORE LINE, 30 FEET, MORE OR LESS, TO THE INTERSECTION THEREOF, WITH A LINE DRAWN SOUTHERLY FROM THE POINT OF BEGINNING AT RIGHT ANGLES WITH SAID LINE OF CLINTON AVENUE; AND THENCE NORTHERLY ALONG SAID LINE SO DRAWN 100 FEET, MORE OR LESS, TO THE POINT OF

[Continues on next page]

BEGINNING.

BEING A PORTION OF BLOCK 78, AS SAID BLOCK IS SHOWN ON THE "MAP OF LANDS ADJACENT TO THE TOWN OF ENCINAL, ALAMEDA COUNTY, CAL.", FILED MAY 28, 1867, IN BOOK 19 OF MAPS, PAGE 53, IN THE OFFICE OF THE COUNTY RECORDER OF ALAMEDA COUNTY.

PARCEL FOUR:

PORTION OF LOTS 4 AND 5, IN SECTION 13, TOWNSHIP 2 SOUTH, RANGE 4 WEST, MOUNT DIABLO BASE AND MERIDIAN AS SHOWN ON "MAP NO. 2 OF SALT MARSH AND TIDE LANDS" SITUATE IN THE COUNTY OF ALAMEDA, STATE OF CALIFORNIA" FILED IN THE OFFICE OF THE TIDE LAND COMMISSIONERS AT SAN FRANCISCO, CERTIFIED COPIES THEREOF HAVING BEEN FILED WITH THE SURVEYOR GENERAL OF THE STATE, AND WITH THE COUNTY RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SHORE LINE OF SAN FRANCISCO BAY AT ORDINARY HIGH TIDE, AS SAID LINE IS SHOWN ON SAID MAP, AT A POST MARKED "263"; AND RUNNING THENCE ALONG SAID SHORE LINE NORTH 62° 45' WEST 118 FEET; THENCE SOUTH 28° 42' 08" WEST 150 FEET; THENCE SOUTH 57° 25' 43" EAST 471.05 FEET, MORE OR LESS, TO THE DIRECT EXTENSION SOUTHWESTERLY OF THE CENTER LINE OF WILLOW STREET; THENCE ALONG SAID EXTENDED LINE NORTHEASTERLY 150.59 FEET, MORE OR LESS, TO SAID SHORE LINE OF SAN FRANCISCO BAY; AND THENCE ALONG THE LAST NAMED LINE NORTH 55° 45' WEST 353.70 FEET, MORE OR LESS TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION THEREOF LYING WITHIN THE LINES OF WILLOW STREET, AS SAID STREET NOW EXIST.

PARCEL FIVE:

COMMENCE AT A POINT ON THE SOUTHWESTERN LINE OF CLINTON AVENUE, DISTANT THEREON, NORTHWESTERLY 450 FEET FROM THE NORTHWESTERN LINE OF WILLOW STREET, AS SAID STREET FORMERLY EXISTED 40 FEET WIDE; THENCE ALONG A LINE DRAWN AT RIGHT ANGLES TO SAID LINE OF CLINTON AVENUE, SOUTHWESTERLY TO THE UNTIED STATES PATENT LINE OF THE RANCHO SAN ANTONIO AND THE ACTUAL POINT OF BEGINNING OF THE LAND HEREBY DESCRIBED; THENCE SOUTHWESTERLY ALONG SAID LINE DRAWN AT RIGHT ANGLES TO SAID LINE OF CLINTON AVENUE, TO A POINT WHICH IS 220 FEET DISTANT THEREON, SOUTHWESTERLY FROM SAID LINE OF CLINTON AVENUE; THENCE EASTERLY PARALLEL WITH SAID LINE OF CLINTON AVENUE, 6 FEET TO THE WESTERN LINE OF THE PARCEL OF LAND DESCRIBED IN THE DEED FROM ALAMEDA SOUTH SHORE LAND COMPANY TO ALAMEDA HOSPITAL, DATED APRIL 02, 1952, RECORDED APRIL 04, 1952, IN BOOK 6699 OF OFFICIAL RECORDS OF ALAMEDA COUNTY, AT PAGE 223; THENCE NORTHEASTERLY ALONG THE LAST SAID LINE, OR ALONG SAID LINE AND IT'S EXTENSION NORTHEASTERLY TO THE SAID UNITED STATES PATENT LINE; AND THENCE ALONG SAID PATENT LINE, NORTHWESTERLY 6 FEET, MORE OR LESS, TO SAID ACTUAL POINT OF BEGINNING.

PARCEL SIX:

BEGINNING AT A POINT ON THE SOUTHERN LINE OF CLINTON AVENUE, DISTANT THEREON 300 FEET WESTERLY FROM THE POINT OF INTERSECTION THEREOF WITH THE WESTERN LINE OF WILLOW STREET; AND RUNNING THENCE WESTERLY ALONG SAID LINE OF CLINTON AVENUE 50 FEET; THENCE AT RIGHT ANGLES SOUTHERLY 150 FEET, MORE OR LESS, TO THE BLUFF BANK OF THE BAY OF SAN FRANCISCO; THENCE EASTERLY ALONG SAID BANK 50 FEET, MORE OR LESS, TO A LINE DRAWN SOUTHERLY FROM THE POINT OF BEGINNING AT RIGHT

[Continues on next page]

ANGLES WITH SAID LINE OF CLINTON AVENUE; THENCE NORTHERLY ALONG THE LINE SO DRAWN 150 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

BEING A PORTION OF BLOCK 78, AS SAID BLOCK IS SHOWN ON THE "MAP OF LANDS ADJACENT TO THE TOWN OF ENCINAL, ALAMEDA COUNTY, CAL., SURVEYED BY JAS. T. STRATTON, MAY 1ST, 1867," FILED MAY 28, 1867, IN BOOK 19 OF MAPS, PAGE 53, IN THE OFFICE OF THE COUNTY RECORDER OF ALAMEDA COUNTY.

PARCEL SEVEN:

BEGINNING AT A POINT ON THE SOUTHWESTERN LINE OF CLINTON AVENUE, DISTANT THEREON 350 FEET NORTHWESTERLY FROM THE NORTHWESTERN LINE OF WILLOW STREET (PRIOR TO WIDENING) AS SAID AVENUE AND STREET ARE SHOWN ON THE MAP OF LAND ADJACENT TO THE TOWN OF ENCINAL, FILED MAY 28, 1867, IN BOOK 19 OF MAPS, PAGE 53, IN THE OFFICE OF THE COUNTY RECORDER OF ALAMEDA COUNTY; AND RUNNING THENCE ALONG SAID LINE OF CLINTON AVENUE NORTHWESTERLY 50 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 160.05 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 50 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 160.05 FEET TO THE POINT OF BEGINNING.

PARCEL EIGHT:

A PORTION OF LOT 107 IN BLOCK 3 ACCORDING TO THE MAP OF TRACT 1866, SOUTH SHORE UNIT NO. 1, ALAMEDA CALIFORNIA, FILED OCTOBER 30, 1957 AND OF RECORD IN MAP BOOK 38, PAGES 50 TO 54 INCLUSIVE, IN THE OFFICE OF THE COUNTY RECORDER OF ALAMEDA COUNTY AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF SAID LOT 107, RUNNING THENCE ALONG THE NORTHEASTERLY LINE OF SAID LOT 107 SOUTH 56° 25' 38" EAST 380.01 FEET TO THE NORTHWESTERLY LINE OF WILLOW STREET; THENCE ALONG THE LAST MENTIONED LINE SOUTH 29° 47' 23" WEST 115.52 FEET AND SOUTHWESTERLY ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 350 FEET THROUGH AN ARC OF 1° 07' 01" A DISTANCE OF 6.82 FEET; THENCE NORTH 63° 48' 58" WEST 380.02 FEET MORE OR LESS TO A POINT ON THE NORTHWESTERLY LINE OF SAID LOT 107, SAID POINT BEING SOUTH 29° 47' 23" WEST 171.32 FEET FROM THE POINT OF BEGINNING; THENCE NORTH 29° 47' 23" EAST 171.32 FEET TO THE POINT OF BEGINNING.

