

September 4, 2019

Sandra Ormonde
Chief Executive Officer
Tulare Local Healthcare District
869 N Cherry St.
Tulare, CA 93274

Dear Ms. Ormonde:

Thank you for considering Wulff, Hansen & Co. to provide financial advisory services to the Tulare Local Healthcare District. We appreciate the opportunity to submit this Statement of Qualifications and to meet with you on September 4th to discuss the District's bankruptcy, outstanding bonds, and the potential debt service savings the District could realize by refinancing in these historically favorable market conditions. Our Public Finance Group is very active in the California municipal bond market, helping all sorts of local government and nonprofit entities, including Hospitals, Clinics, Healthcare Districts, Regional Medical Centers and a wide variety of other public agencies with their financing and advisory needs.

Founded in 1931, Wulff, Hansen prides itself on being one of the oldest municipal advisory and investment banking firms in California. Our firm's history has been built on providing municipal advisory and underwriting services to state and local governments, agencies, hospitals, schools, special districts, and non-profit organizations throughout California. Wulff, Hansen's transaction history as municipal advisor or sole manager spans many decades, and we have acted as advisor or managing underwriter in the successful placement of a multitude of financings for local communities.

When retained as a Municipal Advisor, we strive to provide public-entity and non-profit clients with detailed information and creative, tailored solutions intended to optimize the client's resources while minimizing transaction and finance-related expenses. We are very conscious of protecting and enhancing an issuer's public perception and credit rating status. Our services range from developing bond structures, pricing, refunding and restructuring analysis to developing strategic advice for workouts. We assist clients in obtaining bond ratings and credit enhancement, and shepherd each competitive issue through the bidding process.

We believe we are particularly well suited to work with the Tulare Local Healthcare District for many reasons. As a California-based boutique-sized firm we can provide the District with hands-on service from senior staff with extensive experience. Unlike larger firms, where the actual work is frequently done by more junior staff overseen from afar by the senior person assigned to the project, a small firm like ours will allow the District to work directly with our most experienced advisors on a day-to-day basis. Further, the District's geographic proximity to our headquarters in San Rafael means that in-person meetings can be arranged with minimal advance notice should an urgent matter arise and, importantly, there would be no out-of-pocket travel expenses to increase the District's costs.

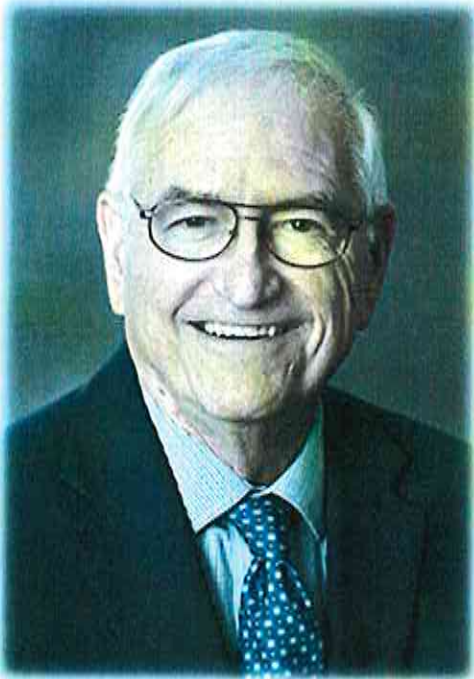
Mr. Levine, who would manage day-to-day work with the District, will have access to the full resources of Wulff, Hansen & Co., including additional senior staff members should their expertise be required. Together, our seasoned professionals offer more than 150 years of experience in the public finance field.

Respectfully submitted,

Chris Charles
President

Team:

Ben 'Bud' Levine (Lead)



Ben 'Bud' Levine is a senior advisor at Wulff, Hansen, is a registered Municipal Advisor, and has many years of experience in public finance in various roles including Municipal Advisor, Investment Banker and Underwriter. His transaction history includes initial issuances, debt restructurings, and refunding of existing outstanding obligations for the full spectrum of debt issuers including cities, counties, water, sanitary, irrigation, fire, hospital and special districts as well as other issuers. Mr. Levine has particular expertise in managing and advising on financing healthcare districts, hospitals, renewable energy, water and wastewater projects, and tax increment issues.

