

**FORM OF OPINION OF BOND COUNSEL**

[Letterhead of Quint &amp; Thimmig LLP]

May 3, 2023

City Council  
City of Oroville  
1735 Montgomery Street  
Oroville, California 95965

OPINION: \$\_\_\_\_\_ City of Oroville Revenue Bonds (Oroville Hospital), Series 2023

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**Members of the City Council:**

We have acted as bond counsel to the City of Oroville (the "City") in connection with the issuance by the City of \$\_\_\_\_\_ of its Revenue Bonds (Oroville Hospital), Series 2023 (the "Bonds"), pursuant to the provisions of the City of Oroville Health Facility Financing Law, constituting Chapter 11-B of Part II of the Oroville Municipal Code (the "Law"), a Bond Indenture, dated as of May 1, 2023, by and between the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Indenture"), and a resolution adopted by the City on April 18, 2023. The Bonds have been issued by the City to provide funds to finance and refinance the acquisition, construction, installation, improvement and equipping of certain health facilities owned and operated by Oroville Hospital (the "Corporation"), to be loaned to the Corporation pursuant to a Loan Agreement, dated as of May 1, 2023, by and between the City and the Corporation (the "Loan Agreement"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the City contained in the Indenture and in the certified proceedings and certifications of the City, public officials and the Corporation, furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing we are of the opinion, under existing law, as follows:

1. The City is duly created and validly existing as a municipal corporation and chartered city with the power to enter into the Indenture and the Loan Agreement, to perform the agreements on its part contained therein and to issue the Bonds.

2. The Indenture and the Loan Agreement have been duly approved and authorized by the City and constitute valid and binding special obligations of the City enforceable against the City in accordance with their respective terms.

3. The Indenture creates a valid lien on the funds pledged by the Indenture for the security of the Bonds.

4. The Bonds have been duly authorized, executed and delivered by the City and are valid and binding special obligations of the City, payable solely from the sources provided therefor in the Indenture.

5. Subject to compliance by the City and the Corporation with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended. For tax years beginning after December 31, 2022, interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. Failure to comply with certain of such City and Corporation covenants could cause the interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. In rendering our opinion on tax exemption, we have relied on the opinion of the \_\_\_\_\_, counsel to the Corporation, that the Corporation is a 501(c)(3) organization and certain other matters.

6. Interest on the Bonds is exempt from personal income taxation imposed by the State of California.

Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds, the Indenture and the Loan Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and also may be subject to the exercise of judicial discretion in accordance with general principles of equity, in each case as related to the City.

In rendering this opinion, we have relied upon certifications of the City and the Corporation and others with respect to certain material facts. Our opinion represents our legal judgment based upon such review of the law and the facts that we deem relevant to render our opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,