

RESOLUTION NO. 1276

RESOLUTION OF THE BOARD OF DIRECTORS OF WASHINGTON TOWNSHIP HEALTH CARE DISTRICT AUTHORIZING WASHINGTON TOWNSHIP HEALTH CARE DISTRICT (“DISTRICT”) TO ENTER INTO A LOAN AND LINE OF CREDIT IN THE PRINCIPAL AMOUNT OF \$20,000,000; APPROVING THE FORMS OF BUSINESS LOAN AGREEMENT, PROMISSORY NOTE, GOVERNMENTAL CERTIFICATE, AND RELATED DOCUMENTS REQUIRED TO SECURE THE LOAN AND LINE OF CREDIT; AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER, AND THE SENIOR VICE PRESIDENT & CHIEF FINANCIAL OFFICER OF THE DISTRICT TO EXECUTE THE BUSINESS LOAN AGREEMENT, PROMISSORY NOTE, GOVERNMENTAL CERTIFICATE, AND OTHER RELATED DOCUMENTS REQUIRED TO SECURE THE LOAN AND LINE OF CREDIT

WHEREAS, the Washington Township Health Care District is a local health care district (“District”) that owns and operates a general acute care hospital and provides essential healthcare services to the population residing within the District’s political boundaries, including the cities of Fremont, Newark, Union City, parts of South Hayward and Sunol;

WHEREAS, the District has been impacted financially due to the changes implemented by the federal government with respect to reimbursement amounts and changes in payment structures which have resulted in a decrease in certain reimbursement rates and payor payment delays which, in turn, have affected cashflow, revenues and unforeseen and inconsistent payors’ payment schedules; and

the District believes that securing a loan and line of credit from Fremont Bank (the “Bank”) in the principal amount of \$20,000,000 (“Line of Credit”) is prudent given the uncertainty of the continued impacts on revenue and certain payment schedule changing; and

WHEREAS, attached to this resolution are forms of Business Loan Agreement, Promissory Note, Governmental Certificate, and related documents which are required to be executed in order to secure the Line of Credit.

NOW THEREFORE, be it resolved that:

Board of Directors' Meeting

January 14, 2026

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A meeting of the Board of Directors of the Washington Township Health Care District was held on Wednesday, January 14, 2026 in the Board Room at 2000 Mowry Avenue, Fremont and Zoom access was provided. Director Nicholson called the meeting to order at 6:01 p.m. and led those in attendance of the meeting in the Pledge of Allegiance.

CALL TO ORDER

*PLEDGE OF
ALLEGIANCE*

Roll call was taken: Directors present: William Nicholson, MD; Jeannie Yee; Bernard Stewart, DDS; Jacob Eapen, MD; Michael Wallace

ROLL CALL

Also present: Kimberly Hartz, Chief Executive Officer; Ajay Sial, Senior Vice President & Chief Financial Officer; Tina Nunez, Senior Vice President & Chief Administrative Officer; Terri Hunter, Vice President & Chief Nursing Officer; Kel Kanady; Laura Anning; Jordan Melick; Kristin Ferguson; Jerri Randrup; John Lee; Brian Smith, MD; Dan Nardoni; Sheela Vijay; Aaron Barry, MD; John Zubiena; Mary Norvell, Paul Kozachenko, Legal Counsel; Sri Boddu; Cheryl Renaud, Assistant to the Chief Executive Officer & District Clerk; Shirley Ehrlich, Executive Assistant II

Director Nicholson welcomed any members of the general public to the meeting.

OPENING REMARKS

Director Nicholson noted that Public Notice for this meeting, including Zoom information, was posted appropriately on our website. This meeting was recorded for viewing at a later date.

There were no Oral Communications.

*COMMUNICATIONS:
ORAL*

There were no Written Communications.

*COMMUNICATIONS:
WRITTEN*

Director Nicholson presented the Consent Calendar for consideration:

CONSENT CALENDAR

- A. Consideration of the Minutes of the Regular Meetings of the District Board: December 10, 15 & 22, 2025

Director Yee moved that the Board of Directors approve the Consent Calendar, Item A. Director Wallace seconded the motion.