In recent years he has developed a notable practice in the renewable energy space. In this area, he assists municipal clients in developing and financing energy efficiency projects which include funding of green infrastructure and building upgrades and construction of renewable generating capacity. He has advised and participated in the process of selecting master developers and contractors for EPC (Energy Performance Contracting) projects. In this role, he assists the client in negotiating terms of contractor financial guarantees and

other important aspects of the contract. He has arranged financing for such projects utilizing many of the various structures available for such financing, including paid-from-savings financing, Clean Renewable Energy Bonds (CREBs) and other means.

He is also comfortable working with undesirably complex or troubled issuers and can assist in efforts to improve or resolve a client's financial difficulties. He has served as either advisor or underwriter on various debt restructurings and in matters resulting from the bankruptcy of issuers, providing assistance as an entity exits bankruptcy. He has provided these services to healthcare districts, hospitals and other municipal entities.

Mr. Levine exerts great effort to educate his clients about their options, the reasoning behind them, and the implications of a particular course of action. This is most often done in person, and he makes himself available to provide face-to-face onsite briefings on a project or situation not only to client staff but to the legislative body as well. He prides himself on his effectiveness in making complex financial transactions both transparent and understandable to the client and the general public, and he enjoys presenting at public meetings where a broader audience can learn about and come to understand the details of the project at hand.

Mr. Levine holds a B.A. in Political Science from the University of California (Berkeley) and attended Boalt Hall School of Law and the Graduate School of Business, both at the University of California. Professional licenses: Series 7 (General Securities), Series 50 (Municipal Advisor Representative), Series 63 (Multistate).

Roy Nelson



Roy Nelson has more than 35 years of experience in municipal financings. He has extensive experience in the structuring and sale of certificates of participation, revenue bonds, and various types of short-term notes both as Underwriter and as Municipal Advisor. His clients have included municipalities, 501(c)(3) nonprofit health facilities, charter schools and various types of special districts. Mr. Nelson, who is based in San Rafael, has client relationships in all parts of the state and travels regularly to the Central Valley and Southern California to meet with clients in connection with their current or future projects.

Mr. Nelson is recognized as a leader in the financing of health care projects. He has successfully completed numerous financings for hospitals, clinics and other outpatient facilities, intermediate care facilities (assisted living and memory care), public health centers, community mental health centers, facilities for the treatment of chemical dependency, child daycare facilities in conjunction with a health facility, adult day health centers, group homes and facilities

for the developmentally disabled or mentally disordered. He works with both public entities and nonprofits.

He was instrumental in developing an innovative and unique financing program for smaller nonprofit health facilities. His pooled financing system has allowed smaller projects to be accomplished through the issuance of tax-exempt bonds. By pooling several small projects, a significant reduction in costs can be realized for such borrowers when compared with stand-alone financings.

Mr. Nelson is deeply committed to his clients and their financial success. Whether a project takes 90 days or several years to complete, he is there to support the client's board or Council as well as management and staff from start to finish. He takes special pride in his work for the nonprofit 501(c)(3) health care organizations he serves and finds deep satisfaction in his role in helping these clients to grow and prosper.

Mr. Nelson, formerly of Altura, Nelson & Co., serves on an industry advisory group for the Cal-Mortgage Loan Guarantee Program of the State of California and speaks at various health care finance gatherings.

Mr. Nelson received a Master of Public Administration (MPA) degree from the University of Southern California with a specialization in municipal finance. He also has a B.A. in Political Science from Pepperdine University. Professional licenses: Series 7 (General Securities Representative), Series 24 (General Securities Principal) and Series 50 (Municipal Advisor Representative).

Rob Pankratz



Rob Pankratz is the firm's Senior Analyst and Director of Operations. He runs numbers, performs industry research, analyzes financials, and supports the advisors in their day to day tasks. He has been a part of the Public Finance team at Wulff, Hansen since August of 2017 after a stint at a boutique mergers and acquisitions group in San Francisco that focused on full sales and large capital raises for high growth technology companies.

Mr. Pankratz has extensive experience working with complex financial models in the context of developing fundraising opportunities for technology companies. Investment banking in the public finance area is a unique opportunity to help communities serve their citizens; this has a special appeal for him and is unlike anything in technology finance.

