
INDENTURE OF TRUST

Dated as of March 1, 2023

by and between the

PLUMAS HOSPITAL DISTRICT

And the

TREASURER OF THE PLUMAS HOSPITAL DISTRICT, as Trustee

Relating to
Up to \$32,950,000
Plumas Hospital District
(Plumas County, California)
Revenue Bonds, Series 2023

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST (this “Indenture”), made and entered into and dated as of March 1, 2023, by and between PLUMAS HOSPITAL DISTRICT, a local health care district of the State of California (the “District”), and the TREASURER OF THE PLUMAS HOSPITAL DISTRICT, AS TRUSTEE (the “Trustee”).

WITNESSETH:

WHEREAS, the District has determined to issue its Plumas Hospital District (Plumas County, California) Revenue Bonds, Series 2023, in the aggregate principal amount of \$32,950,000 (the “2023 Bonds”) to finance a portion of the costs of a new 36-bed skilled nursing facility to be located on property owned by the District adjacent to its acute care hospital in Quincy, California (the “2023 Project”);

WHEREAS, in order to provide for the authentication and delivery of the 2023 Bonds, from time to time in such series as may be established by the District, to establish and declare the terms and conditions upon which the 2023 Bonds are to be issued and secured and to secure the payment of the principal thereof and premium (if any) and interest thereon, the District has authorized the execution and delivery of this Indenture; and

WHEREAS, the District has determined that all acts and proceedings required by law or necessary to make the 2023 Bonds, when executed by the District, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal limited obligations of the District, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Indenture have been in all respects duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of, and the interest and premium, if any, on, all Bonds at any time issued and outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the 2023 Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the 2023 Bonds by the owner thereof, and for other valuable consideration, the receipt whereof is hereby acknowledged, the District does hereby covenant and agree with the Trustee for the benefit of the owner from time to time of the 2023 Bonds, as follows:

ARTICLE I

DEFINITIONS; CONTENT OF CERTIFICATES AND OPINIONS

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.01 shall, for all purposes of this Indenture and of any Supplemental Indenture and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined. Unless otherwise defined in this Indenture, all terms used herein shall have the meanings assigned to such terms in the Law.

"Accountant" means Wipfli LLP or any other independent certified public accountant or firm of such accountants selected by the District.

"Additional Bonds" means all Bonds authorized by and at any time Outstanding pursuant to this Indenture and any Supplemental Indenture, other than the 2023 Bonds.

"Additional Project" means any additions, extensions, alterations or improvements (including soft costs and equipment) to the Facilities financed with the proceeds of an additional Series of Bonds.

"Annual Debt Service" means, for each Fiscal Year, the aggregate amount (without duplication) of principal and interest scheduled to become due (either by maturity or by mandatory redemption) and sinking fund payments required to be paid in that Fiscal Year on all Long-Term Indebtedness.

"Authorized Amount" means the maximum principal amount of the 2023 Bonds of \$32,950,000.

"Authorized Representative" means, with respect to the District, the President of the Board, the Chief Executive Officer of the District, the Chief Financial Officer of the District, the Chief Operating Officer of the District or any other person designated as an Authorized Representative of the District by a Certificate of the District signed by the President of the Board, the Chief Executive Officer of the District, the Chief Financial Officer of the District or the Chief Operating Officer of the District and filed with the Trustee.

"Balloon Indebtedness" means Long-Term Indebtedness 25% or more of the principal of which becomes due (either by maturity or mandatory redemption) or may be tendered for purchase or payment at the option of the holder during any period of 12 consecutive months, which portion of the principal is not required by the documents governing such Indebtedness to be amortized by redemption prior to such date.

"Board" means the Board of Directors of the District.

"Bonds" means the 2023 Bonds and any Additional Bonds.

"Book Value" means, when used in connection with Property, Plant and Equipment or other Property of the District, the value of such property, net of accumulated depreciation, as it is carried on the books of the District and in conformity with generally accepted accounting principles.

“Business Day” means any day other than a Saturday, Sunday, or a day on which banking institutions in the State or in the City of Los Angeles or the City of San Francisco are authorized or obligated by law or executive order to be closed.

“Certificate,” “Statement,” “Request,” “Requisition” and *“Order”* of the District mean, respectively, a written certificate, statement, request, requisition or order signed in the name of the District by an Authorized Representative of the District. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument. If and to the extent required by Section 1.02 of this Indenture, each such instrument shall include the statements provided for in Section 1.02 of this Indenture.

“Closing Date” means March 10, 2023, the date on which the 2023 Bonds are delivered by the District to the purchaser thereof.

“Completion Indebtedness” means any Long-Term Indebtedness incurred for the purpose of financing the completion of construction or equipping of any project for which Long-Term Indebtedness has theretofore been incurred in accordance with the provisions hereof, to the extent necessary to provide a completed and fully equipped facility of the type and scope contemplated at the time said Long-Term Indebtedness was incurred, and in accordance with the general plans and specifications for such facility as originally prepared and approved in connection with the related financing, modified or amended only in conformance with the provisions of the documents pursuant to which the related financing was undertaken.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the District and related to the authorization, execution, sale and delivery of the 2023 Bonds, including but not limited to advertising and printing costs, costs of preparation and reproduction of documents, filing fees, initial fees and charges of the Trustee, legal fees, financial advisory fees and charges and any other cost, charge or fee in connection with the original delivery of Bonds.

“Costs of Issuance Fund” means the fund so designated and established pursuant to Section 3.02 of this Indenture.

“Days Cash on Hand” means the sum of cash, cash equivalents, Board-designated funds, and other funds available for debt service, divided by the product of total operating expenses, less depreciation and amortization expenses, divided by 365, as shown on the District’s audited financial statements.

“Debt Service Coverage Ratio” means, for any period of time, the ratio determined by dividing Income Available for Debt Service by Annual Debt Service.

“Defeasance Obligations” means: (a) direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America); (b) certificates which evidence ownership of the right to the payment of the principal of and interest on obligations described in clause (a), provided that such obligations are held in the custody of a bank or trust company in a special account separate from the general assets of such custodian; (c) the interest component of securities issued by the Resolution Funding Corporation which have been stripped by the Federal Reserve Bank of New York in book-entry form; (d) obligations, the interest on which is excluded from gross income for federal income tax purposes pursuant to section 103 of the Code and the timely payment of principal of and interest on which is fully provided for by the irrevocable deposit in

trust or escrow of cash or obligations described in clause (a) of this definition, and which are rated by S&P and by Moody's in their highest rating categories and the trust or escrow instructions for which cannot be amended to provide for redemption of such obligations prior to the date set forth in the trust or escrow agreement governing such deposit; and (e) obligations issued by agencies of the United States of America which are backed by the full faith and credit of the United States of America.

"District" means Plumas Hospital District, a local health care district duly organized and existing under the Law.

"Event of Default" means any of the events specified in Section 9.01 of this Indenture.

"Facilities" means (a) the real property and all improvements owned by the District constituting Plumas District Hospital, among other facilities, including the Project, located in Quincy, CA, and all buildings, structures and fixtures thereon, and (b) all tangible personal property owned by the District and used on or about such property whether now existing or hereafter constructed, installed or acquired.

"Fair Market Value" means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term *"Fair Market Value"* means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security—State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the District and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

"Federal Securities" means any direct, non-callable general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America and CATS and TGRS), or obligations the payment of principal of and interest on which are unconditionally guaranteed by the United States of America.

"Fiscal Year" means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other twelve-month period hereafter selected and designated as the official fiscal year period of the District.

"Gross Revenue Fund" means the fund by that name established pursuant to Section 4.01 of this Indenture.

"Gross Revenues" means all revenues, income, receipts, and money received and present and future accounts and general intangibles in any period by the District (other than donor-restricted gifts, grants, bequests, donations and contributions), including, but without limiting the generality of the foregoing: (a) gross revenues derived from its operation and possession of and pertaining to its properties, (b) proceeds with respect to, arising from, or relating to its properties and derived from (i) insurance (including business interruption insurance) or

condemnation proceeds, (ii) accounts, including but not limited to, accounts receivable, (iii) securities and other investments, (iv) inventory and intangible property, (v) payment/reimbursement programs and agreements, and (vi) contract rights, accounts, instruments, claims for the payment of moneys and other rights and assets now or hereafter owned, held or possessed by or on behalf of the District, and (vii) litigation, and (c) rentals received from the lease of the District's properties or space in its facilities.

Gross Revenues do not include (A) income from *ad valorem* taxes on real property securing the repayment of general obligation bonds or other Indebtedness of the District (including the Plumas Hospital District (Plumas County, California) General Obligation Bonds, Election of 2008, Series C (2021)), (B) the proceeds from the sale of any general obligation bonds secured by or based upon such *ad valorem* taxes, or (3) revenues of the District required to secure the payment of the Indian Valley Health Care District (Plumas County, California) Refunding Revenue Bonds, Series 2018, previously assumed by the District.

"*Guaranty*" means all loan commitments and all obligations of the District guaranteeing in any manner whatever, whether directly or indirectly, any obligation of any other Person which would, if such other Person were the District, constitute Indebtedness.

"*Income Available for Debt Service*" means, with respect to the District, as to any period of time, the change in net position of the District for such period, to which shall be added depreciation, amortization and interest expense, all as determined in accordance with generally accepted accounting principles as shown on the District's audited financial statements, and to which also shall be added any tax receipts of the District for such period of time which do not constitute revenues in accordance with generally accepted accounting principles; provided that no such determination shall include any gain or loss resulting from either the extinguishment of Indebtedness or any disposition or write-off of capital assets not made in the ordinary course of business and shall not include income from *ad valorem* taxes on real property collected for the payment of general obligation indebtedness of the District and shall include any debt service reserve amount required to be made by the District in any fiscal year of calculation.

"*Indebtedness*" means any Guaranty and any indebtedness or obligations for borrowed money of the District (other than accounts payable and accruals), as determined in accordance with generally accepted accounting principles, including obligations under conditional sales contracts or other title retention contracts and rental obligations under leases which are considered capital leases under generally accepted accounting principles. Notwithstanding the foregoing, "*Indebtedness*" shall not include general obligation bond indebtedness payable from *ad valorem* taxes on real property.

"*Indenture*" means this Indenture, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Indenture.

"*Independent Consultant*" means a firm which (a) is in fact independent; (b) does not have any direct financial interest or any material indirect financial interest in the District; and (c) is not connected with the District as an officer, employee, promoter, trustee, partner, director or person performing similar functions, and designated by the District, qualified to pass upon questions relating to the financial affairs of facilities of the type or types operated by the District and having a favorable reputation for skill and experience in the financial affairs of such facilities.

"*Industry Restrictions*" means federal, state or other applicable governmental laws or regulations or general industry standards or general industry conditions placing restrictions and limitations on the rates, fees and charges to be fixed, charged and collected by the District.

“Insurance Consultant” any Person (including the District’s insurance broker), having experience and a favorable reputation in consulting on the insurance requirements of health care facilities in the State of the general size and character of the facilities operated by the District, selected by the District. The District’s current Insurance Consultant is BETA Healthcare Group.

“Interest Account” means the account by that name in the Revenue Fund established pursuant to Section 4.02 of this Indenture.

“Interest Payment Date” means March 1 and September 1 in each year, commencing September 1, 2023.