PARCEL NINE:

A PORTION OF LOT 107, BLOCK 3, TRACT 1866, SOUTH SHORE UNIT #1, FILED OCTOBER 30, 1957, MAP BOOK 38, PAGES 50 TO 54, INCLUSIVE, ALAMEDA COUNTY RECORDS, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHERN EXTREMITY OF THE CURVE WITH A RADIUS OF 20 FEET THAT CONNECTS THE NORTHEASTERN LINE OF OTIS DRIVE WITH THE GENERAL WESTERN LINE OF WILLOW STREET, AS SHOWN ON SAID MAP, (ALL BEARINGS, DISTANCES AND RADII HEREIN ARE BASED ON THE CALIFORNIA COORDINATE SYSTEM, ZONE III), AND RUNNING THENCE ALONG SAID LINE OF WILLOW STREET, AS FOLLOWS: NORTH 26° 11' 02" EAST 38 FEET, NORTHERLY ON THE ARC OF A TANGENT CURVE TO THE LEFT WITH A RADIUS OF 290 FEET, A DISTANCE OF 136.66 FEET, AND NORTHERLY ON THE ARC OF A COMPOUND CURVE TO THE RIGHT WITH A RADIUS OF 350 FEET, A DISTANCE OF 104.83 FEET TO THE ACTUAL POINT OF COMMENCEMENT; THENCE CONTINUING ALONG SAID LINE OF WILLOW STREET, NORTHERLY ON THE ARC OF LAST SAID CURVE 75.30 FEET; THENCE PARALLEL WITH SAID LINE OF OTIS DRIVE, NORTH 63° 48' 58" WEST 211.78 FEET; THENCE SOUTH 26° 11' 02" WEST 75 FEET; THENCE SOUTH 63° 48' 56" EAST 216.60 FEET TO THE ACTUAL POINT OF COMMENCEMENT.

[Continues on next page]

BEING ALSO PARCEL B AS SHOWN ON THE RECORD OF SURVEY, FILED MAY 5, 1959, IN BOOK 3 OF SURVEYS, PAGE 109, ALAMEDA COUNTY RECORDS.

PARCEL TEN:

A PORTION OF THE PROPERTY SHOWN ON THAT CERTAIN MAP ENTITLED "MAP OF LANDS ADJACENT TO THE TOWN OF ENCINAL" FILED MAY 28, 1867, MAP BOOK 19, PAGE 53, ALAMEDA COUNTY RECORDS, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE SOUTHERN LINE OF CLINTON AVENUE, DISTANT THEREON 416 FEET, 8 INCHES EASTERLY FROM THE EASTERN LINE OF CHESTNUT STREET; RUNNING THENCE EASTERLY ALONG SAID LINE OF CLINTON AVENUE 33 FEET, 4 INCHES; THENCE SOUTHERLY PARALLEL WITH SAID LINE OF CHESTNUT STREET TO THE BOUNDARY LINE OF THE RANCHO SAN ANTONIO AS DESCRIBED IN THE UNITED STATES PATENT TO ANTONIO PERALTA, THENCE WESTERLY ALONG SAID LAST NAMED LINE TO A POINT WHERE IT WOULD BE INTERSECTED BY A LINE PARALLEL WITH AND LYING 416 FEET, 8 INCHES TO THE EASTWARD OF THE EASTERN LINE OF CHESTNUT STREET; AND THENCE NORTHERLY PARALLEL WITH SAID LINE OF CHESTNUT STREET TO THE PLACE OF COMMENCEMENT.

APN: 074-1235-056-06, 074-1235-055-03 and 074-1235-063

Real property in the City of Alameda, County of Alameda, State of California, described as follows:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHEASTERN LINE OF ENCINAL AVENUE, AS SAID AVENUE NOW EXISTS, WITH THE SOUTHEASTERN LINE OF THE LAND DESCRIBED IN THE DEED FROM JANE RISLEY, A WIDOW, TO IRENE SILVA, WIFE OF JOSEPH W. SILVA, DATED JULY 25, 1922 AND RECORDED JULY 27, 1922 IN BOOK 237 OF OFFICIAL RECORDS OF ALAMEDA COUNTY, AT PAGE 238; RUNNING THENCE ALONG SAID LINE OF ENCINAL AVENUE SOUTHEASTERLY 47.04 FEET TO THE SOUTHEASTERN LINE OF THE LAND DESCRIBED IN THE DEED FROM ALAMEDA SAVINGS BANK TO SOUTH PACIFIC COAST RAILWAY COMPANY, DATED MARCH 12, 1903 AND RECORDED APRIL 06, 1903 IN BOOK 883 OF DEEDS, AT PAGE 472, ALAMEDA COUNTY RECORDS; THENCE RUNNING NORTHEASTERLY ALONG THE LAST NAMED LINE AND ALONG THE SOUTHEASTERN LINE OF THE LAND DESCRIBED IN THE DEED FROM W. S. RISLEY TO JANE RISLEY, HIS WIFE, DATED MAY 11, 1918 AND RECORDED MAY 24, 1918 IN BOOK 2661 OF DEEDS, AT PAGE 252, ALAMEDA COUNTY RECORDS, 54.10 FEET, MORE OR LESS, TO THE NORTHEASTERN LINE OF THE LAND DESCRIBED IN THE LAST ABOVE MENTIONED DEED; THENCE NORTHWESTERLY ALONG THE LAST MENTIONED LINE 47 FEET, MORE OR LESS, TO THE SOUTHEASTERN LINE OF THE LAND DESCRIBED IN THE ABOVE MENTIONED DEED TO IRENE SILVA; THENCE SOUTHWESTERLY ALONG THE LAST NAMED LINE 51.67 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

APN: 070-0153-025

[Continues on next page]

Real property in the County of Alameda, State of California, described as follows:

PARCEL ONE:

THE NORTHWESTERN 30.00 FEET OF LOT 5 IN BLOCK 10, AS SAID LOT AND BLOCK ARE SHOWN ON THE "MAP OF PART OF THE HAYS AND CAPERTON PROPERTY IN THE TOWN OF ALAMEDA", FILED APRIL 09, 1873, IN BOOK 5 OF MAPS, PAGE 6, IN THE OFFICE OF THE COUNTY RECORDER OF ALAMEDA COUNTY

PARCEL TWO:

BEGINNING AT A POINT ON THE NORTHWESTERN LINE OF PEARL STREET, DISTANT THEREON 200 FEET SOUTHWESTERLY FROM THE INTERSECTION THEREOF WITH THE SOUTHWESTERN LINE OF CENTRAL AVENUE, AS SAID STREET AND AVENUE ARE SHOWN ON THE MAP HEREINAFTER REFERRED TO; RUNNING THENCE SOUTHWESTERLY ALONG SAID LINE OF PEARL STREET 50 FEET; THENCE AT RIGHT ANGLES NORTHWESTERLY 242 FEET; THENCE AT RIGHT ANGLES NORTHEASTERLY 50 FEET; AND THENCE AT RIGHT ANGLES SOUTHEASTERLY 242 FEET TO THE NORTHWESTERN LINE OF PEARL STREET AND THE POINT OF BEGINNING.