Roll call was taken:

William Nicholson, MD – aye
Jeannie Yee - aye
Bernard Stewart, DDS – aye
Jacob Eapen, MD – aye
Michael Wallace – aye

Motion Approved.

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Kimberly Hartz, Chief Executive Officer, introduced Paul Kozachenko, Legal Counsel, who presented the Brown Act Updates for 2026. Paul reported on the key changes that went into effect on January 1, 2026.

*PRESENTATION:
CT SURGERY AND
STRUCTURAL HEART
PROGRAM*

Paul stated that the Board Policy will be revised regarding attending hybrid meetings and a copy of the Brown Act will be distributed to the Board of Directors. This Consent Item will be brought forward in an upcoming meeting for approval.

Dr. Aaron Barry, Chief of Medical Staff, reported that there are 690 Medical Staff members, including 379 active members. Dr. Barry reminded everyone that the Washington Health Urgent Care opened to patient care on December 17, 2025 and is open 7 days a week. Aria is an Interventional Radiology group that has started to perform IR services at the hospital in December. The Structural Heart Program has expanded their offerings to include the TriClip procedure to assist in preventing stroke. Washington Health has accepted the delivery of the ION Robot, in which funds were raised at Top Hat in October, 2025. The Medical Staff Department has bid a fond farewell to Medical Staff Attorney, Jay Christensen, who retired last year. Washington Health has now started working with Erin Muellenberg, who is very familiar with the state laws in California.

*MEDICAL STAFF
REPORT*

Sheela Vijay, Service League President, reported that for the month of December 2025, 317 Service League volunteers contributed a total of 2,936 hours across various departments within the hospital. Upon review of the 2025 calendar year, a total of 655 volunteers supported the hospital, contributing a grand total of 29,516 hours from January 2025 through December 2025.

*SERVICE LEAGUE
REPORT*

During Christmas Week, the Service League distributed over 50 individually sealed "Activity Packs" to patients to bring cheer during the holiday season. Each pack contained coloring pages, Sudoku, and crossword puzzles, along with crayons and pencils. These small gestures were warmly received by patients.

On December 31, Service League Volunteers gathered for a New Year's Eve Social. They enjoyed good food, reflected on the past year and celebrated the camaraderie that sustains their volunteer community.

Alongside these activities, our volunteers continue to contribute in other ways. One of our high school volunteers used his crocheting skills to support the hospital's newborns. Since joining the Service League in July 2025, he has volunteered in the lobby two to three times a month. He has crocheted several baby blankets and bonnets, eventually focusing on bonnets for greater efficiency and production. Now a senior at American High, he plans to pursue a career in nursing. His experience shows how personal talents and interests can be turned into meaningful volunteer contributions.

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On New Year's Day, January 1, three of our NODA volunteers sat vigil with a Comfort Care patient who had no family. Sheela was one of the volunteers and last to sit with the patient that day. It was a quiet and humbling experience that reinforced the importance of simply being present for someone in their final moments.

Moments like this remind us of the impact our volunteers have every day, and we look forward to celebrating their contributions at the Annual Meeting. Sheela reminded everyone of the Annual Meeting on Tuesday, February 10, 2026 in the Conrad Anderson Auditorium. During the meeting, they will reflect upon the previous year, recognize the volunteers and nominate and elect a new slate of board officers.

Kimberly Hartz, Chief Executive Officer, introduced Dr. Omeed Azizirad and Dr. Cyrus Shariat, Co-Medical Directors, Critical Care & Intermediate Care Units, who presented the Annual Critical Care Program Update. Dr. Shariat reported that the intensivist-led model provides 24/7 coverage for patients in the Critical Care Unit (CCU) and consultative services for critically ill patients across the hospital. They are all board certified in Critical Care. There are nine full-time and seven part-time diverse intensivists with backgrounds in internal medicine, pulmonary, neurocritical care, emergency medicine, sleep medicine, anesthesiology and nephrology.