“Law” means The Local Health Care District Law, constituting Division 23 (commencing with section 32000) of the California Health and Safety Code, as now in effect and as it may from time to time hereafter be amended or supplemented.

“Lien” means any mortgage or pledge of, or security interest in, or lien or encumbrance on, any Property, excluding Liens applicable to Property in which the District has only a leasehold interest unless the Lien is with respect to such leasehold interest.

“Long-Term Debt Service Coverage Ratio” means, for any period of time, the ratio determined by dividing Income Available for Debt Service by Maximum Annual Debt Service.

“Long-Term Indebtedness” means Indebtedness having an original maturity greater than two years or renewable at the option of the District for a period greater than two years from the date of original incurrence or issuance thereof unless, by the terms of such agreement, no such Indebtedness is permitted to be outstanding thereunder for a period of at least thirty (30) consecutive days during each period of twelve (12) consecutive months beginning with the effective date of such agreement.

“Management Consultant” means any firm of national or regional reputation qualified to report on questions relating to the financial condition of health care facilities, selected by the District.

“Mandatory Sinking Account Payment” means, with respect to Bonds of any Series and maturity, the amount required by this Indenture or any Supplemental Indenture to be paid by the District on any single date for the retirement of Term Bonds of such Series and maturity.

“Maximum Annual Debt Service” means the greatest amount of Annual Debt Service becoming due and payable in any Fiscal Year including the Fiscal Year in which the calculation by the District is made or any subsequent Fiscal Year; *provided, however,* that for the purposes of computing Maximum Annual Debt Service:

(a) there shall be included in the Indebtedness of the District 20% of any Guaranty and 100% of any Guaranty if the District had paid on the Guaranty within the previous twenty-four (24) months.

(b) for any Indebtedness for which a binding commitment, letter of credit or other credit arrangement from an institution whose long term credit rating is at least “A” by S&P, providing for the extension of such Indebtedness beyond its original maturity date exists, the computation of Maximum Annual Debt Service shall, at the option of the District, be made on the assumption that such Indebtedness will be amortized in accordance with such credit arrangement;

(c) for any Balloon Indebtedness, the computation of Maximum Annual Debt Service shall, at the option of the District, assume that such Indebtedness is to be amortized over a period of years to be specified by the District a 20-year period, beginning on the date of maturity of such Indebtedness or such earlier date as may be specified by the District, assuming level debt service and a rate of interest (determined as of the time of calculation of Maximum Annual Debt Service) equal to the average rate, certified in a Certificate of the District (which shall be accompanied by and based on an opinion of a banking or investment banking firm, which shall be knowledgeable in such matters) delivered to the Trustee, at which the District could reasonably expect to borrow with such specified term;

(d) if interest on Long-Term Indebtedness is payable pursuant to a variable interest rate formula, the interest rate on such Long-Term Indebtedness for periods when the actual interest rate cannot yet be determined shall be assumed to be equal to the higher of (i) the average interest rate calculated pursuant to the provisions of the agreement pursuant to which such Long-Term Indebtedness was incurred during the one calendar year prior to the date of calculation or the interest rate that would have been the average interest rate calculated during the one year prior to the date of calculation had such Long-Term Indebtedness been outstanding for the previous year, or (ii) the current rate;

(e) debt service on Long-Term Indebtedness incurred to finance capital improvements shall be included in the calculation of Maximum Annual Debt Service only in proportion to the amount of interest on such Long-Term Indebtedness which is payable in the Fiscal Year after such improvement is placed in service from sources other than the proceeds of such Long-Term Indebtedness; and

(f) if moneys or Permitted Investments described in clauses (a), (b), (d) or (e) of the definition thereof have been deposited with a Trustee in an amount, together with earnings thereon sufficient to pay the principal of or interest on Long-Term Indebtedness as it comes due, such principal or interest, as the case may be, shall be excluded from the calculation of Maximum Annual Debt Service.

“Moody’s” means Moody’s Investors Service, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the District.

“Nonrecourse Indebtedness” means any Indebtedness secured by a lien, which is not a general obligation of the District and liability for which is effectively limited to the property subject to such lien with no recourse, directly or indirectly, to any other property.

“Opinion of Counsel” means a written opinion of counsel (who may be counsel for the District) selected by the District. If and to the extent required by the provisions of Section 1.02 of this Indenture, each Opinion of Counsel shall include the statements provided for in Section 1.02 of this Indenture.

“Optional Redemption Account” means the account by that name in the Redemption Fund established pursuant to Section 4.06 of this Indenture.

“Original Purchaser” means United States of America Department of Agriculture—Rural Development, the first purchaser of the 2023 Bonds upon their authentication and delivery by the Trustee on the Closing Date.

“Outstanding,” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 13.10 of this Indenture) all Bonds theretofore, or thereupon

being, authenticated and delivered by the Trustee under this Indenture except (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds with respect to which all liability of the District shall have been discharged in accordance with Section 12.02 of this Indenture, including Bonds (or portions of Bonds) referred to in Section 13.09 of this Indenture; and (c) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to this Indenture.

“Owner” whenever used herein with respect to a Bond, means the person in whose name such Bond is registered in the registration books of the Trustee.

“Parity Debt” means Indebtedness (a) incurred by the District in accordance with Section 5.05 of this Indenture and (b) secured by a lien on or security interest in Gross Revenues in the Gross Revenue Fund or other collateral equally and ratably with the obligations of the District hereunder. The terms of such indebtedness described in clauses (a) and (b) above shall require that (i) the trustee, if any, for such Indebtedness, other than Short-Term Indebtedness be the Trustee, and (ii) an event of default for such Indebtedness shall include an Event of Default.

“Permitted Encumbrances” means and includes:

(a) undetermined liens and charges incident to construction or maintenance, and liens and charges incident to construction or maintenance now or hereafter filed of record which are being contested in accordance with Section 6.02 of this Indenture;

(b) the lien of taxes and assessments which are not delinquent or, if delinquent, are being contested in accordance with Section 6.02 of this Indenture;

(c) minor defects and irregularities in the title to the Facilities which in the aggregate do not materially adversely affect the value or operation of the Facilities for the purposes for which they are or may reasonably be expected to be used;

(d) easements, exceptions or reservations for the purpose of pipelines, telephone lines, telegraph lines, power lines and substations, roads, streets, alleys, highways, railroad purposes, drainage and sewerage purposes, dikes, canals, laterals, ditches, the removal of oil, gas, coal or other minerals, and other like purposes, or for the joint or common use of real property, facilities and equipment, which in the aggregate do not materially interfere with or impair the operation of the Facilities for the purposes for which they are or may reasonably be expected to be used;

(e) rights reserved to or vested in any municipality or governmental or other public authority to control or regulate or use in any manner any portion of the Facilities which do not materially impair the operation of the Facilities for the purposes for which they are or may reasonably be expected to be used;

(f) any obligations or duties affecting any portion of the Facilities to any municipality or governmental or other public authority with respect to any rights, power, franchise, grant, license or permit;

(g) present or future valid zoning laws and ordinances;

(h) the rights of the Trustee under this Indenture;

(i) liens securing indebtedness for the payment, redemption or satisfaction of which money (or evidences of indebtedness) in the necessary amount shall have been deposited in trust with a trustee or other holder of such indebtedness;

(j) statutory rights of the United States of America to recover against the District by reason of federal funds made available under 42 U.S.C. §§ 291 *et seq.*, and similar rights under other federal and state statutes;

(k) statutory liens arising in the ordinary course of business which are not delinquent or are being contested in good faith by the District;

(l) liens, charges and encumbrances in existence on the Closing Date, for which there are none;

(m) the lease or license of the use of a part of the Facilities for use in performing professional or other services necessary for the proper and economical operation of the Facilities in accordance with customary business practices in the industry;

(n) purchase money security interests and capitalized lease obligations, provided the fair market value (as of the date of acquisition) of any asset so encumbered shall equal or exceed the amount of indebtedness so secured;

(o) liens secured by the District's accounts receivable, subject to the requirements of Section 5.05(d) of this Indenture; and

(p) any other lien or encumbrance provided that, at the option of the District, the aggregate Book Value or the aggregate fair market value (whichever is greater) of the property subject to all such liens and encumbrances incurred pursuant to this clause (p) does not exceed 10% of the aggregate Book Value or the aggregate fair market value (whichever is greater), respectively, of the Property, Plant and Equipment of the District immediately preceding the creation of such lien or encumbrance.

"Permitted Investments" means the following, but only to the extent that the same are acquired at Fair Market Value:

(a) Federal Securities;

(b) debentures of the Federal Housing Administration to the extent such obligations are guaranteed by the full faith and credit of the United States of America;

(c) obligations of the following agencies which are not guaranteed by the United States of America: (i) participation certificates or debt obligations of the Federal Home Loan Mortgage Corporation; (ii) consolidated system-wide bonds and notes of the Farm Credit Banks (consisting of Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives); (iii) consolidated debt obligations or letter of credit-backed issues of the Federal Home Loan Banks; (iv) mortgage-backed securities (excluding stripped mortgage securities which are valued greater than par on the portion of unpaid principal) or debt obligations of the Federal National Mortgage Association; or (v) letter of credit-backed issues or debt obligations of the Student Loan Marketing Association; provided, however, that not more than ten percent (10%) of the proceeds of the 2023 Bonds may, in the aggregate, be invested in any such obligations at one time;

(d) Federal funds, negotiable certificates of deposit, time deposits and bankers acceptances (having maturities of not more than 180 days) of banks (including the Trustee and its

affiliates) the short-term obligations of which are rated in one of the two highest Rating Categories by at least one nationally recognized rating agency;

(e) deposits (including those of the Trustee and its affiliates) which are fully insured by the Federal Deposit Insurance Corporation (“FDIC”);

(f) debt obligations (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date) rated in one of the two highest Rating Categories by at least one nationally recognized rating agency;

(g) commercial paper (having original maturities of not more than 270 days) rated in one of the two highest Rating Categories by at least one nationally recognized rating agency;

(h) money market funds rated in one of the two highest Rating Categories by at least one nationally recognized rating agency, including funds for which the Trustee, its parent, affiliates or subsidiaries provide investment advisory or other management services, in which case it is agreed that the Trustee, its parent, affiliates or subsidiaries shall have the right to be paid its customary management fees in addition to its fees as Trustee hereunder;

(i) written repurchase agreements with any bank, savings institution or trust company (other than the Trustee) which has been rated in one of the two highest Rating Categories by at least one nationally recognized rating agency, and is insured by the Federal Deposit Insurance Corporation or with any broker-dealer with retail customers which falls under Securities Investors Protection Corporation protection, provided that such repurchase agreements are fully secured by Federal Securities or obligations of any agency or instrumentality of the United States of America, and provided further that (i) such collateral is held by the Trustee or any agent acting solely for the Trustee during the term of such repurchase agreement, (ii) such collateral is not subject to liens or claims of third parties, (iii) such collateral has a market value (determined at least once every 14 days) at least equal to the amount invested in the repurchase agreement, (iv) the Trustee has a perfected first security interest in the collateral, (v) the agreement shall be for a term not longer than 270 days and (vi) the failure to maintain such collateral at the level required in (iii) above will required the Trustee to liquidate the collateral.

(j) investment agreements, including guaranteed investment contracts, of institutions whose long-term debt or claims paying ability is at all times rated in one of the two highest Rating Categories by at least one nationally recognized rating agency; and

(k) the Local Agency Investment Fund of the State, created pursuant to section 16429.1 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name.