BEING THE SOUTHEASTERN 242 FEET OF LOT NUMBERED 5 IN BLOCK NUMBERED 10, AS SAID LOT AND BLOCK ARE DELINEATED AND SO DESIGNATED UPON THAT CERTAIN MAP ENTITLED, "MAP OF PART OF THE HAYS AND CAPERTON PROPERTY IN THE TOWN OF ALAMEDA", FILED APRIL 09, 1873 IN BOOK 5 OF MAPS, AT PAGE 6 IN THE OFFICE OF THE COUNTY RECORDER OF ALAMEDA COUNTY.

PARCEL THREE:

A PORTION OF LOT 4 IN BLOCK 10, AS SAID LOT AND BLOCK ARE SHOWN IN THE "MAP OF PART OF THE HAYS & CAPERTON PROPERTY IN THE TOWN OF ALAMEDA", FILED APRIL 9, 1873 IN BOOK 5 OF MAPS, PAGE 6, IN THE OFFICE OF THE COUNTY RECORDER OF ALAMEDA COUNTY, BOUNDED AS FOLLOWS:

BEGINNING AT THE MOST WESTERN CORNER IN SAID LOT 4; RUNNING THENCE SOUTHEASTERLY ALONG THE SOUTHWESTERN BOUNDARY LINE THEREOF, 50.00 FEET; THENCE NORTHEASTERLY AND PARALLEL WITH THE NORTHWESTERN BOUNDARY LINE OF SAID LOT 4, A DISTANCE OF 30.00 FEET; THENCE NORTHWESTERLY PARALLEL WITH THE SAID SOUTHWESTERN BOUNDARY LINE OF LOT 4, A DISTANCE OF 50.00 FEET, TO A POINT ON THE SAID NORTHWESTERN BOUNDARY LINE OF LOT 4; THENCE SOUTHWESTERLY ALONG THE SAID LAST MENTIONED LINE, 30.00 FEET TO THE POINT OF BEGINNING.

APN: 070-0152-011-02

EXHIBIT A-4

ROFR Grant Deed

RECORDING REQUESTED BY ALSTON
& BIRD LLP, AND WHEN RECORDED,
RETURN TO:

Alston & Bird LLP
333 South Hope Street, 16th Floor
Los Angeles, California 90071
Attn: Danny Park, Esq.

MAIL TAX STATEMENTS TO:

Attn: _____

FOR RECORDER'S USE

Assessor Parcel Numbers: [_____]

GRANT DEED

In accordance with Section 11932 of the California Revenue and Taxation Code, Grantor has declared the amount of the transfer tax which is due by a separate statement which is not being recorded with this Grant Deed.

For valuable consideration, receipt of which is acknowledged, CITY OF ALAMEDA HEALTH CARE DISTRICT ("**Grantor**"), hereby grants to ALAMEDA COUNTY MEDICAL CENTER ("**Grantee**"), the real property in the City of Alameda, County of Alameda, State of California, described in Exhibit "A" attached hereto and made a part hereof (the "**Property**"), together with all rights, privileges, easements, rights-of-way, and appurtenances relating and appurtenant to the Property, and all right, title, and interest of Grantor in, to, and under adjoining streets, rights-of-way, and easements of record or apparent.

[signature page follows]

IN WITNESS WHEREOF, Grantor has caused this instrument to be duly executed.

Dated: _____, 2013.

“GRANTOR”

CITY OF ALAMEDA HEALTH CARE
DISTRICT

By: _____
Name: _____
Title: _____

EXHIBIT "A"
TO
GRANT DEED

LEGAL DESCRIPTION

EXHIBIT A-5

Memorandum of ROFR

RECORDING REQUESTED BY ALSTON
& BIRD LLP, AND WHEN RECORDED,
RETURN TO:

Alston & Bird LLP
333 South Hope Street, 16th Floor
Los Angeles, California 90071
Attn: Danny Park, Esq.

FOR RECORDER'S USE

MEMORANDUM OF RIGHT OF FIRST REFUSAL

THIS MEMORANDUM OF RIGHT OF FIRST REFUSAL (this "Memorandum"), is made and entered into this ____ day of _____, 2013, by and between Alameda County Medical Center, a public hospital authority created by the Alameda County Board of Supervisors pursuant to Section 101850 of the California Health and Safety Code, doing business as Alameda Health System ("Alameda"), and the City of Alameda Health Care District, a California health care district organized under the California Local Health District Law, California Health and Safety Code 32000 *et seq.* ("District"). Each of District and Alameda are referred to herein as a "Party" and together as the "Parties".

RECITALS:

A. District is the owner of the fee estate in certain real property more particularly described on Exhibit A attached hereto and made a part hereof, together with any and all improvements and fixtures thereon and all permits, easements, licenses, rights-of-way, rights, and related appurtenances thereof (the "Real Property")

B. Alameda and District entered into that certain Joint Powers Agreement dated as of _____, 2013 (the "Agreement"), pursuant to which, among other things, District has granted Alameda a right of first refusal with respect to the Real Property.

AGREEMENT

FOR good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by District, the Parties agree as follows:

1. Right of First Refusal. District has granted Alameda a right of first refusal for the purchase of the Real Property (the "ROFR") upon the terms and conditions set forth in the Agreement, which terms and conditions are incorporated herein by this reference.

2. Recordation. This Memorandum shall be recorded in the public land records of Alameda County, California against the Real Property. This Memorandum is being recorded to give notice of certain rights and interests of Alameda in and to the Real Property pursuant to the terms of the Agreement. In the event of a conflict between the Agreement and this Memorandum, the terms and conditions of the Agreement shall prevail.

3. Successors and Assigns. This Memorandum shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

4. Counterparts. This Memorandum may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same instrument. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same instrument.

5. Governing Law. This Memorandum shall be interpreted, construed and enforced according to the laws of the State of California.

[signatures begin on the next page]

ALAMEDA:

ALAMEDA COUNTY MEDICAL
CENTER, a public hospital authority doing
business as Alameda Health System

By: _____

Name: _____

Title: _____

DISTRICT:

CITY OF ALAMEDA HEALTH CARE
DISTRICT

By: _____

Name: _____

Title: _____

EXHIBIT A
to Memorandum of Right of First Refusal

Legal Description

STATE OF CALIFORNIA)
) ss.
COUNTY OF ALAMEDA)

On _____, 2013, before me, _____, a Notary Public in and for said County and State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

EXHIBIT A-6

LEASE

This Lease ("Lease") is made and entered into as of _____, _____, by and between the undersigned parties (collectively, the "Parties," or individually a "Party"), and in consideration of the mutual covenants and agreements contained herein. The Parties hereby agree to the following terms and conditions:

1. BASIC LEASE PROVISIONS.

1.1. Tenant. The "Tenant" for purposes of this Lease is **Alameda County Medical Center**, a public hospital authority created by the Alameda County Board of Supervisors pursuant to Section 101850 of the California Health and Safety Code, doing business as Alameda Health System. Tenant's address for receipt of notices is as follows:

Alameda Health System
1411 East 31st. Street
Oakland, CA 94602
Fax: (510) 535-7722
Attn: Chief Executive Officer

1.2. Landlord. The "Landlord" for purposes of this Lease is **City of Alameda Health Care District**, a California health care district organized under the California Local Health District Law, California Health and Safety Code 32000 *et seq.* Landlord's address for receipt of notices is as follows:

City of Alameda Health Care District
2070 Clinton Avenue
Alameda, CA 94501
Fax: (510) 814-4005
Attn: Chief Executive Officer

1.3. Description of Real Property.

1.3.1. Premises. Subject to the terms, covenants, and conditions set forth herein, and to allow the continued operation of Alameda Hospital for the benefit of the community, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Real Property and the Building described in Sections 1.3.3 and 1.3.2, respectively, of this Lease, including (a) a total of approximately [_____] rentable square feet of space in the Building, constituting [_____] percent (____%) ("Tenant's Pro Rata Share") of the rentable area of the Building; together with (b) all of the parking spaces located on the Land; and (c) the grounds appurtenant to the Building and situated within the boundaries of the Land, described in Section 1.3.3 of this Lease, all as more particularly shown on the interior floor plan of the Building attached hereto as

Exhibit "B" and the site plan of the Real Property attached hereto as Exhibit "A" (collectively, the "Premises").

