

February 6, 2026

Chris Chord  
Superintendent  
Orcas Island Health Care District  
San Juan County Public Hospital District #3  
P.O. Box 226  
Eastsound, WA 98245  
[superintendent@orcashealth.org](mailto:superintendent@orcashealth.org)

**Re: Legal Representation: Bond Counsel Services**

Dear Chris:

Thank you for selecting Pacifica Law Group LLP to provide bond counsel legal services to the Orcas Island Health Care District (the “District”) in connection with debt issuances, securities laws, tax laws, and other debt financing matters (collectively, the “Project”). This letter will also apply to any additional matters that we undertake at the District’s request, unless otherwise specified in a separate engagement letter addressing that matter.

We have attached our proposed flat fee schedule for the District bond issues. We will not separately charge the District for work related to an upcoming bond issue (e.g. a reimbursement resolution or election resolution or election resolution for a voted bond measure) or for responding to questions related to the District bond issues (including questions regarding post issuance compliance, federal tax law requirements, and other matters) without your prior approval. Payments of such legal fees shall be contingent upon closing of the bond issue and shall be payable based upon an invoice to be delivered to the District after closing. Fixed fee rates may be adjusted not more frequently than annually, with your approval.

As lawyers, we are of course regulated by ethical rules, including rules governing conflicts of interest, in the jurisdictions in which we practice. Based on our review of our records and the information you have provided regarding adverse or potentially adverse parties, the representation of the District on this initial matter does not create a conflict of interest for Pacifica Law Group, however, we may serve as outside counsel and bond counsel to other municipalities and special districts that interact and/or contract with the District, and we serve as underwriter’s counsel from time to time to underwriting firms (such as KeyBanc, Barclays Capital Inc., Piper Sandler & Co., Wells Fargo, RBC Capital Markets, Goldman Sachs & Company, and D.A. Davidson) on matters unrelated to the District bonds. We would not serve as underwriter’s counsel on transactions involving the District when we were serving as bond counsel to the District.

Please let me know immediately if there are other adverse or potentially adverse party names to check, or other names that you believe we should check. If you learn about significant name changes of any of the entities or about additional adverse or potentially adverse parties, please advise us so our records can be updated. Our representation of the District does not include acting as counsel for any entity in which the District holds equity or any subsidiary, affiliate, equityholder, employee, family member or other person unless such additional representation is separately and clearly undertaken by us.

Pacifica Law Group represents many other companies, individuals and government agencies (“clients”). During the time we are representing the District we may be asked to represent:

- (1) other present or future clients in transactions, litigation or other disputes adverse to the District that are not substantially related to our representation of the District; and/or
- (2) in matters not substantially related to our work for the District, parties who have interests adverse to the District in matters we are handling for the District.

We request the District’s consent to allow Pacifica Law Group to undertake such current and future representations without the need to obtain any further or separate approval from the District, as long as those matters are not substantially related to matters in which Pacifica Law Group is representing, or has represented, the District. Your signature below constitutes the District’s consent to such representation. We agree not to use any proprietary or other confidential nonpublic information concerning the District acquired by us as a result of our representation of the District to the District’s material disadvantage in connection with any litigation or other matter in which we are adverse to the District.

During our representation of you, there may from time to time be issues that raise questions as to our duties under the rules of professional conduct that apply to lawyers. These might include, e.g., conflict of interest issues, and could even include issues raised because of a dispute between us and a client over the handling of a matter. Under normal circumstances when such issues arise we would seek the advice of our Professional Standards Counsel, Loss Prevention partners or Professional Standards Conflicts Attorneys who are experts in such matters. Historically, we have considered such consultations to be attorney-client privileged conversations between firm personnel and the counsel for the firm. In recent years, however, there have been judicial decisions indicating that under some circumstances such conversations involve a conflict of interest between client and attorney and that an attorney’s consultation with its counsel may not be privileged, unless the attorney either withdraws from the representation of the client or obtains the client’s consent to consult with its counsel.

We believe that it is in our client’s interests, as well as Pacifica Law Group’s interest, that in the event legal ethics or related issues arise during a representation, we receive expert analysis of our obligations. Accordingly, as part of our agreement concerning our representation of the District, you agree that if we determine in our own discretion during the course of the representation that it is either necessary or appropriate to consult with our firm counsel (either Pacifica Law Group’s internal counsel or, if we choose, outside counsel) we have your consent to do so and that our

representation of you shall not, thereby, waive any attorney-client privilege that Pacifica Law Group may have to protect the confidentiality of our communications with counsel.