“*Person*” means a corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“*Principal Account*” means the account by that name in the Revenue Fund Established pursuant to Section 4.02 of this Indenture.

“*Principal Corporate Trust Office*” or “principal corporate trust office” means 1065 Bucks Lake Road, Quincy, CA 95971, or such other or additional offices as may be specified to the District by the Trustee except that with respect to presentation of Bonds for payment or for registration of transfer and exchange such term shall mean the office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted.

“Project Accounts” means the accounts in the Project Fund so designated and established pursuant to Section 3.03 of this Indenture.

“Project Fund” means the fund by that name established pursuant to Section 3.03 of this Indenture.

“Property” means any and all rights, titles and interests in and to any and all property of the District whether real or personal, tangible or intangible and wherever situated.

“Property, Plant and Equipment” means all Property of the District which is considered property, plant and equipment of such Persons under generally accepted accounting principles.

“Record Date” means the fifteenth (15th) calendar day of the month (even if such day is a holiday or not a Business Day) next preceding each Interest Payment Date.

“Redemption Fund” means the fund by that name established pursuant to Section 4.06 of this Indenture.

“Redemption Price” means, with respect to any Bond (or portion thereof) the principal amount of such Bond (or portion) plus the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such Bond and this Indenture.

“Revenue Fund” means the fund by that name established pursuant to Section 4.01(d) of this Indenture.

“S&P” means S&P Global Ratings, a Standard & Poor’s Financial Services LLC business, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the District.

“Serial Bonds” means for any Additional Bonds falling due by their terms in specified years, for which no Mandatory Sinking Account Payments are provided.

“Series,” whenever used herein with respect to Bonds, means all of the 2023 Bonds designated as being of the same series, authenticated and delivered in the simultaneous transaction, regardless of variations in maturity, interest rate, redemption and other provisions, and any Bonds thereafter authenticated and delivered upon transfer or exchange of or in lieu of or in substitution for (but not to refund) such Bonds as herein provided.

“Short-Term Indebtedness” means indebtedness of the District which (a) has a final maturity not more than two years after the date of creation thereof, and (b) is not, pursuant to the terms of a revolving credit or similar agreement or otherwise, renewable or extendible at the option of the District to a date or for a period or periods ending more than two years after the date of creation thereof, and such Short-Term Indebtedness is permitted to be outstanding pursuant to Section 5.05(d) herein.

“Sinking Accounts” means the subaccounts in the Principal Account so designated and established pursuant to Section 4.04 of this Indenture.

“Special Record Date” means the date established by the Trustee pursuant to Section 2.02 of this Indenture as the record date for the payment of defaulted interest on the 2023 Bonds.

“Special Redemption Account” means the account by that name in the Redemption Fund established pursuant to Section 4.06 of this Indenture.

“State” means the State of California.

“Subordinate Indebtedness” means Indebtedness which by its terms is specifically subordinated with respect to any security therefor and with respect to right of payment to all Outstanding Bonds and Parity Debt.

“Supplemental Indenture” means any indenture hereafter duly authorized and entered into between the District and the Trustee supplementing, modifying or amending this Indenture, but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

“Term Bonds” means the 2023 Bonds payable at or before their specified maturity date or dates from Mandatory Sinking Account Payments established for that purpose and calculated to retire such Bonds on or before their specified maturity date or dates.

“Total Revenues” means the sum of total net operating revenues, plus total non-operating revenues, as shown on the audited financial statements of the District, determined in accordance with generally accepted accounting principles, plus any investment income which is offset against interest expense in accordance with generally accepted accounting principles and as a result is not specifically identified in total operating revenues or non-operating revenues.

“Trustee” means the Treasurer of the District, or its successor, as Trustee as provided in Section 10.01 of this Indenture.

“USDA” means the United States Department of Agriculture—Rural Development.

“2023 Bonds” or “2023 Bond” means the Plumas Hospital District (Plumas County, California) Revenue Bonds, Series 2023, issued hereunder.

“2023 Project” means the new 36-bed skilled nursing facility to be located on property owned by the District adjacent to its acute care hospital in Quincy, California, to be financed in part from the proceeds of the 2023 Bonds.

Section 1.02. Content of Certificates and Opinions. Every certificate or opinion provided for in this Indenture with respect to compliance with any provision hereof shall include (a) a statement that the person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the certificate or opinion is based; (c) a statement that, in the opinion of such person, he or she has made or caused to be made such examination or investigation as is necessary to enable him or her to express an informed opinion with respect to the subject matter referred to in the instrument to which his or her signature is affixed; and (d) a statement as to whether, in the opinion of such person, such provision has been complied with.

Any such certificate or opinion made or given by an officer of the District may be based, insofar as it relates to legal, accounting or health facility matters, upon a certificate or opinion of or representation by counsel, an Accountant or a Management Consultant, unless such officer knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel, an Accountant or a Management Consultant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the District) upon a certificate or opinion

of or representation by an officer of the District, unless such counsel, Accountant or Management Consultant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such person's certificate or opinion or representation may be based, as aforesaid, is erroneous. The same officer of the District, or the same counsel or Accountant or Management Consultant, as the case may be, need not certify to all of the matters required to be certified under any provision of this Indenture, but different officers, counsel, Accountants or Management Consultants may certify to different matters, respectively.

ARTICLE II
THE BONDS

Section 2.01. Authorization of Bonds. Bonds may be issued hereunder from time to time in order to obtain moneys to carry out the purposes of the District, subject to the express provisions of Sections 3.05 and 3.06 hereof. The maximum principal amount of Bonds which may be issued hereunder is not limited. The 2023 Bonds are designated generally as “Plumas Hospital District Revenue Bonds,” each Series thereof to bear such additional designation as may be necessary or appropriate to distinguish such Series from every other Series of Bonds. The 2023 Bonds may be issued in such Series as from time to time shall be established and authorized by the District, subject to the covenants, provisions and conditions herein contained.

Section 2.02. Issuance of the 2023 Bonds; Terms of the 2023 Bonds.

(a) *Issuance of the 2023 Bonds*. The 2023 Bonds authorized to be issued by the District under and subject to the Law and this Indenture shall be designated the “Plumas Hospital District (Plumas County, California) Revenue Bonds, Series 2023” and shall be issued in the original aggregate principal amount of not to exceed thirty-two million nine hundred fifty thousand dollars (\$32,950,000).

(b) *Terms, Principal Amounts and Interest Rates of the 2023 Bonds*. The 2023 Bonds shall be issued as five Term Bonds in fully registered form without coupons. The 2023 Bonds shall mature on March 1, 2061 in the following maximum principal amounts and shall bear interest at the following rates:

Number	Principal Amount	Allocable Interest Rate
<u>1</u>	<u>\$7,000,000</u>	<u>2.50%</u>
<u>2</u>	<u>\$7,150,000</u>	<u>2.50%</u>
<u>3</u>	<u>\$8,000,000</u>	<u>2.50%</u>
<u>4</u>	<u>\$9,000,000</u>	<u>2.50%</u>
<u>5</u>	<u>\$1,800,000</u>	<u>3.25%</u>

Interest shall accrue on a 30/360 basis; that is by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding based on each month having 30 days.

(c) The 2023 Bonds shall not be (i) assigned a rating by any rating agency, (ii) registered with The Depository Trust Company or any other securities depository, (iii) issued pursuant to any type of offering document or official statement, or (iv) assigned CUSIP numbers by Standard & Poor’s CUSIP Service Bureau.

(d) Interest on the 2023 Bonds (including the final interest payment upon maturity or earlier redemption) shall be payable on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by wire transfer to an account in the United States of America to the Owner. Such instructions shall remain in effect until rescinded in writing by the Owner. Principal of and redemption premium (if any) on any Bonds shall be paid upon presentation and surrender thereof, at maturity or redemption, at the Principal Corporate Trust Office. The principal of, interest and premium (if any) on the 2023 Bonds shall be payable in lawful money of the United States of America.

(e) The 2023 Bonds shall be dated as of their date of delivery and shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (i) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (ii) the 2023 Bonds are authenticated on or before August 15, 2023, in which event they shall bear interest from their date of delivery; *provided, however*, that if, as of the date of authentication of the 2023 Bonds, interest thereon is in default, the 2023 Bonds shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

(f) Notwithstanding anything herein to the contrary, if any Interest Payment Date is not a Business Day, payments of principal and interest shall be due on the next succeeding Business Day with the same force and affect as if such payments were made on the Interest Payment Date.

(g) This Indenture is a draw down agreement. The total principal amount of the 2023 Bonds is hereby expressly limited to the Authorized Amount, provided that the principal amount of the 2023 Bonds at any time shall include only those portions of the Authorized Amount of the 2023 Bonds that have been advanced from time to time by the Original Purchaser. The Original Purchaser shall fund the purchase price of the principal amounts of the 2023 Bonds as requested by the District from time to time pursuant to the submittal by the District of an advance request substantially in the form attached hereto as Exhibit C and a fully executed USDA Form SF 271 Outlay Report, acknowledged by the Original Purchaser. Such funded amount shall be drawn first from Term Bond number 1 in the maximum amount of \$7,000,000 and, when fully funded, such additional draws will be in sequence from Term Bond number 2 through number 5 with the last funding coming from Term Bond number 5 in the maximum amount of \$1,800,000, all as provided for in Section 2.02(b). Such funded amount shall be transferred to the Trustee pursuant to automated clearing house payments as provided to USDA pursuant to USDA Form SF 3881, for deposit in the 2023 Project Account of the Project Fund, Interest Account, and/or the Costs of Issuance Fund, as applicable. Following each such draw-down, the aggregate principal amount of the 2023 Bonds shall be deemed outstanding and such amounts so drawn down shall begin to accrue interest. The first draw-down, on the Closing Date, shall be the amount set forth in Section 3.01. If the total amount drawn is insufficient for the District to complete the 2023 Project, the District shall advance its own funds to assure such completion. Any draws shall reduce the Authorized Amount and no amounts drawn may be re-drawn for any purpose.

Any portion of the Authorized Amount not yet advanced by the Original Purchaser to the Trustee, may, at the option of the Original Purchaser, (a) reduce the Authorized Amount to the total amount advanced to such date, at which time the amount advanced to date shall be the total principal amount of the 2023 Bonds, or (b) the District shall submit a final advance request for all or a portion of the remaining amount of the Authorized Amount, and, from such date, interest shall apply to the final portion of the Authorized Amount as determined by the District. Such final draw shall be transferred to the Trustee pursuant to transfer instructions previously provided by the District to the Original Purchaser, for deposit in the 2023 Project Account of the Project Fund. To the extent the District's final advance request is for an amount less than the remaining amount of the Authorized Amount, the amount not so advanced shall lapse and the total amount advanced, including the amount of such final advance, shall be the total principal amount of the 2023 Bonds. The lapsed amount shall reduce the principal component of the \$1,800,000 Term Bonds having a 3.25% interest rate of 2023 Bonds on a pro rata basis applied to each numbered 2023 Bonds as set forth in paragraph (b) of this Section 2.02. On any date, the District may inform the Original Purchaser that no further advances will be required and the Authorized Amount shall be fixed to the total amount advanced to such date. If the total amount advanced is less than the Authorized Amount, the Original Purchaser shall have a revised debt

service schedule prepared reflecting the final amount and shall deliver the same to the Trustee and the District.