1.3.2. Building. The Premises are located at 2070 Clinton Avenue, Alameda, California 94501, which is identified as "[]" on the site plan attached hereto as Exhibit "A" ("Building"). The Building contains approximately [] rentable square feet of floor space; [] of which are subject to this Lease.

1.3.3. Real Property. The Building is located upon that certain parcel of real property in the City of Alameda, County of Alameda, State of California, on the parcel with Assessor Parcel Number [], as shown on the site plan attached hereto as Exhibit "A" ("Land"), which Land is owned in fee by the Landlord. The Land and all appurtenances thereto and improvements thereon, are collectively referred to herein as the "Real Property".

1.3.4. Common Areas. The areas of the Building used by Tenant and its employees, agents, licensees, customers and other invitees for ingress and egress to and from the enclosed spaces within the Building, including without limitation, the common corridors and hallways, stairwells, elevators, public restrooms, parking area(s), pathways, exits, entrances, driveways, retaining walls, landscaped areas, and other public areas located on the Real Property are collectively referred to herein as the "Common Areas".

1.4. Lease Term. Unless specifically provided otherwise herein, the initial term of this Lease is [] ([]) years ("Lease Term"), commencing on the "Commencement Date" and expiring on the "Expiration Date" (as those terms are defined in Section 3 below).

1.5. Term Rent. Tenant shall pay to Landlord the following amount as "Term Rent" in accordance with the terms of this Lease:

<u>Years</u>	<u>Term Rent</u>
[]	\$10.00

1.6. Intentionally Omitted.

1.7. Permitted Use. The Premises shall be used as an acute care hospital or for other lawful business purposes ("Permitted Use"), subject to Section 6 below.

1.8. Exhibits. The following exhibits are attached to, and incorporated as a part of, this Lease:

EXHIBIT "A" - SITE PLAN
EXHIBIT "B" - FLOOR PLAN
EXHIBIT "C" - MEMORANDUM OF LEASE

2. COMMON AREAS.

2.1. Common Areas. Landlord grants to Tenant the right to the exclusive use of the Common Areas by Tenant and Tenant's employees, agents, contractors, and invitees.

3. LEASE TERM.

3.1. Lease Term. The Lease Term shall commence on [] ("Commencement Date"). The Lease Term shall expire as of 11:59 on [] ("Expiration Date").

4. RENT.

4.1. Payment of Term Rent. On or prior to the Commencement Date, Tenant shall pay to Landlord, in legal tender of the United States of America, an amount equal to the Term Rent, which amount shall be the only rent due or payable for the duration of the Lease Term.

4.2. Utilities, Real Estate Taxes, Maintenance, and Insurance. Tenant shall be responsible for Tenant's Pro Rata Share of costs and expenses attributable to the Premises for: (i) the water, gas, heat, light, power, telephone, trash disposal and other utilities and services; (ii) the management, operation, maintenance and repairs of the Premises; (iii) real estate taxes, levies, assessments and all other charges in the nature of taxes or assessments, general or special, ordinary and extraordinary of any kind or nature, if any; and (iv) insurance premiums, in accordance with the terms and conditions set forth in that certain Joint Powers Agreement by and between Landlord and Tenant, dated as of [], 2013 (the "Agreement").

5. REPRESENTATIONS AND WARRANTIES.

5.1. Landlord's Representations and Warranties. Landlord hereby represents and warrants to Tenant that Landlord knows of no person or entity claiming to be entitled to a commission, finder's fee, or other like payment in connection with this Lease.

5.2. Tenant's Representations and Warranties. Tenant hereby represents and warrants to Landlord that Tenant knows of no other person or entity claiming to be entitled to a commission, finder's fee, or other like payment in connection with this Lease.

6. USE.

Tenant shall use and occupy the Premises only for the Permitted Use set forth in Section 1.7 above and in a manner consistent with the Agreement, and Tenant shall not use or occupy the Premises or permit the same to be used or occupied for any other purpose without the prior written consent of Landlord, which consent will be given or withheld in Landlord's reasonable discretion. Subject to the terms of this Lease, Tenant shall have access to the Premises twenty-four (24) hours per day seven (7) days per week.

7. MAINTENANCE AND REPAIRS.

7.1. Tenant's and Landlord's obligations to maintain and repair the Premises shall be in accordance with the terms and conditions of the Agreement.

8. INSURANCE.

8.1. From and after the Commencement Date, and continuing thereafter throughout the Lease Term, Tenant shall maintain insurance coverage for the Premises in accordance with the Agreement.

9. ASSIGNMENT AND SUBLETTING.

9.1. Tenant shall have the right to assign and/or sublease all or any portion of the Premises without first obtaining the consent of Landlord.

10. DAMAGE AND DESTRUCTION.

10.1. Property Loss Notice. Upon the occurrence of any physical loss of or damage to, or destruction of the Premises that arises from a cause other than the gross negligence or willful misconduct of Landlord or Tenant ("Property Loss Event"), Landlord shall notify Tenant in writing within thirty (30) days of the occurrence of such Property Loss Event with Landlord's estimate of whether such Property Loss Event can be repaired and/or restored within one hundred eighty (180) days after the occurrence of the Property Loss Event.

10.2. Termination by Tenant. In addition to all other remedies Tenant may have under this Lease, at law or in equity, if any Property Loss Event cannot be repaired and/or restored within one hundred eighty (180) days after the occurrence of such Property Loss Event (as reasonably estimated by Landlord), or the Property Loss Event materially and adversely interferes with Tenant's business operations, or Tenant's use of, and access to, the Premises (as reasonably estimated by Tenant), Tenant shall have the right to elect to either: (i) terminate this Lease upon thirty (30) days prior written notice to Landlord, in which event, Tenant shall surrender the Premises in accordance with Section 6.6 of the Agreement, and Tenant and Landlord shall meet and confer with each other within thirty (30) days after the occurrence of the Property Loss Event to determine an equitable and appropriate allocation between the Parties of any insurance proceeds resulting from such Property Loss Event; or (ii) maintain the Lease in full force and effect, in which event, Tenant shall be entitled to all insurance proceeds resulting from such Property Loss Event, provided that Tenant shall have no obligation to repair and/or restore the Property Loss Event.

11. EMINENT DOMAIN.

If the whole of the Premises, or so much thereof as to render the balance unusable by Tenant, shall be taken under power of eminent domain, this Lease may, at Tenant's option, terminate as of the date of such condemnation, or as of the date possession is taken by the condemning authority. Tenant shall have the right to assert a claim for an apportionment of the condemnation award for the value of Tenant's leasehold interest

under the Lease, including the unamortized cost of any leasehold improvements paid for by Tenant, Tenant's personal property, fixtures and moving expenses, the value of Tenant's leasehold estate and the loss of Tenant's business.