He holds a B.S. in Commerce from the Leavey School of Business at Santa Clara University, where he had a concentration in Finance with an emphasis in Entrepreneurship and Applied Ethics. Professional licenses: Series 52 (Municipal Securities Representative), Series 53 (Municipal Securities Principal), Series 50 (Municipal Advisor Representative).

Securities Representative), Series 53 (Municipal Securities Principal), Series 50 (Municipal Advisor Representative).

References:

- **Peter Zeitler, Esq., Hospital Counsel, Coalinga Regional Medical Center**
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 - **Sandra Earls, CFO, Coalinga Regional Medical Center**
(775) 530-5505, searls@coalingahospital.com
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- **Bob Wentz, CEO, Oroville Hospital**
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 - **Ashok Khanchandani, CFO, Oroville Hospital**
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- **Dr. Adolphe Edwards, CEO, El Centro Regional Medical Center**
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 - **Alec Hendry, Assoc. Admin. of Finance, El Centro Regional Medical Center**
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- **John Lollis, City Manager, City of Porterville**
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Completed Comparable Projects:

When retained for a specific financing or financings, we begin by considering how the new issuance will fit into the client's existing financial structure. Our approach to preparing a comprehensive financing program starts with a debt map, CIP list, and timeline for the planned improvements and priorities of our client. When the anticipated financing is a refunding of existing debt we consider the impact of the refunding to provide cash flow relief or structural relief to a client. Sometimes this structural relief is to eliminate problems or cure defaults (actual or technical) which have occurred in the existing Bonds. We then integrate the new financing considering the long term and short term goals and objectives of the client. The combined program enhances financing efficiency, long-term planning and can be updated and adjusted to adapt to changing priorities and circumstances over the course of many years. The program provides our clients the ability to get a high-level view of desired future capital improvements and sources for their financing, as well as a more granular view for the individual parts of the program.

When we evaluate the options financing available, we summarize the options concisely and share that summary with the client's staff so they can see the pros and cons along with the benefits of each financing approach. We then, based on feedback from staff (and the governing body, if appropriate) fine-tune the financing for a specific transaction, keeping staff apprised along the way. Once staff agrees with the final plan we proceed to produce a formal recommendation and supporting data to be presented to the Board and if necessary the public.

Depending on our client's wishes in a particular transaction, Wulff, Hansen is prepared to provide services such as:

- Investigate, develop, review and prepare required reports for debt capacity, debt service schedules, and various financial ratios customary for healthcare debt;
- Develop a list of due diligence or disclosure requirements;
- Make determinations with respect to the availability or feasibility of obtaining a rating and/or insurance and create cost analysis benefits for their usage;
- Coordinate and lead presentations to rating agencies and credit enhancers when appropriate;
- Prepare presentations for comparative financing mechanisms and relative benefits;
- Coordinate the participation of other consultants and experts;
- Provide follow up reports on bond sales;
- Provide educational workshops about relevant public financing options and structures for staff and Board members;
- Provide detailed analysis of refunding or restructuring opportunities;
- Assist with selection of and negotiations for the financing team;
- Assist clients in developing RFPs/RFQs for third-party service providers.

Three examples illustrating our approach to analyzing and structuring a needed financing appear on the following pages.

Coalinga Regional Medical Center

Coalinga Regional Medical center is a district-owned hospital in Coalinga, California. CRMC was formed to provide medical services in an area in and around Coalinga. The Hospital encountered various financial difficulties and filed for bankruptcy in 2004 and again in 2018. Our work with them began during the 2004 bankruptcy proceedings.

March 2004 - \$6,000,000 Certificates of Participation

Proceeds were used to pay-off bank loans, various lease obligations, and provided funds for an improvement project for the Hospital. As part of the Bankruptcy Plan, the Court authorized the use of Ad Valorem (nonvoter approved) property taxes as a senior security for the payment of debt service.

March 2007 – \$2,525,000 Subordinated Certificates of Participation

Proceeds were used to pay-off a loan that was used to acquire a skilled nursing facility, to make improvements on a separate medical facility, and to purchase medical equipment.