Section 2.03. Redemption of the 2023 Bonds.

(a) *Optional Redemption.* The 2023 Bonds are subject to optional redemption prior to maturity, in whole or in part on any date, from any source of funds, by paying a redemption price equal to the aggregate principal amount of Bonds to be redeemed, together with accrued interest to such date without premium. Optional redemption of the 2023 Bonds, or any portion thereof, may be made at any time at the option of District. Refunds, extra payments, and loan proceeds obtained from outside sources for the purpose of paying down the 2023 Bonds, shall, after payment of interest, be applied to the installments last to become due hereunder and shall not affect the obligation of District to pay the remaining installments as scheduled.

The District may exercise optional redemption by giving written notice to the Trustee at least 45 days (or such lesser number of days acceptable to the Trustee) specifying the principal amount of Bonds to be redeemed.

(b) *Mandatory Redemption.* The 2023 Bonds are subject to mandatory redemption in whole or in part, if at any time the Original Purchaser determines that the District is able to obtain financing for such purpose from responsible cooperative or private sources at reasonable rates and terms and for similar purposes and periods of time. The ability to refinance will be assessed by the Original Purchaser every other year so long as it is the Owner.

(c) *Sinking Fund Redemption.* The 2023 Bonds are subject to mandatory redemption, in part by lot, from Sinking Account payments set forth in the following schedules, each at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; *provided, however,* that if some but not all of such 2023 Bonds have been optionally redeemed, the total amount of Sinking Account payments to be made subsequent to such redemption shall be reduced in inverse order in Sinking Account payments.

Term Bond 1

Sinking Account Redemption Date	Principal Amount to be Redeemed	Sinking Account Redemption Date	Principal Amount to be Redeemed
<u>3/1/2027</u>		<u>3/1/2045</u>	
<u>3/1/2028</u>		<u>3/1/2046</u>	
<u>3/1/2029</u>		<u>3/1/2047</u>	
<u>3/1/2030</u>		<u>3/1/2048</u>	
<u>3/1/2031</u>		<u>3/1/2049</u>	
<u>3/1/2032</u>		<u>3/1/2050</u>	
<u>3/1/2033</u>		<u>3/1/2051</u>	
<u>3/1/2034</u>		<u>3/1/2052</u>	
<u>3/1/2035</u>		<u>3/1/2053</u>	
<u>3/1/2036</u>		<u>3/1/2054</u>	
<u>3/1/2037</u>		<u>3/1/2055</u>	
<u>3/1/2038</u>		<u>3/1/2056</u>	
<u>3/1/2039</u>		<u>3/1/2057</u>	
<u>3/1/2040</u>		<u>3/1/2058</u>	
<u>3/1/2041</u>		<u>3/1/2059</u>	
<u>3/1/2042</u>		<u>3/1/2060</u>	
<u>3/1/2043</u>		<u>3/2/2061</u>	
<u>3/1/2044</u>			

†Maturity

Term Bond 2

<u>Sinking Account Redemption Date</u>	<u>Principal Amount to be Redeemed</u>	<u>Sinking Account Redemption Date</u>	<u>Principal Amount to be Redeemed</u>
<u>3/1/2027</u>		<u>3/1/2045</u>	
<u>3/1/2028</u>		<u>3/1/2046</u>	
<u>3/1/2029</u>		<u>3/1/2047</u>	
<u>3/1/2030</u>		<u>3/1/2048</u>	
<u>3/1/2031</u>		<u>3/1/2049</u>	
<u>3/1/2032</u>		<u>3/1/2050</u>	
<u>3/1/2033</u>		<u>3/1/2051</u>	
<u>3/1/2034</u>		<u>3/1/2052</u>	
<u>3/1/2035</u>		<u>3/1/2053</u>	
<u>3/1/2036</u>		<u>3/1/2054</u>	
<u>3/1/2037</u>		<u>3/1/2055</u>	
<u>3/1/2038</u>		<u>3/1/2056</u>	
<u>3/1/2039</u>		<u>3/1/2057</u>	
<u>3/1/2040</u>		<u>3/1/2058</u>	
<u>3/1/2041</u>		<u>3/1/2059</u>	
<u>3/1/2042</u>		<u>3/1/2060</u>	
<u>3/1/2043</u>		<u>3/2/2061</u>	
<u>3/1/2044</u>			

†Maturity

Term Bond 3

<u>Sinking Account Redemption Date</u>	<u>Principal Amount to be Redeemed</u>	<u>Sinking Account Redemption Date</u>	<u>Principal Amount to be Redeemed</u>
<u>3/1/2027</u>		<u>3/1/2045</u>	
<u>3/1/2028</u>		<u>3/1/2046</u>	
<u>3/1/2029</u>		<u>3/1/2047</u>	
<u>3/1/2030</u>		<u>3/1/2048</u>	
<u>3/1/2031</u>		<u>3/1/2049</u>	
<u>3/1/2032</u>		<u>3/1/2050</u>	
<u>3/1/2033</u>		<u>3/1/2051</u>	
<u>3/1/2034</u>		<u>3/1/2052</u>	
<u>3/1/2035</u>		<u>3/1/2053</u>	
<u>3/1/2036</u>		<u>3/1/2054</u>	
<u>3/1/2037</u>		<u>3/1/2055</u>	
<u>3/1/2038</u>		<u>3/1/2056</u>	
<u>3/1/2039</u>		<u>3/1/2057</u>	
<u>3/1/2040</u>		<u>3/1/2058</u>	
<u>3/1/2041</u>		<u>3/1/2059</u>	
<u>3/1/2042</u>		<u>3/1/2060</u>	
<u>3/1/2043</u>		<u>3/2/2061</u>	
<u>3/1/2044</u>			

†Maturity

Term Bond 4

Sinking Account Redemption Date	Principal Amount to be Redeemed	Sinking Account Redemption Date	Principal Amount to be Redeemed
<u>3/1/2027</u>		<u>3/1/2045</u>	
<u>3/1/2028</u>		<u>3/1/2046</u>	
<u>3/1/2029</u>		<u>3/1/2047</u>	
<u>3/1/2030</u>		<u>3/1/2048</u>	
<u>3/1/2031</u>		<u>3/1/2049</u>	
<u>3/1/2032</u>		<u>3/1/2050</u>	
<u>3/1/2033</u>		<u>3/1/2051</u>	
<u>3/1/2034</u>		<u>3/1/2052</u>	
<u>3/1/2035</u>		<u>3/1/2053</u>	
<u>3/1/2036</u>		<u>3/1/2054</u>	
<u>3/1/2037</u>		<u>3/1/2055</u>	
<u>3/1/2038</u>		<u>3/1/2056</u>	
<u>3/1/2039</u>		<u>3/1/2057</u>	
<u>3/1/2040</u>		<u>3/1/2058</u>	
<u>3/1/2041</u>		<u>3/1/2059</u>	
<u>3/1/2042</u>		<u>3/1/2060</u>	
<u>3/1/2043</u>		<u>3/2/2061</u>	
<u>3/1/2044</u>			

†Maturity

Term Bond 5

Sinking Account Redemption Date	Principal Amount to be Redeemed	Sinking Account Redemption Date	Principal Amount to be Redeemed
<u>3/1/2027</u>		<u>3/1/2045</u>	
<u>3/1/2028</u>		<u>3/1/2046</u>	
<u>3/1/2029</u>		<u>3/1/2047</u>	
<u>3/1/2030</u>		<u>3/1/2048</u>	
<u>3/1/2031</u>		<u>3/1/2049</u>	
<u>3/1/2032</u>		<u>3/1/2050</u>	
<u>3/1/2033</u>		<u>3/1/2051</u>	
<u>3/1/2034</u>		<u>3/1/2052</u>	
<u>3/1/2035</u>		<u>3/1/2053</u>	
<u>3/1/2036</u>		<u>3/1/2054</u>	
<u>3/1/2037</u>		<u>3/1/2055</u>	
<u>3/1/2038</u>		<u>3/1/2056</u>	
<u>3/1/2039</u>		<u>3/1/2057</u>	
<u>3/1/2040</u>		<u>3/1/2058</u>	
<u>3/1/2041</u>		<u>3/1/2059</u>	
<u>3/1/2042</u>		<u>3/1/2060</u>	
<u>3/1/2043</u>		<u>3/2/2061</u>	
<u>3/1/2044</u>			

†Maturity

(c) *Partial Redemption; Selection.* All or a portion of any Bond may be redeemed, as specified by the District and if not specified by the District, by lot.

(d) *Notice of Redemption.* Notice of any redemption (provided that notice of redemption shall not be required to be given under Section 2.03(c)), shall be given by the Trustee on behalf and at the expense of the District by mailing a copy of a redemption notice by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to each Owner of the 2023 Bond or Bonds to be redeemed at the address shown on the Registration

Books; *provided, however*, that neither the failure to receive such notice nor any defect in any notice shall affect the sufficiency of the proceedings for the redemption of the 2023 Bonds.

All notices of redemption shall be dated and shall state: (i) the redemption date, (ii) the redemption price, (iii) if less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the 2023 Bonds to be redeemed, (iv) that on the redemption date the redemption price will become due and payable with respect to each such Bond or portion thereof called for redemption, and that interest with respect thereto shall cease to accrue from and after said date, (v) the place where such Bonds are to be surrendered for payment of the redemption price, and (vi) in the case of an optional redemption pursuant to Section 2.03(a), that such notice of redemption is revocable, no later than five days prior to the date set for redemption, notification of such revocation to be provided in the same manner as notice of redemption had been provided. Bonds are not required to be surrendered in connection with sinking fund redemptions and notice of redemption shall not be required in connection with sinking fund redemptions.

Notice of redemption having been given as aforesaid, the 2023 Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District shall default in the payment of the redemption price) interest with respect to such Bonds or portions of Bonds shall cease to accrue and be payable. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Trustee at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal. All Bonds which have been redeemed shall be canceled by the Trustee, shall not be reissued and shall be destroyed pursuant to Section 11.04 of the Indenture.

Section 2.05. Transfer of 2023 Bonds.

(a) The 2023 Bonds may, in accordance with their terms, be transferred, in whole only, upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of the 2023 Bonds to the Trustee at its Principal Corporate Trust Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. Whenever the 2023 Bonds shall be surrendered for registration of transfer, the District shall execute and the Trustee shall deliver new 2023 Bonds, of like interest rate, maturity and principal amount. The Trustee shall collect from the Owner any tax or other governmental charge on the transfer of the 2023 Bonds pursuant to this Section 2.05. The cost of printing 2023 Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the District.

The Trustee may refuse to transfer, under the provisions of this Section 2.05, either (a) any 2023 Bonds during the period fifteen (15) days prior to the date established by the Trustee for the selection of Bonds for redemption, or (b) any 2023 Bonds selected by the Trustee for redemption.

(b) Ownership of the 2023 Bonds may be transferred only to a person or persons that the Owner reasonably believes is either:

(i) a qualified institutional buyer within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended,

(ii) an accredited investor as defined in Section 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act of 1933, as amended, or

(iii) a trust, partnership, custodial arrangement or similar entity, interests in which are offered and sold in a private placement or limited offering only to qualified institutional buyers or accredited investors;

in each case that executes and delivers to the Trustee an investor letter in substantially the form attached hereto as Exhibit B.

ARTICLE III

APPLICATION OF PROCEEDS

Section 3.01. Application of Proceeds of Bonds and Other Moneys.