12. DEFAULT AND REMEDIES.

12.1. Event of Default. Each of the following acts or omissions of Tenant shall constitute an "Event of Default":

12.1.1. Non-Payment of Term Rent. Tenant's failure or refusal to pay the Term Rent.

12.1.2. Abandonment; Vacation. Tenant's complete abandonment of the Premises.

12.2. Remedies.

12.2.1. Landlord's Remedies. Upon the occurrence of an Event of Default under this Lease as provided in Section 12 above, Landlord may exercise any and all remedies available to Landlord at Law or in equity.

12.2.2. Default by Landlord. Landlord shall not be in default under this Lease unless Landlord fails to perform obligations required of Landlord within thirty (30) days after written notice is delivered by Tenant to Landlord, specifying the obligation which Landlord has failed to perform; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) calendar days are required for performance, then Landlord shall not be in default if Landlord commences performance within such thirty (30) calendar day period and thereafter diligently prosecutes the same to completion within ninety (90) days after the date of Landlord's receipt of the above-described notice from Tenant.

13. PARKING.

The Premises include Tenant's right to use, at no additional charge to Tenant, the parking spaces located on the Land.

14. WAIVER.

No waiver by Landlord or Tenant of any term of this Lease, or of any breach or Event of Default by the other Party of its obligations under this Lease, shall be deemed to be a waiver of any other provision hereof or of any other or subsequent breach by Tenant or Landlord, as applicable, of the same or any other provision of this Lease. No provision of this Lease may be waived by Landlord or Tenant, except by an instrument in writing executed by the waiving Party.

15. INABILITY TO PERFORM.

This Lease and the obligations of Landlord and Tenant hereunder shall not be affected or impaired because Landlord or Tenant, as the case may be, is unable to fulfill

any of its obligations hereunder or is delayed in doing so, if such inability or delay is caused by reason of any prevention, delay, stoppage due to strikes, lockouts, acts of God, or any other cause previously, or at such time, beyond the reasonable control or anticipation of Landlord or Tenant, as the case may be (collectively, a "Force Majeure"), and Landlord's or Tenant's, as the case may be, obligation under this Lease shall be forgiven and suspended by any such Force Majeure. Notwithstanding the foregoing, neither Party shall be excused from performance of any financial obligation under this Lease by virtue of a Force Majeure event.

16. OPTION TO RENEW.

Tenant shall have three (3) successive options (each an "Option") to renew the term of the Lease, and each such renewal period shall be equal to the duration of the original Lease Term (each an "Option Period"), for a total of up to () years, upon the same terms, covenants, conditions and Term Rent as set forth in the Lease. Tenant shall have the right, but not the obligation, to exercise each Option by giving Landlord written notice of Tenant's election at least thirty (30) calendar days prior to the expiration of the then-applicable Option Period or Lease Term.

17. MEMORANDUM OF LEASE.

Upon the mutual execution of this Lease, Landlord shall record or cause to be recorded in the Official Records of Alameda County a Memorandum of Lease in the form and content attached hereto as Exhibit C.

18. DISPUTE RESOLUTION.

Any and all disputes, claims, or causes of action between the Parties concerning or relating to this Lease shall be resolved in accordance with Article 8 of the Agreement, which is incorporated herein by this reference.

19. MISCELLANEOUS.

19.1. Severability. Any provision of this Lease that shall prove to be invalid, void, or illegal shall in no way affect, impair or invalidate any other provision of this Lease, and such other provisions shall remain in full force and effect.

19.2. Attorneys' Fees. In any action to enforce the terms of this Lease, including any suit by Landlord for possession of the Premises, the losing Party shall pay the prevailing Party a reasonable sum for attorneys' fees and costs in respect of such action actually incurred by such prevailing Party.

19.3. Time of Essence. Time is of the essence with respect to the performance of each and every provision of this Lease.

19.4. Headings; Certain Terms. The section headings contained in this Lease are for convenience only and do not in any way limit or amplify any term or provision hereof. The words "hereof," "herein," and "hereunder," and other words of similar import, refer to this Lease as a whole and not to any specific section of this

Lease. The words "include" and "including" when used are not exclusive and mean "include, but are not limited to" and "including but not limited to," respectively.

19.5. Quiet Possession. So long as Tenant has paid the Term Rent and other sums provided hereunder and observes and performs all of the covenants, conditions and provisions on Tenant's part to be observed and performed hereunder, Tenant shall have quiet possession of the Premises for the entire Lease Term, subject to all of the provisions of this Lease.

19.6. Successors and Assigns. Subject to the provisions of Section 9 hereof, all of the covenants, conditions and provisions of this Lease shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and permitted assigns.

19.7. Notices. Any notice required or permitted to be given hereunder shall be in writing and may be given by personal service evidenced by a signed receipt or sent by registered or certified mail, return receipt requested, or via overnight courier, and shall be effective upon proof of delivery, addressed to Tenant at the addresses set forth in Section 1.1 above, and to Landlord at the addresses set forth in Section 1.2 above. Either Party may, by notice to the other, specify a different address for notice purposes.

19.8. Facsimile Signature. Signatures on this Lease that are delivered by facsimile are valid as though they were original signatures.

19.9. Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of California without resort to choice of law principles.

19.10. Exhibits. The Exhibits attached to this Lease are incorporated herein by this reference as though fully set forth herein.

19.11. Counterparts. This Lease may be executed in counterparts, each of which shall be deemed an original, but such counterparts, when taken together, shall constitute one agreement.

[Signatures on following page]

IN WITNESS WHEREOF, the Parties have executed this Lease as of the date first above written.

“LANDLORD”

**CITY OF ALAMEDA HEALTH CARE
DISTRICT**

By: _____
Print Name: _____
Title: _____

“TENANT”

**ALAMEDA COUNTY MEDICAL
CENTER**

By: _____
Print Name: _____
Title: _____

EXHIBIT "A" TO LEASE

SITE PLAN

(SEE ATTACHED)

EXHIBIT "B" TO LEASE

FLOOR PLAN

(SEE ATTACHED)

EXHIBIT "C" TO LEASE

MEMORANDUM OF LEASE

RECORDING REQUESTED BY ALSTON
& BIRD LLP, AND WHEN RECORDED,
RETURN TO:

Alston & Bird LLP
333 South Hope Street, 16th Floor
Los Angeles, California 90071
Attn: Danny Park, Esq.

FOR RECORDER'S USE

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (this "Memorandum"), is made and entered into this ____ day of _____, ____, by and between Alameda County Medical Center, a public hospital authority created by the Alameda County Board of Supervisors pursuant to Section 101850 of the California Health and Safety Code, doing business as Alameda Health System ("Alameda"), and the City of Alameda Health Care District, a California health care district organized under the California Local Health District Law, California Health and Safety Code 32000 *et seq.* ("District"). Each of District and Alameda are referred to herein as a "Party" and together as the "Parties".

RECITALS:

A. District is the owner of the fee estate in certain real property more particularly described on Exhibit A attached hereto and made a part hereof, together with any and all improvements and fixtures thereon and all permits, easements, licenses, rights-of-way, rights, and related appurtenances thereof (the "Real Property")

B. Alameda and District entered into that certain Lease dated as of _____, ____ (the "Agreement") demising the Real Property.

AGREEMENT

FOR good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by District, the Parties agree as follows:

6. Lease. District has leased to Alameda the Real Property upon the terms and conditions set forth in the Lease for a term of [] years, expiring on []. Pursuant

to the Lease, District has granted Alameda three (3) successive []-year options to renew the term of the Lease, for a total of up to [] years.