This letter, together with the attached Exhibit A, confirms the terms and conditions on which Pacifica Law Group LLP will provide legal services to the District. Unless otherwise agreed in writing, the terms of this letter will also apply to any additional matters that we undertake at the District's request. If this letter correctly sets forth our understanding, please sign and date a copy of this letter and promptly return it to me. If you have any questions about this letter or generally about our services or bills, please call me at any time. We look forward to working with you and thank you for placing your confidence in Pacifica Law Group.

Sincerely yours,

PACIFICA LAW GROUP LLP

*Stacey Crawshaw-Lewis*

Stacey Crawshaw-Lewis  
Partner

ACCEPTED AND AGREED:

ORCAS ISLAND HEALTH CARE DISTRICT

\_\_\_\_\_

Date: \_\_\_\_\_

EXHIBIT A  
Additional Terms

1. Billing rates may be adjusted not more frequently than annually, usually on January 1. Services performed after the effective date of the new rates will be charged at the new applicable rates. We do not charge for costs incurred internally (photocopying, long distance telephone charges, electronic legal research services and the like). However, to the extent we incur costs from outside vendors directly related to your work, these costs will be passed through to you without mark-up.
2. We reserve the right to charge interest on any portion of a statement that is not paid on time. If any statement remains unpaid for more than 60 days, you agree that we will have the right to cease performing services until satisfactory arrangements have been made for payment of outstanding statements and payment of future statements.
3. In the event that we place any funds in our trust account on your behalf, including an advance fee deposit, we will not pay you interest on those funds. The Washington State Bar Association requires that except in unusual circumstances any interest received on a law firm's trust account be paid to the Legal Foundation of Washington. We will notify you if the circumstances require us to establish a separate interest-bearing account for any funds being held on your behalf.
4. You agree that both you and our firm may use electronic devices and Internet services to communicate with each other and forward documents notwithstanding the risk that such communications may be intercepted by and disclosed to unauthorized parties. You agree that the benefits of using such technology outweigh the risks of unauthorized disclosure.
5. You may, at any time, terminate our representation upon written notice to the firm. We also reserve the right to withdraw from our representation as required or permitted by the applicable rules of professional conduct upon written notice to you. If we terminate the engagement, we will take reasonable steps to protect your interests in the above matter, and you agree to take all steps necessary to free us of any obligation to perform further, including executing any documents necessary to perfect our withdrawal. Termination or withdrawal will not relieve you of your obligation to pay for services already rendered and incurred expenses, including work in progress at the time of termination.

## SCOPE OF SERVICES

As bond counsel, Pacifica Law Group (the “Law Firm”) shall provide all necessary legal services necessary to issue bond, notes and other evidences of indebtedness, including but not limited to:

- Draft and distribute election documents, if needed
- Assist in the development or review of a distribution list and proposed schedule, flagging key notice, action and document deadlines
- Gather appropriate facts regarding the financing and the proposed project, generally through an in-person or remote kick off or “scoping” meeting
- Conduct federal and state law analysis; draft and review election resolutions, explanatory statements, and related election documents. Provide guidance on local election laws.
- Assess financing options and work with underwriters, placement agents, lenders and financial advisors to consider legal issues
- Draft and distribute bond (and, if requested, disclosure and/or RFP) documents
- Revise, discuss, and explain documents
- Arrange and participate in conference calls and meetings the District staff and other members of the finance team, as necessary, to follow up on issues identified at the scoping meeting or to review document drafts
- Present documents to, and answer questions from, the Board and other groups
- Complete appropriate tax due diligence analysis
- Review the results of pricing, answer legal questions from potential investors/lenders, and draft or comment on the bond purchase agreement, loan agreement or continuing covenant agreement
- Prepare closing certificates, prepare and print the notes or bonds, and deliver bond opinions (legality and enforceability of bonds or notes, tax opinion if tax-exempt obligation, supplemental opinion if required, defeasance opinion if required, and disclosure letter if required)
- Deliver hard (upon request) and electronic copies of the final transcript to the finance team
- Coordinate with the District staff on post-issuance compliance obligations (state, federal tax, and securities law) as necessary
- Work cooperatively with the District’s General Counsel and other special legal counsel retained by the District for special projects involving the issuance of bonds, closing of bond transactions, tracking of bond proceeds and related issues