(a) The proceeds received from the sale of the 2023 Bonds on the Closing Date in the amount of \$_____ (consisting of the first advance of the 2023 Bonds) shall be deposited in trust with the Trustee, who shall forthwith set aside or apply such proceeds as follows:

(i) the Trustee shall deposit in the 2023 Project Account of the Project Fund the sum of \$_____; and

(ii) the Trustee shall deposit in the Costs of Issuance Fund the sum of \$_____.

For purposes of applying the correct interest rate to the principal amount of the 2023 Bonds advanced pursuant to the first advance, such advance shall be allocated to each 2023 Bond as follows:

<u>Number</u>	<u>Maximum Principal Amount</u>	<u>Amount Allocated to First Advance</u>
<u>1</u>	<u>\$7,000,000</u>	
<u>2</u>	<u>\$7,150,000</u>	<u>\$50,000.00</u>
<u>3</u>	<u>\$8,000,000</u>	<u>50,000.00</u>
<u>4</u>	<u>\$9,000,000</u>	<u>50,000.00</u>
<u>5</u>	<u>\$1,800,000</u>	<u>50,000.00</u>

(b) An equity contribution from the District in the amount of \$_____ shall be deposited in trust with the Trustee, who shall forthwith set aside or apply such equity contribution as follows:

(i) the Trustee shall deposit in the Costs of Issuance Fund the sum of \$_____;
and

(ii) the Trustee shall deposit in the Interest Account the sum of \$1,300,000.00 representing funded interest on the 2023 Bonds through March 1, 2025.

(c) The Trustee may establish such temporary funds or accounts in its records as it may deem appropriate to facilitate such deposits and transfers.

Section 3.02. Establishment and Application of Costs of Issuance Fund. The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Costs of Issuance Fund." Moneys deposited in said fund shall be held in a separate account for each Series of Bonds and shall be used to pay Costs of Issuance of such Series of Bonds upon the receipt of a fully executed USDA Form SF 271 Outlay Report and a Requisition of the District stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. The Trustee shall create a separate account in the Costs of Issuance Fund for the 2023 Bonds to be known as the "2023 Bonds Costs of Issuance Account"). On the date three months after the date of issuance of each Series of Bonds, or upon earlier receipt of a Certificate of the District that amounts in said fund are no longer required for the payment of such Costs of Issuance, said fund shall be closed and any amounts

then remaining in said fund shall be transferred, at the option of the District and with the approval of the Original Purchaser as designated in writing to the Trustee, to the 2023 Project Account of the Project Fund and the Costs of Issuance Fund shall be closed.

Section 3.03. Establishment and Application of Project Fund.

(a) The Trustee shall establish when required and maintain and hold in trust a separate fund designated as the "Project Fund." With respect to the 2023 Project, the Trustee shall establish and maintain in the Project Fund a separate account designated as the "2023 Project Account." The moneys in the 2023 Project Account shall be used by the District to pay the costs of the 2023 Project. With respect to each Additional Project, the Trustee shall establish and maintain in the Project Fund a separate account designated as the "Project Account" (inserting therein the designation of such Project). The moneys in a Project Account shall be used by the District to pay the costs of the project with respect to which such account was established, including any interest payable during the construction of such project.

(b) Before any payment from a Project Account shall be made, the District shall file or cause to be filed with the Trustee a fully executed USDA Form SF 271 Outlay Report and a Requisition of the District stating (i) the name of the person to whom each such payment is due, which may be the District in the case of reimbursement for costs of the Project theretofore paid by the District; (ii) the respective amounts to be paid; (iii) the purpose by general classification for which each obligation to be paid was incurred; and (iv) that each item thereof is a proper charge against such Project Account and has not been previously paid from said account. The Trustee may conclusively rely on the accuracy of each such Requisition and shall have no duty or obligation to verify the content of any Requisition.

(c) When a Project for which a separate Project Account has been established shall have been completed, the District shall notify the Trustee of such completion. Any moneys remaining in said account upon such notification shall be transferred and applied upon the written order of the District to the Interest Account of the Revenue Fund and the Project Account shall be closed.

Section 3.04. Issuance of Additional Series of Bonds. In addition to the 2023 Bonds, the District may by Supplemental Indenture establish one or more other Series of Bonds, payable from Gross Revenues and secured by the pledge made under this Indenture equally and ratably with Bonds previously issued, and the District may issue, and the Trustee may authenticate and deliver to the purchasers thereof, Bonds of any Series so established, in such principal amount as shall be determined by the District, but only upon compliance by the District with the provisions of Section 3.05 of this Indenture and any additional requirements set forth in said Supplemental Indenture and subject to the following specific conditions, which are hereby made conditions precedent to the issuance of any such additional Series of Bonds:

(a) No Event of Default shall have occurred and then be continuing.

(b) The Supplemental Indenture providing for the issuance of such Series shall specify the purposes for which such Series is being issued, which shall be one or more of the following: (i) to provide moneys needed to acquire, install, construct or complete an Additional Project, including reimbursements of any sums advanced by the District for such purposes, by depositing into the Project Account established for such Project the proceeds of such Series to be so applied, (ii) to refund all or part of the 2023 Bonds of any one or more Series then Outstanding, by depositing with the Trustee, in trust, moneys or Defeasance Obligations in the necessary amount to discharge all liability of the District with respect to the 2023 Bonds to be refunded as provided in Section 12.02 of this Indenture, or (iii) to provide moneys needed to refund all or part of any other Long-Term Indebtedness. Such Supplemental Indenture may, but is not required to, provide for the

payment of expenses incidental to such purposes, including the costs of issuance of such Series, interest on Bonds of such Series and, in the case of Bonds issued to refund other Bonds or Long-Term Indebtedness, expenses incident to calling, redeeming, paying or otherwise discharging the 2023 Bonds or Long-Term Indebtedness to be refunded.

(c) The Bonds of such Series shall be payable as to principal on March 1 in each year in which principal becomes due and shall be payable as to interest semiannually on March 1 and September 1 in each year, except that the first installment of interest may be payable on either March 1 or September 1 and shall be for a period not longer than twelve (12) months.

(d) The aggregate principal amount of Bonds issued hereunder shall not exceed any limitation imposed by law or by any Supplemental Indenture.

(e) The Bonds of such Series shall satisfy the requirements with respect to Long-Term Indebtedness set forth in subsection (a), (b) or (c) of Section 5.05 of this Indenture.

Nothing in this Section 3.04 or in this Indenture contained shall prevent or be construed to prevent the Supplemental Indenture providing for the issuance of Additional Bonds (i) that are subordinate to and are not payable equally or ratably with the 2023 Bonds from Gross Revenues, or (ii) from pledging or otherwise providing, in addition to the security given or intended to be given by this Indenture, additional security for the benefit of such Additional Bonds or any portion thereof.

Section 3.05. Proceedings for Issuance of Additional Series of Bonds. Whenever the District shall determine to issue an additional Series of Bonds pursuant to Section 3.04 of this Indenture, the District shall execute a Supplemental Indenture specifying the principal amount and prescribing the form of Bonds of such additional Series and providing the manner of sale, terms, conditions, distinctive designation, denominations, methods of numbering, date, maturity date or dates, interest rate or rates (or the manner of determining same), interest payment dates, redemption provisions and place or places of payment of principal or Redemption Price, if any, of and interest on such Bonds, and any other provisions respecting the 2023 Bonds of such Series not inconsistent with the terms of this Indenture.

Before such additional Series of Bonds shall be issued and delivered, the District shall file the following documents with the Trustee (upon which the Trustee may conclusively rely in determining whether the conditions precedent to the issuance, authentication and delivery of such additional Series of Bonds have been satisfied):

(a) An executed copy of the Supplemental Indenture authorizing such Series.

(b) A certificate of the District stating that the requirement of Section 3.04(a) of this Indenture is met.

(c) Originals or certified copies of the documents required to be furnished to the Trustee prior to the issuance of Long-Term Indebtedness pursuant to subsection (a), (b) or (c) of Section 5.05 of this Indenture, as appropriate.

(d) An opinion of counsel of recognized standing in the field of law relating to municipal bonds to the effect that (i) the District has the right and power under the Law or other laws of the State to execute this Indenture and the Supplemental Indenture authorizing the issuance of such Additional Bonds, the Supplemental Indenture satisfies the requirements of Section 3.04(b) and (c) of this Indenture, and this Indenture as supplemented by such Supplemental Indenture has been duly and lawfully executed by the District and enforceable in accordance with its terms

(except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights) and no other authorization for the execution of this Indenture or the Supplemental Indenture is required, (ii) this Indenture as supplemented by such Supplemental Indenture creates the valid pledge of and charge and lien upon the Gross Revenues and other funds which it purports to create, as provided in this Indenture as supplemented by such Supplemental Indenture, subject to the application thereof to the purposes and on the conditions permitted by this Indenture as supplemented by such Supplemental Indenture, (iii) such Additional Bonds are valid and binding special obligations of the District enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights) and the terms of the Law or other laws of the State and this Indenture as supplemented by such Supplemental Indenture and entitled to the benefits of the Law or other laws of the State and this Indenture as supplemented by such Supplemental Indenture, and such Additional Bonds have been duly and validly authorized, executed, issued and delivered in accordance with the Law or other laws of the State and this Indenture as supplemented by such Supplemental Indenture and (iv) the issuance of such Series will not cause the interest on any Bonds previously issued to become includable in gross income for federal income tax purposes.

Section 3.06. Validity of Bonds.

(a) The Board has reviewed all proceedings heretofore taken relative to the authorization of the 2023 Bonds and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, happen or be performed precedent to and in the issuance of the 2023 Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Board is now authorized, pursuant to each and every requirement of the Law to issue the 2023 Bonds in the form and manner provided in this Indenture and the 2023 Bonds shall be entitled to the benefit, protection and security of the provisions of this Indenture.

(b) From and after the issuance of the 2023 Bonds the findings and determinations of the Board respecting the 2023 Bonds shall be conclusive evidence of the existence of the facts so found and determined in any action or proceeding in any court in which the validity of the 2023 Bonds is at issue, and no bona fide purchaser of any of the 2023 Bonds shall be required to see to the existence of any fact or to the performance of any condition or to the taking of any proceeding required prior to such issuance or to the application of the proceeds of sale of the 2023 Bonds. The recital contained in the 2023 Bonds that the same are issued pursuant to the Law and this Indenture shall be conclusive evidence of their validity and of the regularity of the issuance and all Bonds shall be incontestable from and after their issuance. The 2023 Bonds shall be deemed to be issued, within the meaning of this Indenture, whenever the definitive Bonds (or any temporary Bonds exchangeable therefor) have been delivered to the purchaser thereof and the proceeds of sale thereof received.

ARTICLE IV

REVENUES

Section 4.01. Pledge and Assignment: Gross Revenue Fund; Revenue Fund.

(a) Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, there are hereby pledged to secure the payment of the principal of and interest or premium, if any, on the ~~2023~~ Bonds in accordance with their terms and the provisions of this Indenture, the Gross Revenues and any amounts held in any fund or account established pursuant to this Indenture. Said pledge shall constitute a lien on and security interest in such assets and shall attach, be perfected and be valid and binding from and after delivery by the Trustee of the ~~2023~~ Bonds, without any physical delivery thereof or further act.