7. Recordation. This Memorandum shall be recorded in the public land records of Alameda County, California against the Real Property. This Memorandum is being recorded to give notice of the Lease and the rights created thereby, all of which are hereby confirmed, and shall in no way modify the express and particular provisions of the Lease. This Memorandum is made subject to and together with all of the terms, covenants and conditions contained in the Lease and any amendments thereto that may be made from time to time. All of the terms, covenants and conditions of the Lease and any amendments made from time to time thereto are incorporated in this Memorandum by this reference as if they had been fully set forth in this Memorandum.

8. Successors and Assigns. This Memorandum shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

9. Counterparts. This Memorandum may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same instrument. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same instrument.

10. Governing Law. This Memorandum shall be interpreted, construed and enforced according to the laws of the State of California.

[signatures begin on the next page]

ALAMEDA:

ALAMEDA COUNTY MEDICAL CENTER, a
public hospital authority doing business as Alameda
Health System

By: _____

Name: _____

Title: _____

DISTRICT:

CITY OF ALAMEDA HEALTH CARE
DISTRICT

By: _____

Name: _____

Title: _____

STATE OF CALIFORNIA)
) ss.
COUNTY OF ALAMEDA)

On _____, _____, before me, _____, a Notary Public in and for said County and State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

EXHIBIT A-7

Memorandum of Lease

RECORDING REQUESTED BY ALSTON
& BIRD LLP, AND WHEN RECORDED,
RETURN TO:

Alston & Bird LLP
333 South Hope Street, 16th Floor
Los Angeles, California 90071
Attn: Danny Park, Esq.

FOR RECORDER'S USE

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (this "Memorandum"), is made and entered into this ____ day of _____, ____, by and between Alameda County Medical Center, a public hospital authority created by the Alameda County Board of Supervisors pursuant to Section 101850 of the California Health and Safety Code, doing business as Alameda Health System ("Alameda"), and the City of Alameda Health Care District, a California health care district organized under the California Local Health District Law, California Health and Safety Code 32000 *et seq.* ("District"). Each of District and Alameda are referred to herein as a "Party" and together as the "Parties".

RECITALS:

A. District is the owner of the fee estate in certain real property more particularly described on Exhibit A attached hereto and made a part hereof, together with any and all improvements and fixtures thereon and all permits, easements, licenses, rights-of-way, rights, and related appurtenances thereof (the "Real Property")

B. Alameda and District entered into that certain Lease dated as of _____, ____ (the "Agreement") demising the Real Property.

AGREEMENT

FOR good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by District, the Parties agree as follows:

1. Lease. District has leased to Alameda the Real Property upon the terms and conditions set forth in the Lease for a term of [] years, expiring on []. Pursuant to the Lease, District has granted Alameda three (3) successive []-year options to renew the term of the Lease, for a total of up to [] years.

2. Recordation. This Memorandum shall be recorded in the public land records of Alameda County, California against the Real Property. This Memorandum is being recorded to give notice of the Lease and the rights created thereby, all of which are hereby confirmed, and shall in no way modify the express and particular provisions of the Lease. This Memorandum is made subject to and together with all of the terms, covenants and conditions contained in the Lease and any amendments thereto that may be made from time to time. All of the terms, covenants and conditions of the Lease and any amendments made from time to time thereto are incorporated in this Memorandum by this reference as if they had been fully set forth in this Memorandum.

3. Successors and Assigns. This Memorandum shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

4. Counterparts. This Memorandum may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same instrument. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same instrument.

5. Governing Law. This Memorandum shall be interpreted, construed and enforced according to the laws of the State of California.

[signatures begin on the next page]

ALAMEDA:

ALAMEDA COUNTY MEDICAL CENTER, a
public hospital authority doing business as Alameda
Health System

By: _____

Name: _____

Title: _____

DISTRICT:

CITY OF ALAMEDA HEALTH CARE
DISTRICT

By: _____

Name: _____

Title: _____

EXHIBIT A-8

Memorandum of Lease Option

RECORDING REQUESTED BY ALSTON
& BIRD LLP, AND WHEN RECORDED,
RETURN TO:

Alston & Bird LLP
333 South Hope Street, 16th Floor
Los Angeles, California 90071
Attn: Danny Park, Esq.

FOR RECORDER'S USE

MEMORANDUM OF OPTION TO LEASE

THIS MEMORANDUM OF OPTION TO LEASE (this "Memorandum"), is made and entered into this ____ day of _____, 2013, by and between Alameda County Medical Center, a public hospital authority created by the Alameda County Board of Supervisors pursuant to Section 101850 of the California Health and Safety Code, doing business as Alameda Health System ("Alameda"), and the City of Alameda Health Care District, a California health care district organized under the California Local Health District Law, California Health and Safety Code 32000 *et seq.* ("District"). Each of District and Alameda are referred to herein as a "Party" and together as the "Parties".

RECITALS:

A. District is the owner of the fee estate in certain real property more particularly described on Exhibit A attached hereto and made a part hereof, together with any and all improvements and fixtures thereon and all permits, easements, licenses, rights-of-way, rights, and related appurtenances thereof (the "Real Property")

B. Alameda and District entered into that certain Joint Powers Agreement dated as of _____, 2013 (the "Agreement"), pursuant to which, among other things, District has exclusively and irrevocably granted Alameda an option to lease all or a portion of the Real Property for an initial term not to exceed thirty (30) years.

AGREEMENT

FOR good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by District, the Parties agree as follows:

1. Option to Lease. Upon the terms and conditions of the Agreement, District has granted Alameda an option to lease all or a portion of the Real Property for an initial term not to exceed thirty (30) years (the "Option").

2. Term. The term of such Option shall commence on the date hereof, and shall expire on January 1, 2100.

3. Recordation. This Memorandum shall be recorded in the public land records of Alameda County, California against the Real Property. This Memorandum is being recorded to give notice of the Agreement, the Option, and the rights created thereby, all of which are hereby confirmed, and shall in no way modify the express and particular provisions of the Agreement. This Memorandum is made subject to and together with all of the terms, covenants and conditions contained in the Agreement and any amendments thereto that may be made from time to time. All of the terms, covenants and conditions of the Agreement and any amendments made from time to time thereto are incorporated in this Memorandum by this reference as if they had been fully set forth in this Memorandum.

4. Successors and Assigns. This Memorandum shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

5. Counterparts. This Memorandum may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same instrument. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same instrument.

6. Governing Law. This Memorandum shall be interpreted, construed and enforced according to the laws of the State of California.

[signatures begin on the next page]

ALAMEDA:

ALAMEDA COUNTY MEDICAL CENTER, a
public hospital authority doing business as Alameda
Health System

By: _____

Name: _____

Title: _____

DISTRICT:

CITY OF ALAMEDA HEALTH CARE
DISTRICT

By: _____

Name: _____

Title: _____

STATE OF CALIFORNIA)
) ss.
COUNTY OF ALAMEDA)

On _____, 2013, before me, _____, a Notary Public in and for said County and State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

EXHIBIT A-9

Memorandum of Restrictive Covenants

RECORDING REQUESTED BY ALSTON
& BIRD LLP, AND WHEN RECORDED,
RETURN TO:

Alston & Bird LLP
333 South Hope Street, 16th Floor
Los Angeles, California 90071
Attn: Danny Park, Esq.

FOR RECORDER'S USE

MEMORANDUM OF AGREEMENT AND RESTRICTIVE COVENANTS

THIS MEMORANDUM OF AGREEMENT AND RESTRICTIVE COVENANTS (this "Memorandum"), is made and entered into this ____ day of _____, 2013, by and between Alameda County Medical Center, a public hospital authority created by the Alameda County Board of Supervisors pursuant to Section 101850 of the California Health and Safety Code, doing business as Alameda Health System ("Alameda"), and the City of Alameda Health Care District, a California health care district organized under the California Local Health District Law, California Health and Safety Code 32000 *et seq.* ("District"). Each of District and Alameda are referred to herein as a "Party" and together as the "Parties".