March 2008 - \$11,000,000 Certificates of Participation (Tax-exempt) and \$2,645,000 Certificates of Participation (Taxable)

Proceeds from the tax-exempt certificates were used to advance refund and defease the 2004 COPs and the 2007 COPs mentioned above. The proceeds of the taxable certificates were also used to reimburse the District for land previously acquired with cash and to fund additional improvements to existing medical facilities and to purchase equipment.

CRMC filed bankruptcy again in September 2018 due to financial difficulties caused by regional economic conditions and by lack of patient support from the surrounding community.

July 2019 - \$11,109,000 Taxable Refunding Revenue Bonds

In 2018, CRMC entered into an agreement with a for-profit third-party operator and executed a lease agreement with an option to buy, to operate their facilities and to reopen emergency services, to serve the City of Coalinga and the surrounding areas.

Due to the new involvement of a for-profit entity, in order to avoid a possible adverse tax determination of the existing 2008 Tax-exempt COPS by the IRS, the Bankruptcy Court approved the issuance of Special Revenue Taxable Bonds in the amount of \$11,109,000 to refund both series of March 2008 COPS and remove the tax risk thereto. The Bonds were privately placed with a bank investor and the transaction was approved in its entirety by the Bankruptcy Court. The bonds generated approximately \$90,000 in annual cash flow savings through the maturity date of 2043 and total cash flow savings of over \$2,200,000.

Despite having had to file for bankruptcy twice in the span of 15 years, the District's debt structure and provisions meant that it never missed a debt service payment or had a draw on its reserve fund. When structuring the securities, Wulff Hansen arranged a lock-box arrangement for the incoming allocable property tax, used to pay the debt service, to prevent a redirection of funds away from the initial obligation of debt service requirements.

Oroville Hospital

Oroville Hospital is a 501(c)3 general acute care hospital located in Oroville, California. We assisted the Hospital with the following transactions:

April 2012 - \$15,000,000 Variable Rate Demand Hospital Revenue Bonds

Proceeds used to refund the Hospital's Insured Hospital Revenue Bonds, Series 1997.

July 2018 - \$19,600,000 Hospital Revenue Bonds

Proceeds used to refund the Hospital's 2012 variable rate bonds at a favorable fixed-rate and to finance the construction of certain initial improvements to the Hospital in anticipation of a large 2019 expansion project. Bonds were privately placed with Union Bank. Wulff Hansen acted as Placement Agent. The covenants of this issue were designed to allow for the issuance of the larger financing anticipated in the future.

February 2019 - \$195,630,000 Hospital Revenue Bonds

Proceeds used to finance a large hospital expansion project to bring the Hospital up to 211 licensed beds from 133 licensed beds.

Wulff Hansen has been working with Oroville Hospital since 2008. Wulff Hansen has advised the Hospital for over a decade and in that time has witnessed it double in size and dramatically expand its services and facilities to meet the needs of Butte County and the surrounding communities.

The initial process leading to the expansion project in 2018-19 required Wulff Hansen to participate in a competitive process to be hired as Municipal Advisor. WH was selected over several large national firms. In moving forward with the large expansion project the Hospital tasked its Municipal Advisors with assembling the financing team. Through an RFP and interview process, we assisted in the ultimate selection of Morgan Stanley as the underwriter. The approach to the credit rating process was a key factor in deciding who would do the best job marketing and selling the bonds for the Hospital. Most of the proposers were confident that an investment-grade rating would be obtained, but Morgan Stanley's confidence in their ability to sell the bonds without an investment-grade rating if necessary was ultimately what propelled them above the rest.

The team led Oroville Hospital through the credit rating process with Standard Poor's where we did not receive an investment-grade rating. Despite not receiving the anticipated investment-grade rating the team was able to successfully complete the transactions with Morgan Stanley generating orders for over \$1 billion in bonds, a strong oversubscription. In addition, Wulff, Hansen assisted in the selection of the Feasibility Consultant, and most of the legal counsels that participated in the issuance of the Bonds. The project is currently underway and construction is running on schedule.

El Centro Regional Medical Center

ECRMC is a City-owned Hospital in El Centro, California. We assisted the Hospital with the following transactions:

March 2015 - \$50,000,000 Aggregate Hospital Revenue Refunding Bonds

Non-rated private placement composed of:

\$25,000,000 El Centro Finance Authority Hospital Revenue Refunding Bonds, Series 2015A

Proceeds used to refund an existing Cal-Mortgage Insured Revenue Bonds with variable rate bonds.