## FEE SCHEDULE

Bond Counsel Fee	<table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse; text-align: center;"> <thead> <tr> <th style="padding: 5px;">Bond Issue Size</th> <th style="padding: 5px;">Flat Fee</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">Less than \$5,000,000</td> <td style="padding: 5px;">\$20,000</td> </tr> <tr> <td style="padding: 5px;">\$5,000,001-\$10,000,000</td> <td style="padding: 5px;">\$25,000</td> </tr> <tr> <td style="padding: 5px;">\$10,000,001-\$15,000,000</td> <td style="padding: 5px;">\$30,000</td> </tr> <tr> <td style="padding: 5px;">\$15,000,001-\$20,000,000</td> <td style="padding: 5px;">\$35,000</td> </tr> <tr> <td style="padding: 5px;">\$20,000,001-\$50,000,000</td> <td style="padding: 5px;">\$40,000</td> </tr> <tr> <td style="padding: 5px;">\$50,000,001 and above</td> <td style="padding: 5px;">\$50,000</td> </tr> </tbody> </table> <p style="margin-top: 10px;">(1) Issue amount reflects the principal amount of the bonds plus original issue premium, if any.</p> <p>All bond counsel fees, costs and expenses are included in the fee matrix above. Bond counsel fees include all of our work related to the bond issue (including but not limited to document preparation, state and federal tax law analysis, attending finance team and Board meetings, expenses, costs, delivering the final opinion, answering questions during and between bond issues, and providing other services as outlined in the Scope of Services), unless another fee arrangement is agreed to by the District. The fee matrix may be adjusted, not more frequently than annually, with prior the District’s approval.</p> <p>For bank loans or other private placements, depending on the complexity of the loan documents involved, we may discount our fixed fee by a percentage (e.g. charge 85% of our fixed fee above). For refunding issues, we typically charge 115% of the regular fee schedule. Substantially delayed financings (where the financing transaction stopped and restarted, for instance, resulting in additional work) would be negotiable based on the resulting delay and work involved.</p>	Bond Issue Size	Flat Fee	Less than \$5,000,000	\$20,000	\$5,000,001-\$10,000,000	\$25,000	\$10,000,001-\$15,000,000	\$30,000	\$15,000,001-\$20,000,000	\$35,000	\$20,000,001-\$50,000,000	\$40,000	\$50,000,001 and above	\$50,000
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Disclosure Counsel Fee	<p>For publicly sold transactions, such as with an underwriter, we propose an additional fee of \$16,000 per bond issue to serve as Disclosure Counsel (prepare the preliminary and final official statements and deliver a separate 10b-5 letter to the District addressing securities laws) upon request. <i>Note, we will only serve as disclosure counsel and charge a corresponding fee if requested to do so by the District.</i> Providing comments on the official statements when such documents are prepared by another party (e.g. financial advisor) is included in our bond counsel fee.</p>														
Other fees	<p>We propose to charge a discounted hourly public entity rate for all Pacifica attorneys performing work for the District that cannot be allocated to our role as bond counsel (and therefore be absorbed in the fee matrix above). Such work will only be performed at the request and with the consent of the District. Hourly work may include assisting with an IRS audit, providing real estate advice, drafting non-bond ballot measures, assisting with special research projects and/or litigation, and negotiating development agreements. Our 2026 (effective January 1, 2026) public sector rates are below. Hourly rates are subject to annual adjustment.</p> <table style="margin-top: 10px; width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; padding: 5px;"><u>Name</u></th> <th style="text-align: right; padding: 5px;"><u>2026</u></th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">Alison Benge (bond counsel, federal tax)</td> <td style="text-align: right; padding: 5px;">\$625</td> </tr> <tr> <td style="padding: 5px;">Deanna Gregory (bond and disclosure counsel, general municipal law)</td> <td style="text-align: right; padding: 5px;">\$535</td> </tr> <tr> <td style="padding: 5px;">Stacey Lewis (bond and disclosure counsel, general municipal law)</td> <td style="text-align: right; padding: 5px;">\$580</td> </tr> <tr> <td style="padding: 5px;">Toby Tobler (bond and disclosure counsel, general municipal law)</td> <td style="text-align: right; padding: 5px;">\$395</td> </tr> <tr> <td style="padding: 5px;">Clare Riva (bond and disclosure counsel, general municipal law)</td> <td style="text-align: right; padding: 5px;">\$355</td> </tr> <tr> <td style="padding: 5px;">Kristin Patterson (paralegal support)</td> <td style="text-align: right; padding: 5px;">\$195</td> </tr> </tbody> </table>	<u>Name</u>	<u>2026</u>	Alison Benge (bond counsel, federal tax)	\$625	Deanna Gregory (bond and disclosure counsel, general municipal law)	\$535	Stacey Lewis (bond and disclosure counsel, general municipal law)	\$580	Toby Tobler (bond and disclosure counsel, general municipal law)	\$395	Clare Riva (bond and disclosure counsel, general municipal law)	\$355	Kristin Patterson (paralegal support)	\$195
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