RECITALS:

A. District is the owner of the fee estate in certain real property more particularly described on Exhibit A attached hereto and made a part hereof (the "Real Property")

B. Alameda and District entered into that certain Joint Powers Agreement dated as of _____, 2013 (the "Agreement"), pursuant to which, among other things, District agreed not to further encumber, transfer, or sell the Real Property during the term of the Agreement as more particularly set forth herein.

AGREEMENT

FOR good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by District, the Parties agree as follows:

1. Restrictions. District does hereby covenant and agree that during the Term of the Agreement, District, its successors, and assigns shall not voluntarily or involuntarily, by operation of law or otherwise, without the prior written consent of Alameda: (i) sell, lease, convey, transfer, hypothecate, or otherwise dispose of any interest in all or any part of the Real

Property, (ii) subject all or any part of the Real Property to any new or additional liens, pledges, mortgages, deeds of trust, security interests, claims, leases, options, rights of first refusal, covenants, easements, transfer restrictions or other encumbrances, or (iii) execute any agreement, letter of intent, or similar writing with a third party under which District agrees to do any of the foregoing in (i) or (ii) above with respect to all or a portion of the Real Property.

2. Recordation. This Memorandum shall be recorded in the public land records of Alameda County, California against the Real Property. This Memorandum is being recorded to impart constructive notice of the Agreement, and the covenants, and restrictions set forth herein in accordance with California Government Code § 27281.5. In the event of any conflict between the Agreement and this Memorandum, the terms and conditions of the Agreement shall prevail.

3. Termination. This Memorandum shall remain in full force and effect during the Term of the Agreement.

4. Covenant Running with the Land. Each and all of the agreements, restrictions and covenants of District set forth in this Memorandum are expressly made and intended to be a direct burden upon the Real Property that shall run with the Real Property, shall be binding upon District and all of District's successors and assigns, and all parties hereafter claiming under or through any of the foregoing, during each such party's respective period as owner of the Real Property, and shall inure to the benefit of and enforcement by Alameda and its successors and assigns. The terms and conditions of this Memorandum shall also survive any transfer, dedication or other conveyance of the whole or any portion of any interest in Real Property. Any reference in this Memorandum to "District" or "Alameda" shall also mean and refer to such party and such party's successors, and assigns.

5. Default. In the event of any failure by District, its successors or assigns, to comply with the terms of this Memorandum, District agrees that Alameda shall have the right in addition to such other remedies as may be available to it, to injunctive relief enjoining such breach of this Memorandum, and none of District, its officers, directors, employees, agents or representatives, successors, or assigns shall urge that such remedy is not appropriate under the circumstances, it being expressly acknowledged by District that any breach of the terms of this Memorandum shall cause Alameda damage for which other legal remedies are inadequate to fully protect Alameda.

6. Definitions. Capitalized terms not defined in this Memorandum shall have their meaning set forth in the Agreement.

7. Counterparts. This Memorandum may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same instrument. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same instrument.

8. Governing Law. This Memorandum shall be interpreted, construed and enforced according to the laws of the State of California.

9. Expenses. District agrees that it shall pay, on demand, all costs, charges, impositions and expenses (including, without limitation, reasonable attorneys' fees, incurred by Alameda in connection with the enforcement or protection of its rights hereunder.

[signatures begin on the next page]

ALAMEDA:

ALAMEDA COUNTY MEDICAL CENTER, a
public hospital authority doing business as Alameda
Health System

By: _____
Name: _____
Title: _____

DISTRICT:

CITY OF ALAMEDA HEALTH CARE
DISTRICT

By: _____
Name: _____
Title: _____

EXHIBIT A
to Memorandum of Agreement and Restrictive Covenants

Legal Description

STATE OF CALIFORNIA)
) ss.
COUNTY OF ALAMEDA)

On _____, 2013, before me, _____, a Notary Public in and for said County and State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

STATE OF CALIFORNIA)
) ss.
COUNTY OF ALAMEDA)

On _____, 2013, before me, _____, a Notary Public in and for said County and State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

EXHIBIT B-1

Alameda Hospital Real Estate Provisions

1. The District shall delegate, and AHS shall assume, the possession, use and control of the Premises, as described on Schedule 1 attached hereto. For the purposes hereof, unless otherwise indicated, the word "Premises" shall include both the real estate (owned, leased and subleased) and the fixtures, equipment and personal property which are located on the Premises.
2. This Agreement shall confer no rights to AHS with respect to the Premises that are greater or more extensive than those held by District.
3. AHS accepts the Premises in their present condition as of the date of this Agreement "AS IS", with all faults, if any, and without any warranty whatsoever, specifically, but without limiting the generality of the foregoing, without any warranty of the nature or quality of the construction of the Premises or any portion thereof, the adequacy of the design of the Premises or any portion thereof, the quality of the labor or materials included in any of the work of improvements on the Premises or any portion thereof, or the fitness of the Premises or any portion thereof for any particular purpose.
4. AHS shall, at AHS's sole cost and expense, but for the mutual benefit of District, AHS, and any Lessors of any part of the Premises, as their interests may appear, take out and keep in force during the term of this Agreement broad form comprehensive public liability and property damage insurance against claims for personal injury, death or property damage arising out of or in connection with AHS's use or occupancy of the Premises or the conduct of its business thereon. Such insurance shall have a single combined liability limit of not less than Five Million Dollars (\$5,000,000.00) and property damage limits of not less Two Million Dollars (\$2,000,000.00) and shall insure performance by AHS of all insurable acts set forth in the indemnity provisions of this Agreement, and shall name both parties and any Lessors of any part of the Premises, (and at the election of District, any lender of District having a deed of trust, mortgage or security interest against the Premises) as additional insureds. AHS's insurance maintained under this paragraph shall be primary to any insurance maintained by District.
5. AHS shall, at AHS's sole cost and expense, take out and keep in force during the term of this Agreement fire and extended coverage insurance, including vandalism and malicious mischief coverage, on all personal property and all other fixtures, furnishings, equipment and personal property installed or located in or on the Premises in an amount equal to their full replacement value. The proceeds from any such insurance shall be used by AHS for the replacement or repair of such personal property. Any such policy shall name AHS as primary insured, and District and any Lessors of any part of the Premises, (and at the election of District, any lender of District having a security interest against such personal property) as a loss payee, as their interests may appear.