\$25,000,000 El Centro Finance Authority Hospital Revenue Refunding Bonds, Series 2015B

Proceeds used to make improvements to the ECRMC's Central Utility Plant as part of required seismic upgrades and to construct a Medical Plaza building to house numerous service lines including and oncology center, imaging and other new service lines for ECRMC.

April 2018 - \$125,000,000 El Centro Finance Authority Hospital Revenue Refunding Bonds, Series 2018

Non-rated limited public offering:

The 2018 Bonds were used to refinance the 2015 Bonds and to provide approximately \$48,000,000 for various seismic retrofits required to bring ECRMC into compliance by January 1, 2020 with OSHPD requirements, capitalize interest on the Bonds, fund a Debt Service Reserve Fund and pay all issuance costs.

In 2015 ECRMC was not financially prepared to finance the entire seismic retrofit project but with the Central Utility Plant project ready to finance and the decrease in interest rates and savings resulting from refunding the existing Cal-Mortgage Bonds, an interim financing was very attractive to ECRMC.

Wulff, Hansen advised ECRMC on the advantages, disadvantages, costs, and benefits of potentially pursuing an interim financing in 2015 with the plan to refinance the 2015 bonds in 2017 or 2018 when the entire seismic project was approved and ready to finance, the Hospital's credit allowing. This allowed the Hospital to realize savings by refinancing their outstanding bonds and also bringing the Medical Plaza online two years earlier than would have been possible if the entire project had been delayed until 2017 or 2018, thus increasing revenues for the ECRMC and providing financial support for the seismic retrofit financing.

As a result of recent negative financial results at ECRMC, the 2018 Bonds were structured to be refinanced in 2026 so that once the Medical Plaza, seismic retrofit improvements and other new service lines and projected revenue enhancement plans at ECRMC have borne fruit, ECRMC can potentially refinance the 2018 bonds at a time when ECRMC is in a much stronger financial position and hopefully able to obtain an investment-grade rating.

Costs:

Our compensation for municipal advisory services is determined by the type and size of a project and the agreed-upon scope of work as ultimately defined by the Client and memorialized in a Municipal Advisory Agreement executed by both parties. In a typical financing there are some tasks which can only be performed by the client or its other professionals such as bond counsel, some tasks which can only be performed by the Municipal Advisor, and a third group of tasks which may be accomplished by either party or by both working together. The division of labor with regard to the latter group determines where within a range the agreed-upon compensation will fall.

In each engagement, the exact amount would be dependent on the final agreed-upon scope of work as described above and would be set forth in the engagement's written documentation. With respect to the proposed refunding of the three series of General Obligation Bonds, we would commit to a total fee not to exceed \$85,000. With respect to the refunding of the Revenue Bonds, we would commit to a fee not to exceed \$37,500. Additionally, we would work with the District to determine if any other loans or obligations of the District could be refinanced and generate a benefit to the District. Any fees with respect to refinancing additional obligations would be negotiated at the time the decision to refinance is made.

It is important to note that for this type of work our compensation would be entirely contingent on a successful completion of the financing. If for any reason this does not occur, the Client would have no obligation to Wulff Hansen of any kind. In addition, because your location is readily accessible from our San Rafael headquarters we would not feel it necessary to charge the Client for any travel or other out-of-pocket expenses.

Recent Transactions (prior 24 months):