*QUALITY REPORT:
CRITICAL CARE
UPDATE*

The Mission of the Intensivist Program is to provide timely, high-quality evidence based critical care services, collaborate with the multidisciplinary team to optimize patient outcomes, engage in regular education of staff, including evidence-based standards of care and clinical reasoning skills, and have proactive engagement involving families to update and facilitate decision making.

Dr. Shariat reported that there has been an increase in Critical Care Admissions since the pandemic, which has been attributed in large part to the initiation of Washington Health's Level II Trauma Center. The top five diagnoses include respiratory failure, sepsis, traumatic brain injury, coronary artery bypass grafting and hemorrhage. The readmission rate (less than 1.2%) has decreased over the past four years and has been consistently better than the internal goal (4.0%) and the national benchmark (<14%).

The clinical quality initiatives include code blue and rapid response simulations, and structured night rounds with the charge nurse and respiratory therapy have improved care and flow of communication. The nurses, respiratory therapists, pharmacy, physical therapy/occupational therapy, speech, nutrition and case managers work the A-H bundle to streamline and optimize care. This promotes the early removal of central lines, catheters and drains, which minimizes oversedation and ventilator days.

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Dr. Shariat also discussed ventilator outcomes, infection prevention for Central Line-Associated Bloodstream Infection (CLABSI) and Catheter-Associated Urinary Tract Infection (CAUTI).

The educational quality initiatives include Quarterly Critical Care Case Studies, Trauma Lectures, CCU management of spinal cord injuries and Critical Care Awareness Month Lectures, including ECMO, traumatic brain injuries and physical therapy in the CCU.

Ajay Sial, Senior Vice President & Chief Financial Officer, presented the Finance Report for November 2025. The average daily inpatient census was 165.6 with discharges of 1,048 resulting in 4,967 patient days. Outpatient observation equivalent days were 212. The average length of stay was 4.54 days. The case mix index was 1.665. Deliveries were 124. Surgical cases were 519. The Outpatient visits were 8,402. Cath Lab cases were 185. Emergency visits were 4,937. Joint Replacement cases were 185. Neurosurgical cases were 23. Cardiac Surgical cases were 44. Total FTEs were 1,697.4. FTEs per adjusted occupied bed was 6.31. Overall, the net income for November was (\$411,000).

FINANCE REPORT

Kimberly Hartz, Chief Executive Officer, presented the Hospital Operations Report for December 2025. Patient gross revenue of \$240.1 million for December was unfavorable to budget of \$248.8 million (3.5%), but favorable compared to December 2024 by \$9.9 million (4.3%).

*HOSPITAL
OPERATIONS REPORT*

Trauma Cases of 205 for December was favorable to the budget of 163 by 42 (25.8%) and favorable to December 2024 by 36 (21.3%). Trauma gross revenue of \$28.2 million for December was favorable to the budget of \$18.0 million by \$10.2 million (57.1%).

The Urgent Care opened on December 17, 2025. Urgent Care Visits of 175 were unfavorable to budget by 575 (76.7%). The budget had been built on an opening date of November in addition to some assumptions that have changed.

The Average Length of Stay was 4.83. The Average Daily Inpatient Census was 186.4 and was unfavorable to budget of 194.4 by 8.0 (4.1%). There were 1,181 Discharges that were favorable to budget of 1,154 by 27 (2.3%). There were 5,778 patient days which was unfavorable to budget of 6,025 by 247 days (4.1%). There were 545 Surgical Cases and 189 Cath Lab cases at the Hospital. Deliveries were 149. Non-Emergency Outpatient visits were 9,056. Emergency Room visits were 5,310. Total Government Sponsored Preliminary Payor Mix was 73.8%, against the budget of 73.5%. Total FTEs per Adjusted Occupied Bed were 5.75.

There was \$211K in charity care adjustments in December 2025.

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January Employee of the Month is Hennesie Sacdalan, Lead Financial Counselor, Patient Financial Services.