(b) The District agrees that, as long as any of the ~~2023~~ Bonds remain Outstanding, all of the Gross Revenues shall be deposited as soon as practicable upon receipt in a fund designated as the "Gross Revenue Fund" which the District shall establish and maintain, subject to the provisions of subsection (c) of this Section 4.01, at such banking institution or institutions as the District shall from time to time designate for such purpose (herein called the "Depository Bank(s)"). Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, the District hereby pledges, and to the extent permitted by law grants a security interest to the Trustee in, the Gross Revenue Fund and all of the Gross Revenues to secure the payment of the principal of and interest or premium, if any, on the ~~2023~~ Bonds and similar payments with respect to Parity Debt and the performance by the District of its other obligations under this Indenture. The District and the Trustee shall execute a UCC-1 Financing Statement with each Depository Bank relating to the security interest granted hereunder and shall execute and deliver such other documents as may be necessary in order to perfect or maintain as perfected such security interest or give public notice thereof.

(c) Amounts in the Gross Revenue Fund may be used and withdrawn by the District at any time for any lawful purpose, except as hereinafter provided. In the event that the District is delinquent in the payment of any payment required under this Indenture or similar payment with respect to Parity Debt, the Trustee shall notify the District and the Depository Bank(s) of such delinquency, and, unless any such payment is paid within ten days after receipt by the District of such notice, the District shall cause the Depository Bank(s) to transfer the Gross Revenue Fund to the name and credit of the Trustee. The Gross Revenue Fund shall continue to be held in the name and to the credit of the Trustee until the amounts on deposit in said fund are sufficient to pay in full (or have been used to pay in full) any such payments in default and until all other Events of Default known to the Trustee shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, whereupon the Gross Revenue Fund (except for the Gross Revenues required to make such payments or cure such defaults) shall be returned to the name and credit of the District. During any period that the Gross Revenue Fund is held in the name and to the credit of the Trustee, the Trustee shall use and withdraw from time to time amounts in said fund, to make the payments required of the District under this Indenture or with respect to any Parity Debt as such payments become due (whether by maturity, redemption, acceleration or otherwise), and, if such amounts shall not be sufficient to pay in full all such payments due on any date, then to the payment of debt service on the ~~2023~~ Bonds and such Parity Debt ratably, according to the amounts due respectively for such debt service, without any discrimination or preference, or to such other payments in the order which the Trustee, in its discretion, shall determine to be in the best interests of the owner of the ~~2023~~ Bonds and such Parity Debt, without discrimination or

preference. During any period that the Gross Revenue Fund is held in the name and to the credit of the Trustee, the District shall not be entitled to use or withdraw any of the Gross Revenues unless (and then only to the extent that) the Trustee directs the Depository Bank(s) to disburse amounts in the Gross Revenue Fund for the payment of current or past due operating expenses of the District; *provided, however*, that the District shall be entitled to use or withdraw any amounts in the Gross Revenue Fund which do not constitute Gross Revenues. The District agrees to execute and deliver all instruments as may be required to implement this Section 4.01. The District further agrees that a failure to comply with the terms of this Section 4.01 shall cause irreparable harm to the owners from time to time of the 2023-Bonds and of Parity Debt, and shall entitle the Trustee, with or without notice, to take immediate action to compel the specific performance of the obligations of the District as provided in this Section 4.01(c). Notwithstanding the foregoing, the District may pledge or grant security interests in its accounts receivable to secure Short-Term Indebtedness as provided for in Section 5.05(d) of this Indenture.

(d) On or before the fifteenth (15th) day of each month, commencing April 15, 2023, and as long as any of the 2023-Bonds remain Outstanding, the District shall pay to the Trustee for deposit in the Revenue Fund one-sixth (1/6) of the aggregate amount of interest becoming due and payable on the next ensuing Interest Payment Date on all Bonds then Outstanding (unless the Trustee maintains funds in the Interest Account sufficient to make the next ensuing interest payment), until the balance in said account is equal to said aggregate amount of interest (~~except that with respect to the August 1, 2023, Interest Payment Date, the District shall pay to the Trustee for deposit in the Revenue Fund one-fourth (1/4) of the amount of interest becoming due and payable on such date~~), and on or before the fifteenth (15th) day of each month, commencing ~~April~~ March 15, 2023~~2026~~, and as long as any of the 2023-Bonds remain Outstanding, the District shall pay to the Trustee for deposit in the Revenue Fund one-sixth (1/6) of the aggregate amount of principal becoming due and payable on the Outstanding Serial Bonds plus the aggregate amount of Mandatory Sinking Account Payments required to be paid into the respective Sinking Accounts for Outstanding Term Bonds (~~except that with respect to the August 1, 2023, principal payment date, the District shall pay to the Trustee for deposit in the Revenue Fund one-fourth (1/4) of the Mandatory Sinking Account Payments becoming due and payable on such date~~), in each case during the next ensuing six months, until the balance in said account is equal to said aggregate amount of such principal and Mandatory Sinking Account Payments, all as is required by the Trustee to make the transfers and deposits required by Section 4.02 of this Indenture. Notwithstanding the foregoing, if five Business Days prior to any Interest Payment Date or principal payment date with respect to the 2023-Bonds, the aggregate amount in the Revenue Fund is for any reason insufficient or unavailable to make the required payments of principal (or Redemption Price) of or interest on the 2023-Bonds then becoming due (whether by maturity, redemption or acceleration), the District shall forthwith transfer the amount of any such deficiency to the Trustee. Each transfer by the District to the Trustee hereunder shall be in lawful money of the United States of America and paid to the Trustee at its Principal Corporate Trust Office. All such moneys shall be promptly deposited by the Trustee upon receipt thereof in a special fund designated as the "Revenue Fund" which the Trustee shall establish, maintain and hold in trust. All moneys deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in this Indenture.

(e) If five (5) days prior to an Interest Payment Date or principal payment date with respect to the 2023-Bonds the Trustee has not received moneys sufficient to make the transfers and deposits required in such month by Section 4.02 of this Indenture, the Trustee shall immediately notify the District of such insufficiency by telephone or facsimile delivery and confirm such notification by written notice.

Section 4.02. Allocation of Gross Revenues. On or before the twenty-fifth (25th) day of each month preceding an Interest Payment Date or the date upon which principal becomes due

and payable on the Outstanding Serial Bonds plus the aggregate amount of Mandatory Sinking Account Payments required to be paid into the respective Sinking Accounts for Outstanding Term Bonds, the Trustee shall transfer from the Revenue Fund and deposit into the following respective accounts (each of which the Trustee shall establish and maintain within the Revenue Fund), the following amounts, in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Gross Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority in an amount equal to the aggregate amount then due:

First: to the Interest Account, the aggregate amount of interest becoming due and payable on the next ensuing Interest Payment Date on all Bonds then Outstanding; provided that from the date of delivery of the 2023 Bonds until the first Interest Payment Date, transfers from the Revenue Fund to the Interest Account shall be sufficient on a monthly *pro rata* basis to pay the aggregate amount of interest on the 2023 Bonds becoming due and payable on said Interest Payment Date; and

Second: to the Principal Account, the aggregate amount of principal becoming due and payable on the Outstanding Serial Bonds plus the aggregate amount of Mandatory Sinking Account Payments required to be paid into the respective Sinking Accounts for Outstanding Term Bonds, in each case on the next ensuing principal payment date; provided that from the date of delivery of the 2023 Bonds until the first principal payment date (if less than twelve months), the amount transferred to the Principal Account shall be sufficient to pay the principal on the 2023 Bonds becoming due and payable on said principal payment date.

Any moneys remaining in the Revenue Fund after the foregoing transfers shall be transferred to the District.

Section 4.03. Application of Interest Account. All amounts in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the 2023 Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity pursuant to this Indenture). Amounts deposited in the Interest Account from the District's equity contribution shall be applied to pay interest on the 2023 Bonds until full expended.

Section 4.04. Application of Principal Account.

(a) All amounts in the Principal Account shall be used and withdrawn by the Trustee solely for the purposes of paying the principal of the 2023 Bonds when due and payable, except that all amounts in the Sinking Accounts shall be used and withdrawn by the Trustee solely to purchase or redeem or pay at maturity Term Bonds, as provided herein.

(b) The Trustee shall establish and maintain within the Principal Account a separate subaccount for the Term Bonds of each Series and maturity, designated as the "Sinking Account," inserting therein the Series and maturity (if more than one such account is established for such Series) designation of such Bonds. On or before the Mandatory Sinking Fund Payment Date, the Trustee shall transfer the amount deposited in the Principal Account pursuant to Section 4.02 of this Indenture for the purpose of making a Mandatory Sinking Account Payment (if such deposit is required in such month) from the Principal Account to the applicable Sinking Account. With respect to each Sinking Account, on each Mandatory Sinking Account Payment date established for such Sinking Account, the Trustee shall apply the Mandatory Sinking Account Payment required on that date to the redemption (or payment at maturity, as the case may be) of Term

Bonds of such Series and maturity for which such Sinking Account was established, upon the notice and in the manner provided in this Article IV; provided that, at any time prior to the selection of Bonds for redemption, the Trustee may apply moneys in such Sinking Account to the purchase of Term Bonds of such Series and maturity at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as the Trustee may be directed by the District, except that the purchase price (excluding accrued interest) shall not exceed the Redemption Price that would be payable for such Bonds upon redemption by application of such Mandatory Sinking Account Payment. If, during the twelve-month period immediately preceding said Mandatory Sinking Account Payment date, the Trustee has purchased Term Bonds of such Series and maturity with moneys in such Sinking Account, or, during said period and prior to the selection of Bonds for redemption, the District has deposited Term Bonds of such Series and maturity with the Trustee, or Term Bonds of such Series and maturity were at any time purchased or redeemed by the Trustee from the Redemption Fund and allocable to said Mandatory Sinking Account Payment, such Bonds so purchased or deposited or redeemed shall be applied, to the extent of the full principal amount thereof, to reduce said Mandatory Sinking Account Payment. All Bonds purchased or deposited pursuant to this subsection shall be canceled and delivered by the Trustee to or upon the Order of the District. Any amounts remaining in a Sinking Account when all of the Term Bonds for which such account was established are no longer Outstanding shall be withdrawn by the Trustee and transferred to the Revenue Fund. Subject to a different allocation provided in a Supplemental Indenture for a Series of Bonds issued pursuant to such Supplemental Indenture, all Term Bonds purchased from a Sinking Account or deposited by the District with the Trustee shall be allocated first to the next succeeding Mandatory Sinking Account Payment for such Series and maturity of Bonds, then as a credit against such future Mandatory Sinking Account Payments for such Series and maturity of Bonds as the District may specify.

(c) There is hereby established the Series 2023 Sinking Account. Subject to the terms and conditions set forth in Section 2.03(b) of this Indenture, the 2023 Bonds shall be redeemed (or paid at maturity, as the case may be) by application of Mandatory Sinking Account Payments in the amounts and upon the dates for the Series 2023 Sinking Account as shown in Section 2.03(b).