Closing Date	Issuer/Issue	Bond Size
7/12/2019	Coalinga Regional Medical Center,	\$ 11,109,000
4/11/2019	Housing Authority of the County of Merced, Mortgage Secured Housing Bond, Series 2109A	7,360,000
3/21/2019	City of Chowchilla, Taxable POB (2019 PERS UAL Financing)	10,485,000
3/20/2019	Tarzana Treatment Centers, Taxable Rev Bonds, Series 2019 A & B	13,500,000
2/26/2019	City of Oroville (Oroville Hospital), Hospital Rev Bonds, Series 2019	195,630,000
2/14/2019	Los Osos CSD, LO Refunding Bonds, Wastewater Assessment District No.1, Series 2019	10,800,000
12/20/2018	Housing Authority of the County of Merced (2018 PERS UAL Financing)	6,545,000
12/18/2018	City of Ridgecrest, Taxable COPs (2018 PERS UAL Financing)	19,955,000
11/20/2018	City of Porterville, 2018 Sewer Revenue Refunding Bonds	19,283,000
7/26/2018	Asian Community Center of Sacramento Valley, Series 2018 Rev Bonds	26,915,000
7/26/2018	SA to the Former Yucca Valley RDA, TARBs, Series 2018	8,216,000
7/11/2018	Larkspur Public Financing Authority, Lease Rev Bonds, Series 2018	25,160,000
6/27/2018	SA to the Dissolved Arroyo Grande RDA, Taxable TARBs, Series 2018	5,305,000
6/21/2018	City of Oroville (Oroville Hospital), Hospital Rev Bonds, Series 2018	19,600,000
6/19/2018	SA to the Former RDA of the City of Coalinga, TARBs, Series 2018	5,657,000
5/31/2018	SA to Ridgecrest RDA, TARBs, Series 2018 A & B	29,280,000
4/19/2018	El Centro Regional Medical Center	125,000,000
2/1/2018	Indian Valley Health Care District, Ref Rev Bonds, Series 2018	1,271,000
1/30/2018	Imperial County Office of Education, 2018 Lease Agreement	9,000,000
10/12/2017	Options Family of Services, Taxable Ref Rev Bonds, Series 2017 A & B	2,140,000
9/8/2017	City of Marysville, 2017 Lease Agreement	1,204,669
9/8/2017	City of Marysville, CREBs	1,200,000
7/19/2017	Chowchilla PFA, 2017 Taxable Lease Rev Bonds	3,630,000
6/15/2017	Chowchilla PFA, 2017 Water Revenue Bonds	8,160,000
6/1/2017	Clovis Veterans Memorial District, 2017 Lease Agreement	3,470,000
6/1/2017	City of Mill Valley, 2017 Certificates of Participation	427,239

BULLET POINTS FOR PRESENTATION TO THE TULARE LOCAL HEALTH CARE DISTRICT BOARD

INTRODUCTION OF WULFF, HANSEN

- BRIEF HISTORY OF FIRM
- FULL-SERVICE BROKERAGE; PROVIDING UNDERWRITING/PLACEMENT AGENT SERVICES/FINANCIAL ADVISORY SERVICES
- CHANGE IN REGULATIONS, SEPARATION OF ADVISORY AND UNDERWRITING SERVICES
- FIDUCIARY RESPONSIBILITY DIFFERENT, MUST ESTABLISH TYPE OF ENGAGEMENT AT START OF RELATIONSHIP
- WULFF HANSEN NOW ACTS MAINLY AS FA WITH SOME PP ENGAGEMENTS
- ✦ WULFF HANSEN PAST EXPERIENCE AS UNDERWRITER/PLACEMENT AGENT GIVES WH UNIQUE INSIGHT INTO THE CONCERNS AND ISSUES THAT ARE IMPORTANT TO UW/PA

INTRODUCTION OF FIRM PERSONNEL

- BEN LEVINE
- ROY NELSON
- BOTH HAVE BEEN PRINCIPALS IN OWN FIRM
- 40 TO 50 YEARS EXPERIENCE
- BEN HAS ADVISED ON MANY HOSPITAL FINANCINGS AND BANKRUPTCIES
- ROY HAS EXPERIENCE IN MANY DISCIPLINES IN HEALTH CARE A SUBSPECIALTY IN CAL-MORTGAGE ISSUES

APPROACH AND DESCRIPTION OF OUR SERVICES (IN SOQ)

- SERVICES AND PROCESS DESCRIBED

CASE STUDIES AND REFERENCES

- COALINGA REGIONAL MEDICAL CENTER (JUST COMPLETED LAST MONTH)
- OROVILLE HOSPITAL (COMPLETED FIRST QUARTER OF 2019)
- EL CENTRO REGIONAL MEDICAL CENTER
- SEE STATEMENT OF QUALIFICATIONS

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INITIAL IDEAS FOR PLAN FOR DISTRICT'S OUTSTANDING 3 GO SERIES AND THE 2007 REVENUE BOND.