EMPLOYEE OF THE MONTH

Kimberly Hartz, Chief Executive Officer, stated that Washington Health launched their Health and Wellness Series for 2026. Complimentary online health seminars and events for the community can be found on the website:

HOSPITAL CALENDAR

<https://www.washingtonhealth.com/news/2026/january/washington-health-launches-health-wellness-serie/>

Past Health Promotions & Community Outreach Events:

- December 11: Washington Health Walk: Stress Management – Nakamura Clinic, Union City
- December 11: UCSF – Washington Cancer Center Open House – Anderson Auditorium
- December 15: Guy Emanuele Elementary School Health Fair – Union City
- December 17: Washington Health Urgent Care begins serving patients - Fremont
- December 17: Cutting Edge Treatment for Rotor Cuff Tears – Facebook and YouTube
- January 7: Washington Health Walk: Pedestrian Safety – Mark Green Sports Center, Union City
- January 10: Aging and Dementia - Dominican Sisters Virtual Prioress Meeting
- January 10: Keeping Kids Healthy with Vaccines – Facebook and YouTube

Upcoming Health Promotions & Community Outreach Events:

- January 15: Fall Prevention – Acacia Creek
- January 15: Fall Prevention – Fremont Age Well Center, Lake Elizabeth
- January 24: Understanding Swallowing and Reflux Problems – Facebook and YouTube
- January 30: Newark Little League Sports Safety Training – Danielson Clinic, Newark
- February 4: Washington Health Walk – Cholesterol and Blood Pressure – Newark Community Center
- February 7: TAVR: A Modern Option for Heart Valve Care – Facebook and YouTube

The Foundation launched a direct-mail year-end appeal in early December. The mailer reached over 1,500 supporters of the Hospital. A generous match of \$50,000 was offered by long-time donors, John and Chi Wong. The Foundation appreciates and thanks John and Chi for their generosity and dedication to Washington Health.

The Foundation's Annual Meeting will take place on Tuesday, January 27, 2026.

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The Action Item on the agenda is Resolution No. 1276. Prior to any discussion, Director Wallace, made the following disclosure:

Director Wallace declared a conflict of interest regarding this agenda item: He disclosed that he is Chairman of the Board of Fremont Bank and a Shareholder. To comply with the Political Reform Act and the District's conflict-of-interest policy, Director Wallace recused himself from any discussion, deliberation, or vote on this item. He then exited the room at 7:20pm.

Mary Norvell, Special Counsel, joined the meeting to answer any questions that the Board might have regarding this agenda item.

Director Eapen moved that the Board approve Resolution No. 1276 as follows:

1. The District is hereby authorized to enter into the Line of Credit, and the forms of the Business Loan Agreement, Promissory Note, Governmental Certificate, and related documents (the "Bank Documents"), all in substantially the form attached to this resolution, are hereby approved.
2. Kimberly Hartz, the Chief Executive Officer, and Ajay Sial, the Senior Vice President & Chief Financial Officer ("Authorized Officers") are hereby authorized, on behalf of the District, to execute the Bank Documents required in connection with securing the Line of Credit; in the event that the Bank approves an extension of the term of the Line of Credit, the Authorized Officers, or any of them, are hereby authorized, on behalf of the District, to execute amendments to or restatements of any or all of the Bank Documents as may be in the best interests of the District; provided, however, that any amendment that increases the principal amount of the Line of Credit shall first be approved by the District Board of Directors.
3. The Authorized Officers are hereby authorized to take any and all actions necessary to execute any and all instruments and do any and all things deemed by him or her to be necessary, or desirable, to carry out the intent and purposes of the foregoing resolution.
4. The First Vice President is authorized to sign this Resolution in place of the Secretary due to the recusal of the Secretary from the discussion and vote concerning this Resolution.