Section 4.05. Application of Redemption Fund. The Trustee shall establish and maintain within the Redemption Fund (which the Trustee shall establish, maintain and hold in trust) a separate Optional Redemption Account and a separate Special Redemption Account. All amounts deposited in the Optional Redemption Account and in the Special Redemption Account shall be used and withdrawn by the Trustee solely for the purpose of redeeming Bonds, in the manner and upon the terms and conditions specified in Article IV, at the next succeeding date of redemption for which notice has not been given and at the redemption prices then applicable to redemptions from the Optional Redemption Account and the Special Redemption Account, respectively; provided that, at any time prior to the selection of Bonds for redemption, the Trustee may apply such amounts to the purchase of Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as the Trustee may be directed by the District, except that the purchase price (exclusive of accrued interest) may not exceed the Redemption Price then applicable to such Bonds. One or more Supplemental Indentures may provide for the establishment of subaccounts within the Optional Redemption Account or the Special Redemption Account for the redemption or purchase of Bonds of particular Series from moneys allocable to such Series and required by a Supplemental Indenture to be deposited into such subaccount. Subject to a different allocation provided for such subaccounts by Supplemental Indentures, all Term Bonds purchased or redeemed from the Redemption Fund shall be allocated first to the next succeeding Mandatory Sinking Account Payment for such Series and maturity of

Bonds, then to such Mandatory Sinking Account Payments for such Series as may be specified in a Request of the District.

Section 4.06. Investment of Moneys in Funds and Accounts. All moneys in any of the funds and accounts held by the Trustee and established pursuant to this Indenture shall be invested by the Trustee, upon Request of the District, solely in Permitted Investments. Permitted Investments may be purchased at such prices as the Trustee may be directed by the District. All Permitted Investments shall be acquired subject to the limitations set forth in Section 4.07 of this Indenture, the limitations as to maturities hereinafter in this Section 4.06 set forth and such additional limitations or requirements consistent with the foregoing as may be established by Request of the District. In the absence of any Request of the District to invest, the Trustee shall invest in those Permitted Investments described in clause (h) of the definition thereof.

All interest, profits and other income received from the investment of moneys in any fund or account shall be deposited when received in the Revenue Fund. Notwithstanding anything to the contrary contained in this paragraph, an amount of interest received with respect to any Permitted Investment equal to the amount of accrued interest, if any, paid as part of the purchase price of such Permitted Investment shall be credited to the fund or account from which such accrued interest was paid.

Unless otherwise provided in a Supplemental Indenture for a Series of Bonds issued pursuant to a Supplemental Indenture, Permitted Investments acquired as an investment of moneys in any fund or account established under this Indenture shall be credited to such fund or account.

The Trustee may commingle any of the funds or accounts established pursuant to this Indenture into a separate fund or funds for investment purposes only, provided that all funds or accounts held by the Trustee hereunder shall be accounted for separately as required by this Indenture. The Trustee may act as principal or agent in the making or disposing of any investment. The Trustee may sell, or present for redemption, any Permitted Investments so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such Permitted Investment is credited, and the Trustee shall not be liable or responsible for any loss resulting from such investment.

The District acknowledges that, to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive brokerage confirmations of security transactions as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the District periodic cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee hereunder.

Section 4.07. Acquisition, Disposition and Valuation of Investments by the District. The District covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Indenture, or otherwise containing gross proceeds of the 2023 Bonds (within the meaning of section 148 of the Code) shall be acquired, disposed of, and valued at fair market value. In making any valuations of investments hereunder, the Trustee may utilize and rely upon securities pricing services, including those within its regular accounting system.

ARTICLE V

DISTRICT COVENANTS

Section 5.01. Consolidation; Merger; Sale or Transfer Under Certain Conditions. The District covenants and agrees that it will not dissolve, sell or otherwise dispose of all or substantially all of its assets or consolidate with or merge into another Person or permit one or more other Persons to consolidate with or merge into it; provided, that the District may, without violating the covenants contained in this Section 5.01, consolidate with or merge into another Person, or permit one or more other Persons to consolidate with or merge into it, or sell or otherwise transfer to another Person all or substantially all of its assets as an entirety and thereafter dissolve, if:

(a) the surviving, resulting or transferee Person, as the case may be:

(i) assumes in writing, if such Person is not the District, all of the obligations of the District under this Indenture and agrees to fulfill and comply with the terms, covenants and conditions hereof; and

(ii) is not, after such transaction, otherwise in default under any provision of this Indenture; and

(b) the Trustee shall have received an Accountant's report to the effect that (i) the unrestricted fund balance of the District immediately after such transaction is at least equal to 90% of the fund balance of the District immediately prior to such transaction, and (ii) the Long-Term Debt Service Coverage of the District for the most recent Fiscal Year for which audited financial statements are available and after giving effect to such transaction is not less than 1.50:1.0.

If a merger, consolidation, sale or other transfer is affected, as provided in this Section 5.01, the provisions of this Section 5.01 shall continue in full force and effect, and no further merger, consolidation, sale or transfer shall be affected except in accordance with the provisions of this Section 5.01.

Section 5.02. Licensing. The District covenants and agrees to use its best efforts (as long as it is in the best interests of the District) to (a) maintain all permits, licenses and other governmental approvals necessary for the operation of the Facilities as a health care institution, and (b) maintain its qualification for participation in and payment under private insurance programs having broad application and federal, state and local governmental programs providing for payment or reimbursement for services rendered.

Section 5.03. Rates and Charges; Debt Coverage; Days Cash on Hand.

(a) The District covenants and agrees to fix, charge and collect, or cause to be fixed, charged and collected, such rates, fees and charges for the use of and for the services furnished or to be furnished by the District which, together with all other receipts and revenues of the District and any other funds available therefor, are reasonably projected in each Fiscal Year as reflected in its operating budget, beginning with the Fiscal Year ending June 30, 2027, so that the Debt Service Coverage Ratio at the end of each such Fiscal Year is not less than 1.25:1.0.

The District further covenants and agrees that if in such Fiscal Year the Debt Service Coverage Ratio shall have been less than 1.25:1.0, it will promptly employ a Management

Consultant to make recommendations as to a revision of the rates, fees and charges at the Facilities or the methods of operation of the Facilities which will result in producing a Debt Service Coverage Ratio not less than 1.25:1.0. Copies of the recommendations of the Management Consultant shall be filed with the Trustee and the Owner. The District shall, promptly upon its receipt of such recommendations, subject to applicable requirements or restrictions imposed by law and to a good faith determination that such recommendations are in the best interests of the District, revise its rates, fees and charges or its methods of operation and shall take such other action as shall be in conformity with such recommendations. If the District shall fail to comply with the recommendations of the Management Consultant, subject to the applicable requirements or restrictions imposed by law and such good faith determination, notice of such fact shall be provided by the District to the Trustee and the Owner. In such case, the Trustee may, in addition to the rights and remedies elsewhere set forth herein, institute and prosecute an action or proceeding in any court or before any board or commission having jurisdiction to compel the District to comply with the recommendations and requirements of the Management Consultant. If the District complies in all material respects with the recommendations of the Management Consultant in respect to said rates, fees, charges and methods of operation and the Debt Service Coverage Ratio is not less than 1.00:1.0 in any projected Fiscal Year, the District will be deemed to have complied with the covenants contained in this Section 5.03(a) notwithstanding that the Debt Service Coverage Ratio shall be less than 1.25:1.0; provided, that this sentence shall not be construed as in any way excusing the District from taking any action or performing any duty required under this Indenture or be construed as constituting a waiver of any other Event of Default. If a written report of a Management Consultant is delivered to the Trustee and the Owner stating that Industry Restrictions have made it impossible to meet the 1.25:1.0 ratio, then such ratio shall be reduced in no event lower than 1.00:1.0.

(b) Within two hundred seventy (270) days after the end of each Fiscal Year, beginning with the Fiscal Year ending June 30, 2027, the District shall compute, or cause to be computed, the Days Cash on Hand as of the end of such Fiscal Year, demonstrating that it had at least sixty-five (65) Days Cash on Hand on such date.

Section 5.04. Limitation on Encumbrances. The District covenants and agrees that it will not create, assume or suffer to exist any mortgage, deed of trust, pledge, security interest, encumbrance, lien or charge of any kind (including the charge upon property purchased under conditional sales or other title retention agreements) (a "security interest") upon the Facilities, unless the obligations of the District under this Indenture and any Parity Debt shall be secured prior to or equally and ratably with any indebtedness or other obligation secured by such security interest; and the District further agrees that if such a security interest is created or assumed by the District, it will make or cause to be made effective a provision whereby the obligations of the District under this Indenture and any Parity Debt will be secured prior to or equally and ratably with such indebtedness or other obligation secured by such security interest; *provided, however*, that notwithstanding the foregoing provision, the District may create, assume or suffer to exist Permitted Encumbrances.

Section 5.05. Limitation on Additional Indebtedness. From and after the delivery of this Indenture, the District covenants and agrees that it will not incur any additional Indebtedness, however, the District may incur in all cases with the prior written consent of the Original Purchaser, so long as the Original Purchaser if is the Owner:

(a) Long-Term Indebtedness, provided that:

(i) there is delivered to the Trustee a Certificate of the District certifying that the aggregate principal amount of such Long-Term Indebtedness and all other Outstanding Long-Term Indebtedness incurred pursuant to this clause (i) does not exceed 20%, and

together with all Outstanding Indebtedness incurred pursuant to this clause (i) and pursuant to subsection (d) of this Section 5.05 does not exceed 25%, of the Total Revenues of the District for the most recent Fiscal Year for which audited financial statements are available immediately preceding the issuance of such Long-Term Indebtedness (provided that, to the extent Long-Term Indebtedness initially incurred pursuant to this clause subsequently complies with any other incurrence requirement, such Long-Term Indebtedness shall thereafter not be deemed to be incurred pursuant to this clause); or

(ii) there is delivered to the Trustee a Certificate of the District certifying the Long-Term Debt Service Coverage Ratio, taking into account all Outstanding Long-Term Indebtedness and the Long-Term Indebtedness proposed to be incurred, for the average of the two most recent Fiscal Years for which audited financial statements are available, and such Long-Term Debt Service Coverage Ratio is not less than 1.25:1.0; or

(iii) there is delivered to the Trustee:

(a) a Certificate of the District certifying the Long-Term Debt Service Coverage Ratio, taking into account all Outstanding Long-Term Indebtedness but not the Long-Term Indebtedness proposed to be incurred, for the average of the two the most recent Fiscal Years for which audited financial statements are available, and such Long-Term Debt Service Coverage Ratio is not less than 1.25:1.0; and

(b) the written report of an Independent Consultant stating the forecasted Long-Term Debt Service Coverage Ratio, taking into account the Long-Term Indebtedness proposed to be incurred, for (1) in the case of Long-Term Indebtedness to finance capital improvements, each of the two complete Fiscal Years succeeding the date on which such capital improvements are expected to be in operation or (2) in the case of Long-Term Indebtedness not to finance capital improvements, the average of the two complete Fiscal Years ending the date on which the proposed Long-Term Indebtedness is to be incurred, and the Long-Term Debt Service Coverage Ratio for each such Fiscal Year is not less than 1.25:1.0, as shown by forecasted statements of revenues and expenses for each such Fiscal Year, accompanied by a statement of the relevant assumptions upon which such forecasted statements are based; or

(iv) there is delivered to the Trustee the written report of an Independent Consultant stating that Industry Restrictions have or will make it impossible for the ratios in clause (iii) hereof to be met, and that such ratios are not less than 1.00:1.0.

(b) Completion Indebtedness without limitation.

(c) Long-Term Indebtedness incurred for the purpose of refunding any Outstanding Long-Term Indebtedness so as to render it no longer Outstanding provided that Maximum Annual Debt Service on such refunding Indebtedness does not exceed Maximum Annual Debt Service on the refunded Indebtedness by more than 10%.