- ASSIST IN FORMING FINANCE TEAM
- BOND COUNSEL, DISCLOSURE COUNSEL (IF NEEDED)
- UNDERWRITER/PLACEMENT AGENT
- TRUSTEE TO KEEP OR REPLACE

14.5mil Tax exempt
7.45mil

build american bond
program
60mil

tax approval
2005
vote

THREE EXISTING GO'S. 2007 SERIES A, 2009 SERIES B-1 AND 2009 SERIES B-2 (BABS)

- REFUND INTO ONE TAX EXEMPT GO
- EXPLORE POSSIBILITY OF RATING AND PUBLIC OFFERING
- EXPLORE THE MORE LIKELY POSSIBILITY OF NO RATING, PRIVATE PLACEMENT

EXISTING 2007 REVENUE BOND

- CHANGE THE STRUCTURE SO THAT THE AD VALOREM PROPERTY TAX (NON-VOTER) IS THE SOLE SECURITY FOR THE REVENUE BONDS. INCLUDED IN THE BOND DOCUMENTS, WILL BE AN IRREVOCABLE DIRECTION LETTER, SIGNED BY THE COUNTY AND THE TRUSTEE, REGARDING PAYMENT OF THE TAXES TO THE TRUSTEE FOR THE BENEFIT OF THE BONDHOLDERS.
- PAYMENT OF THE DEBT SERVICE TO BONDHOLDERS WILL OCCUR FIRST AND AFTER THE PAYMENT AN ANNUAL RELEASE OF THE EXCESS PROPERTY TAXES WILL BE SENT TO THE DISTRICT.
- NO OTHER REVENUES OR SECURITY INTEREST IN REAL ESTATE WILL BE REQUIRED.
- ONCE THE RESTRUCTURING IS IN PLACE:
 - EXPLORE POSSIBILITY OF OBTAINING A RATING AND ISSUING PUBLIC OFFERING;
 - EXPLORE THE POSSIBILITY OF AN UNDERWRITER WILLING TO UNDERWRITE A PUBLIC OFFERING.
- IF PUBLIC OFFERING IS NOT AVAILABLE, WH BELIEVES THAT A PRIVATE PLACEMENT WITH AN INSTITUTIONAL INVESTOR IS OBTAINABLE.
- IN A PRIVATE PLACEMENT THE BONDS USUALLY HAVE ONE INTEREST RATE THROUGH FINAL MATURITY.
- GENERALLY IN A PRIVATE PLACEMENT, NO RESERVE FUND IS NEEDED.
- IF NO RESERVE FUND IS NEEDED, THE CURRENT MONTHLY PAYMENT REQUIRED TO REPLENISH THE DEBT SERVICE FUND ON THE REVENUE BONDS, UNDER THE BANKRUPTCY PLAN, WOULD BE ELIMINATED.
- THE ONLY SECURITY REQUIRED WOULD BE PLEDGE OF TAXES AS DESCRIBED ABOVE

REVIEW OF SAVINGS ESTIMATES / OPEN FOR QUESTIONS

General Obligation Bonds, Election of 2005

Period Ending (August 1)	Private Placement Combined Refunding				Total Combined Existing Debt Service	Estimated Savings
	Principal	Coupon	Interest	Debt Service		
2020	2,780,000	3.74%	2,083,870	4,863,870	5,227,758	363,888
2021	1,935,000	3.74%	3,048,100	4,983,100	5,366,191	383,091
2022	2,110,000	3.74%	2,975,731	5,085,731	5,494,705	408,974
2023	2,385,000	3.74%	2,896,817	5,281,817	5,694,061	412,244
2024	2,605,000	3.74%	2,807,618	5,412,618	5,903,050	490,432
2025	2,830,000	3.74%	2,710,191	5,540,191	6,029,137	488,946
2026	3,105,000	3.74%	2,604,349	5,709,349	6,199,068	489,719
2027	3,410,000	3.74%	2,488,222	5,898,222	6,388,493	490,271
2028	3,660,000	3.74%	2,360,688	6,020,688	6,573,630	552,942
2029	3,965,000	3.74%	2,223,804	6,188,804	6,807,503	618,699
2030	4,275,000	3.74%	2,075,513	6,350,513	7,046,862	696,349
2031	4,670,000	3.74%	1,915,628	6,585,628	7,366,853	781,225
2032	5,005,000	3.74%	1,740,970	6,745,970	7,625,382	879,412
2033	5,360,000	3.74%	1,553,783	6,913,783	7,899,250	985,467
2034	5,735,000	3.74%	1,353,319	7,088,319	8,194,348	1,106,029
2035	6,125,000	3.74%	1,138,830	7,263,830	8,500,026	1,236,196
2036	6,565,000	3.74%	909,755	7,474,755	8,854,250	1,379,495
2037	7,010,000	3.74%	664,224	7,674,224	9,206,100	1,531,876
2038	5,230,000	3.74%	402,050	5,632,050	7,335,460	1,703,410
2039	5,520,000	3.74%	206,448	5,726,448	7,616,480	1,890,032
	84,280,000		38,159,910	122,439,910	139,328,605	16,888,695