Director Stewart seconded the motion. Director Nicholson inquired if the Board of Directors or any members of the public had any comments or questions. Hearing none,

Roll call was taken:

*ACTION ITEM:
CONSIDERATION OF
RESOLUTION NO.
1276: RESOLUTION
OF THE BOARD OF
DIRECTORS OF
WASHINGTON
TOWNSHIP HEALTH
CARE DISTRICT
AUTHORIZING
WASHINGTON
TOWNSHIP HEALTH
CARE ("DISTRICT")
TO ENTER INTO A
LOAN AND LINE OF
CREDIT IN THE
PRINCIPAL AMOUNT
OF \$20,000,000;
APPROVING THE
FORMS OF BUSINESS
LOAN AGREEMENT,
PROMISSORY NOTE,
GOVERNMENTAL
CERTIFICATE, AND
RELATED
DOCUMENTS
REQUIRED TO
SECURE THE LOAN
AND LINE OF
CREDIT; AND
AUTHORIZING THE
CHIEF EXECUTIVE
OFFICER, THE
SENIOR VICE
PRESIDENT AND
CHIEF FINANCIAL
OFFICER, OF THE
DISTRICT TO
EXECUTE THE
BUSINESS LOAN
AGREEMENT,
PROMISSORY NOTE,
GOVERNMENTAL
CERTIFICATE, AND
OTHER RELATED
DOCUMENTS
REQUIRED TO
SECURE THE LOAN
AND LINE OF CREDIT*

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William Nicholson, MD – aye
Jeannie Yee - aye
Bernard Stewart, DDS – aye
Jacob Eapen, MD – aye
Michael Wallace – recused

Motion Approved.

Mary Norvell, Special Counsel, commented that the loan documents will be updated to reflect the date of the Board approval.

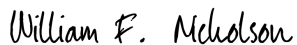
There were no Announcements.

ANNOUNCEMENTS

There being no further business, Director Nicholson adjourned the meeting at 7:28 p.m.

ADJOURNMENT

Signed by:

A handwritten signature in black ink, reading "William F. Nicholson".

98231C70CEF24F3...
William Nicholson, MD
President

Signed by:

A handwritten signature in black ink, reading "Michael Wallace".

48F4090E2EF44B9...
Michael Wallace
Secretary

1. In accordance with District Law, Policies and Procedures, the District is hereby authorized to enter into the Line of Credit, and the forms of the Business Loan Agreement, Promissory Note, Governmental Certificate, and related documents (the "Bank Documents"), all in substantially the form attached to this resolution, are hereby approved.

2. Kimberly Hartz, the Chief Executive Officer, and Ajay Sial, the Chief Financial Officer ("Authorized Officers"), are hereby authorized, on behalf of the District, to execute the Bank Documents required in connection with securing the Line of Credit; in the event that the Bank approves an extension of the term of the Line of Credit, the Authorized Officers, or any of them, are hereby authorized, on behalf of the District, to execute amendments to or restatements of any or all of the Bank Documents as may be in the best interests of the District; provided, however, that any amendment that increases the principal amount of the Line of Credit shall first be approved by the District Board of Directors.

3. The Authorized Officers are hereby authorized to take any and all actions necessary to execute any and all instruments and do any and all things deemed by him or her to be necessary, or desirable, to carry out the intent and purposes of the foregoing resolution.

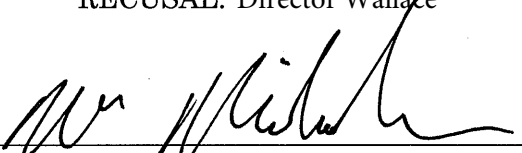
4. The Secretary is authorized to sign this Resolution.

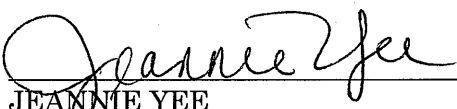
Passed and adopted by the Board of Directors of the Washington Township Health Care District this 14th day of January 2026, by the following vote:

AYES: Directors Nicholson, Yee, Stewart, Eapen

NOES:

RECUSAL: Director Wallace


WILLIAM F. NICHOLSON, MD
President, Board of Directors
Washington Township Health Care District


JEANNIE YEE
First Vice President, Board of Directors
Acting Secretary, Board of Directors
Washington Township Health Care District