6. AHS shall, at AHS's sole cost and expense, take out and keep in force during the term of this Agreement fire and extended coverage all peril casualty insurance, including vandalism and malicious mischief coverage, in an amount equal to the full replacement value of the improvements on the Premises, exclusive of personal property and all other fixtures, furnishings, equipment and personal property installed or located in or on the Premises, and full coverage boiler and machinery insurance on all boilers, air conditioning equipment, and other pressure vessels and systems located in, on about the Premises. The insurance policy or policies shall be issued in the names of District, AHS, any Lessor, and District's and Lessor's lender, if any, as their interests may appear.
7. AHS shall, at AHS's sole cost and expense, take out and keep in force during the term of this Agreement business interruption insurance insuring that the minimum monthly rent under the Waters Edge Sublease will be paid to District's Sublessor for a period of up to two (2) years if the subleased Premises are destroyed or rendered inaccessible by a risk insured against by a policy or policies of fire and extended coverage insurance as provided in said Sublease.
8. The insurance policies required by this Agreement shall be in a form reasonably satisfactory to District and issued by insurance companies with a financial rating of at least "A-" status, or higher, as rated in the most recent edition of Best's Insurance Reports. A certificate as to such insurance (and a full copy of the policy(ies) if requested by the District) shall be presented to District. AHS shall have the right to provide insurance coverage which it is obligated to provide under this Agreement pursuant to blanket policies obtained by AHS, provided such blanket policies expressly afford coverage as required by this Agreement and any applicable lease or sublease. AHS shall obtain a written obligation on the part of any such insurance company to notify District in writing of any delinquency in premium payments, and at least ten (10) days prior thereto, of any cancellation of any such policy. At the election of both AHS and District, any of the above mentioned insurance coverages required of one party may, in the interests of mutual cost savings, be purchased by the other party. In the event that the parties make such an election, the parties shall meet and confer to adjust the purchasing and reimbursement responsibilities, and note same in a written memorandum.
9. The obligations set forth in this Agreement shall be binding upon the legal representatives, successors, and assigns of the parties hereto.
10. AHS shall keep the Premises in reasonably good condition and state of repair to the extent consistent with the budgetary considerations, the operating plan for Alameda Hospital, and planned expenditures for the comprehensive health system operated by AHS, and free from any liens arising out of work performed, materials furnished, or obligations incurred by AHS (or shall discharge the same upon receipt of notice thereof) and shall indemnify, hold harmless and defend District from any liens and encumbrances arising out of any work performed and materials furnished by or at the direction of AHS. District shall have the right at

all times to post and keep posted on the Premises any notices permitted or required by law for the protection of District and the Premises from mechanics' and materialmens' liens. District shall be entitled to inspect the Premises on an annual basis or may request additional inspections from AHS.

11. Upon vacating the Premises, AHS shall surrender the Premises in a clean and orderly condition. No covenant, agreement, condition or representation or the breach thereof shall be deemed waived, except by written consent of the party against whom the waiver is claimed, specifically referring to this Agreement and the intention to waive the same, and any such waiver of the breach of any covenant, agreement, condition or representation shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, agreement, condition or representation.
12. Time is of the essence of this Agreement and each and every provision hereof.

Schedule 1

Description of Real Property

EXHIBIT B-2

Permitted Encumbrances

1. An easement shown or dedicated on the map filed or recorded October 30, 1957 in Book 38, Page 50
For: Public utility, drainage and incidental purposes.
2. Provisions, herein recited, as contained in the notes on the map of the subdivision show below.
Subdivision: 1866
Book: 38
Page: 50
Provisions: That no permanent structures or improvements may be placed by property owners on the strips of land shown on the map of Tract 1866, as public utilities easement, (P.U.E.), drainage easement
3. Terms and provisions of an unrecorded lease dated December 27, 1999, by and between Alameda Hospital, a California corporation as lessor and Sprint Spectrum, L.P., a Delaware limited partnership as lessee, as disclosed by a Memorandum of Agreement recorded March 02, 2001 as Instrument No. 2001-075420 of Official Records.
Terms and provisions contained in the above document.

The terms and provisions contained in the document entitled "Memorandum of First Amendment to PCS Site Agreement" recorded August 19, 2013 as Instrument No. 2013282779 of Official Records.

Defects, liens, encumbrances or other matters affecting the leasehold estate, whether or not shown by the public records are not shown herein.
5. Terms and provisions of an unrecorded lease dated July 15, 2004, by and between City of Alameda Health Care District, a California local health care district as lessor and MetroPCS California/Florida, Inc., a Delaware corporation, d/b/a MetroPCS as lessee, as disclosed by a Memorandum of Agreement recorded August 16, 2004 as Instrument No. 2004373566 of Official Records.
6. An easement for broadband communication and incidental purposes, recorded September 28, 2009 as Instrument No. 2009307949 of Official Records.
In Favor of: Comcast of Alameda, Inc, its successors and assigns
7. An easement for broadband communication systems and incidental purposes, recorded August 21, 2013 as Instrument No. 2013286047 of Official Records.
In Favor of: Comcast of Alameda, Inc., its successors and assigns
Affects: As described therein
8. The conditions, restrictions, limitations, powers, duties, trusts, reversionary rights, and other rights created or reserved in the Legislative Grant pursuant to Chapter 348 of the Statutes of 1913, and in any subsequent amending statutes affecting tide and submerged lands granted to the City of Alameda and or County of Alameda.

EXHIBIT B-3

Leases and Subleases

1. Sublease (Amended, Corrected and Restated as of April 1, 2012), effective as of November 15, 2011, by and between The Waters Edge Inc., as lessor, and Alameda Hospital, as lessee, with respect to certain real property located at 2401 Blanding Avenue, Alameda, California.
2. Office Lease, dated May 2011, by and between Legacy Partners I Alameda, LLC, as lessor, and City of Alameda Health Care District, as lessee, as amended by the First Amendment to Lease, dated January 1, 2012, with respect to certain real property located at 815 Atlantic Avenue, Alameda, California.
3. Standard Triple Net Lease (California), dated May 4, 2006, by and between Jamestown South Shore Center, L.P., as lessor, and City of Alameda Health Care District, as lessee, as amended by First Amendment to Lease, dated March 9, 2009 and Second Amendment to Lease, dated January 20, 2012, with respect to certain real property located at 501 South Shore Center West, Alameda, California. The parties have also executed a Letter of Intent, dated February 14, 2014, to negotiate an amendment to the lease.
4. Office Lease, executed April 8, 2013, by and between William DeBaere and Kent Farney, a general partnership, as lessor, and Alameda Hospital, as lessee, as amended by First Amendment to Lease, dated April 1, 2014, with respect to certain real property located at 888 Willow Street, Alameda, California.**
5. Shopping Center Lease, dated August 27, 2012, by and between Victoria Marina, LLC, as lessor, and Alameda Hospital, as lessee, as amended on October 11, 2013, with respect to certain real property located at 947 Marina Village Pkwy, Alameda, California.

**Not being assigned to AHS in connection with the transaction.

EXHIBIT C

Transition Period Exceptions
(to be finalized prior to Closing)

EXHIBIT D

STATEMENT OF PRINCIPLES OF COLLABORATION

In an attempt to develop a guide to collaboration resulting in an integrated health care delivery system where the whole is stronger than its parts, the following principles are agreed upon:

- The Parties' goal is to combine services and programs into an integrated health care system that respects the long and honorable traditions of each of Alameda Hospital and the Alameda Health System.
- To achieve this goal, the Parties plan to balance and support local decision-making, including of the Medical Staff, with the need to develop and maintain a system-wide vision and strategy.
- The Parties goal is for each of AHS and Alameda Hospital, including their respective Medical Staffs, to view the collaboration as fair and having the potential for each to support and enhance access to high quality health care, both in the City of Alameda and throughout Alameda County.
- Throughout the Alameda Health System, the physician will always be the patient's advocate and the goal of the Parties in developing and supporting an integrated delivery system is to respect the right of the patient to choose his or her physician wherever possible.

The Principles expressed above will be effected through:

- Linkage of the clinical expertise of the Medical Staffs of Alameda Hospital and the Alameda Health System to enhance the quality and cost-effective delivery of services to the residents of both the City of Alameda and of Alameda County.
- Focus on continuous quality improvement through the use of and sharing of data sources, quality improvement methods and developmental research.
- Collaboration regarding the efficient and clinically effective delivery of services and use of Alameda Hospital as a site for development of innovative services and systems, with the intent that such innovations should begin to the extent feasible with health care delivered in local practice settings.
- Operates in a manner that permits a financial return sufficient to ensure the current and future financial viability of both Alameda Hospital and the Alameda Health System.

EXHIBIT E

Hospital Financial Requirements through the year 2020

(to be finalized prior to Closing)