*All figures are preliminary, estimated, and subject to change
Based on a private placement to a bank or other qualified institutional investor*

Revenue Bonds, Series 2007

Period Ending (November 1)	Private Placement Refunding of 2007 Revenue Bond				Existing Debt Service	Estimated Savings*
	Principal	Coupon	Interest	Debt Service		
2020	300,000	4.10%	403,253	703,253	1,271,715	568,462
2021	695,000	4.10%	430,295	1,125,295	1,273,465	148,170
2022	720,000	4.10%	401,800	1,121,800	1,268,465	146,665
2023	755,000	4.10%	372,280	1,127,280	1,271,965	144,685
2024	780,000	4.10%	341,325	1,121,325	1,267,695	146,370
2025	815,000	4.10%	309,345	1,124,345	1,271,640	147,295
2026	850,000	4.10%	275,930	1,125,930	1,273,290	147,360
2027	880,000	4.10%	241,080	1,121,080	1,267,645	146,565
2028	920,000	4.10%	205,000	1,125,000	1,269,960	144,960
2029	960,000	4.10%	167,280	1,127,280	1,273,740	146,460
2030	1,000,000	4.10%	127,920	1,127,920	1,274,660	146,740
2031	1,040,000	4.10%	86,920	1,126,920	1,272,720	145,800
2032	1,080,000	4.10%	44,280	1,124,280	1,272,920	148,640
	<u>10,795,000</u>		<u>3,406,708</u>	<u>14,201,708</u>	<u>16,529,880</u>	<u>2,328,172</u>

All figures are preliminary, estimated, and subject to change
Based on a private placement to a bank or other qualified institutional investor

*Estimated Savings does not include the \$44,170 monthly payment in periods ending 2020 and 2021, currently being paid to replenish the Debt Service Fund. The continuation of these payments would not be required under our working assumption of a private placement without a reserve fund requirement.

Combined Estimated Savings

Period Ending (November 1)	Estimated Savings on GO Bond	Estimated Savings on Revenue Bond Refunding*	Total Estimated Savings
2020	363,888	568,462	932,350
2021	383,091	148,170	531,261
2022	408,974	146,665	555,639
2023	412,244	144,685	556,929
2024	490,432	146,370	636,802
2025	488,946	147,295	636,241
2026	489,719	147,360	637,079
2027	490,271	146,565	636,836
2028	552,942	144,960	697,902
2029	618,699	146,460	765,159
2030	696,349	146,740	843,089
2031	781,225	145,800	927,025
2032	879,412	148,640	1,028,052
2033	985,467	-	985,467
2034	1,106,029	-	1,106,029
2035	1,236,196	-	1,236,196
2036	1,379,495	-	1,379,495
2037	1,531,876	-	1,531,876
2038	1,703,410	-	1,703,410
2039	1,890,032	-	1,890,032
	16,888,695	2,328,172	19,216,867

*All figures are preliminary, estimated, and subject to change
Based on a private placement to a bank or other qualified institutional
investor*

**Estimated Savings does not include the \$44,170 monthly payment in
periods ending 2020 and 2021, currently being paid to replenish the Debt
Service Fund. The continuation of these payments would not be required
under our working assumption of a private placement without a reserve
fund requirement.*