(d) Short-Term Indebtedness provided that such Short-Term Indebtedness could be incurred as Long-Term Indebtedness pursuant to subsections (a)(ii) or (a)(iii) of this Section 5.05 or there is delivered to the Trustee a Certificate of the District certifying that:

(i) the total amount of such Short-Term Indebtedness does not exceed 20%, and together with all Outstanding Indebtedness incurred pursuant to this subsection and

subsection (a)(i), (d), (h) and (i) of this Section 5.05 does not exceed 25% of Total Revenues of the District for the most recent Fiscal Year for which audited financial statements are available; and

(ii) in every Fiscal Year, there shall be at least thirty (30) consecutive days during each period of twelve (12) consecutive months beginning with the effective date of such Short-Term Indebtedness when the balance of such Short-Term Indebtedness is reduced to an amount which shall not exceed 5% of Total Revenues for the most recent Fiscal Year for which audited financial statements are available.

(e) Nonrecourse Indebtedness, without limitation.

(f) Liabilities incurred in the regular course of operations of the District.

(g) Reimbursement and other obligations arising under reimbursement agreements relating to letters of credit or similar credit facilities used to secure Indebtedness.

(h) Subordinate Indebtedness, without limitation.

Section 5.06. Accounting Records and Financial Statements.

(a) The District covenants and agrees at all times to keep, or cause to be kept, proper books of record and account, prepared in accordance with generally accepted accounting principles in which complete and accurate entries shall be made of all transactions of or in relation to the business, properties and operations of the District, including, without limitation, operations of the Facilities and the Gross Revenue Fund. Such books of record and account shall be available for inspection by the Trustee (who shall have no duty to inspect) at reasonable hours and under reasonable circumstances.

(b) Within forty-five (45) days following the completion thereof, the District will provide the Owner with a copy of its quarterly interim financial statements.

(c) Within thirty (30) days of adoption, but in no case later than thirty (30) days after the end of each fiscal year, the District will provide the Owner with a copy of its annual operating budget for the following Fiscal Year.

(d) The District further covenants and agrees to furnish the Trustee, and the Owner, within two hundred seventy (270) days after the end of each Fiscal Year, (i) copies of such audited financial statements for such Fiscal Year together with the report and opinion of an Accountant stating that the financial statements have been prepared in accordance with generally accepted accounting principles and that such accountant's examination of the financial statements was performed in accordance with generally accepted auditing standards, (ii) evidence of compliance with the Days Cash on Hand requirement set forth in Section 5.03(b), (iii) evidence of compliance with the Debt Service Coverage Ratio requirement set forth in Section 5.03(a), and (iv) a Statement of the chief financial officer of the District stating that no event which constitutes an Event of Default or which with the giving of notice or the passage of time or both would constitute an Event of Default has occurred and is continuing as of the end of such Fiscal Year, or specifying the nature of such event and to actions taken and proposed to be taken by the District to cure such default. The Trustee shall have no duty to review such financial statements.

(e) The District covenants and agrees to furnish to the Owner a quarterly management report within 30 days of each quarter end. If the District's account is current at the end of the year,

the Owner may waive the required reports. Any such reports shall be submitted on USDA Form RD 442-2 or in a similar format to provide such information.

(f) The District hereby agrees to provide the Owner with such other information as may be reasonably requested by the Owner.

Section 5.07. Limitation on Disposition of Property, Plant and Equipment.

(a) The District covenants and agrees that it will not sell, lease or otherwise dispose of any part of its Property, Plant and Equipment unless:

(i) Such assets have become inadequate, obsolete, worn out, unsuitable, undesirable, unprofitable or unnecessary, and the sale, lease, removal or other disposition thereof will not impair the structural soundness, efficiency or revenue generating capacity of the Facilities; or

(ii) For all dispositions of Property, Plant and Equipment having a Book Value of greater than \$25,000, the Trustee receives a Certificate of the District to the effect that the Book Value of the assets so disposed of by the District in the then-current Fiscal Year pursuant to this subsection (ii), including all dispositions regardless of the value of Property, Plant and Equipment so disposed of, shall not exceed 5% of the Book Value of Property, Plant and Equipment (as shown on the most recent audited financial statements); or

(iii) Such sale or other disposition is in the ordinary course of business or for the fair market value of the Property so disposed of; or

(iv) The Trustee receives either:

(A) a Certificate of the District to the effect that the Long-Term Debt Service Coverage Ratio for the most recent Fiscal Year for which audited financial statements are available next preceding such disposition would not be reduced or, if reduced, would not be reduced below 2.25:1.0 (such calculation to be made assuming such disposition had occurred at the beginning of such Fiscal Year); or

(B) a Certificate of the District to the effect that the Long-Term Debt Service Coverage Ratio for the most recent Fiscal Year for which audited financial statements are available next preceding such disposition would not be reduced or, if reduced, would not be reduced below 1.50:1.0 and in no event by more than 20% (such calculation to be made assuming such disposition had occurred at the beginning of such Fiscal Year); or

(C) the report of an Independent Consultant to the effect that the average Long-Term Debt Service Coverage Ratio, as forecasted for the two Fiscal Years immediately following the transfers, after giving effect to the transfer, will be not less than 1.50:1.0 and in no event be reduced by more than 20% of which such ratio would have been in the absence of such transfer.

(b) Notwithstanding the foregoing provisions of this Section 5.07 or Section 5.01 and to the extent permitted by law, the District may transfer (including by lease) all or substantially all of its assets to another Person, provided that:

(i) either

(A) such Person assumes in writing all of the obligations of the District under Articles VI and VII of this Indenture whereupon:

(1) the District and such Person shall be considered to be one entity for purposes of Articles VI and VII of this Indenture, including the definitions relating thereto,

(2) all computations hereunder shall be made on a combined basis for the District and such Person, and

(3) no provision of such articles shall apply to transactions between the District and such Person; or

(B) such Person enters into a master indenture whereupon the provisions of Article V and Article VI of this Indenture would be replaced by certain covenants contained in such master indenture including the definitions thereto; *provided, however*, that such Person shall not enter into a master indenture and join an obligated group thereunder unless:

(1) there is delivered to the Trustee a Certificate of the District certifying that the Long-Term Debt Service Coverage Ratio for the proposed obligated group under such master indenture for the most recent fiscal year for which audited financial statements are available shall be at least 1.50:1.00; or

(2) there is delivered to the Trustee a Certificate of the District certifying that the Long-Term Debt Service Coverage Ratio for the proposed obligated group under such master indenture for the most recent fiscal year for which the audited financial statements are available is greater than the Long-Term Debt Service Coverage Ratio for the District for the most recent Fiscal Year for which audited financial statements are available; and

(ii) such Person and the District enter into a lease, installment sale, loan or similar agreement whereby such Person unconditionally agrees to make payments (however designated) to the District at least equal to the payments required to be made by the District hereunder on or before the dates on which such payments are due and payable; and

(iii) an Opinion of Counsel is delivered to the Trustee to the effect that the agreement described in clause (b) above is a valid and binding agreement of such person, enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors rights, by application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Section 5.08. Disposition of Liquid Assets. The District covenants and agrees that it will not dispose of any cash or cash equivalents unless:

(a) Such disposition is in the ordinary course of business; or

(b) The Trustee receives a Certificate of the District to the effect that such disposition and all other dispositions by the District in the then-current Fiscal Year pursuant to this subsection (b) do not exceed 4% of the Total Revenues for the most recent Fiscal Year for which audited financial statements are available.

Nothing herein shall prohibit the District from making secured or unsecured loans provided that any such loan (i) is evidenced in writing, (ii) the Trustee receives a Certificate of the District stating that (A) the District reasonably expects such loan to be repaid and (B) such loan bears interest at a reasonable rate of interest as determined in good faith by the District, and (iii) such loans do not exceed 4% of the Total Revenues of the District.

Notwithstanding the foregoing, litigation proceeds may be applied by the District for any legal purpose without compliance with the Section 5.08.

Section 5.09. Further Assurances. The District will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owner the rights and benefits provided in this Indenture.

ARTICLE VI

MAINTENANCE, TAXES, INSURANCE AND CONDEMNATION

Section 6.01. Maintenance and Operation of the Facilities. The District covenants and agrees that it will operate and maintain the Facilities in accordance with all governmental laws, ordinances, approvals, rules, regulations and requirements including, without limitation, such zoning, sanitary, pollution and safety ordinances and laws and such rules and regulations thereunder as may be binding upon the District. The District further covenants and agrees that it will maintain and operate the Facilities as a health care institution and will maintain and operate the same, and all engines, boilers, pumps, machinery, apparatus, fixtures, fittings and equipment of any kind in or that shall be placed in any building or structure now or hereafter at any time constituting part of the Facilities, in good repair, working order and condition, and that it will from time to time make or cause to be made all needful and proper replacements, repairs, renewals and improvements in each case to the extent necessary so that the efficiency and value of the Facilities shall not be impaired.

Section 6.02. Taxes, Assessments, Other Governmental Charges and Utility Charges. The District covenants and agrees that it will pay and discharge all taxes, assessments, governmental charges of any kind whatsoever, water rates, meter charges and other utility charges which may be or have been assessed or which may have become liens upon the Facilities, the Gross Revenues or the interests therein of the Trustee or of the Owner, and will make such payments or cause such payments to be made, respectively, in due time to prevent any delinquency thereon or any forfeiture or sale of the Facilities or any part thereof, and upon request; *provided, however*, that the District may, at its expense and in its own name and behalf or in the name and behalf of the Trustee, if the Trustee is a necessary party thereto, sue for a refund of any such taxes, assessments, and other charges previously paid as herein provided, or in good faith contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges contested to remain unpaid during the period of such contest and any appeal therefrom unless or until the Trustee notifies the District that, or unless or until the District knows that, by nonpayment of any such items the title to or operation of the Facilities or the lien of this Indenture as to Gross Revenues will be materially endangered or the Facilities, or any material part thereof, will be subject to imminent loss or forfeiture, in which case such taxes, assessments or charges shall be paid promptly.

Section 6.03. Insurance Required.

(a) The District covenants and agrees that, it will keep the Property, Plant and Equipment and all of its operations adequately insured at all times and carry and maintain such insurance in amounts which are customarily carried (including professional liability insurance with a minimum coverage of \$3,000,000 per occurrence or claim and \$3,000,000 in the aggregate), subject to customary deductibles, and against such risks as are customarily insured against by other entities in connection with the ownership and operation of facilities of similar character and size.

(b) The District shall employ an Insurance Consultant at least once every 24 months to review the insurance requirements of the District. If the Insurance Consultant makes recommendations for the increase (or decrease of the amount of professional liability insurance specified in subsection (a)) of the District's insurance coverage, the District shall revise or cause to be revised such coverage in accordance with such recommendations, subject to a good faith determination of the Board that such recommendations, in whole or in part, are in the best interests of the District. In lieu of maintaining insurance coverage, the District shall have the right

to adopt alternative risk management programs which the Board determines to be reasonable, including, without limitation, to self-insure in whole or in part individually or in connection with other institutions, to participate in programs of captive insurance companies, to participate with other health care institutions in mutual or other cooperative insurance or other risk management programs, to participate in state or federal insurance programs, to take advantage of state or federal laws now or hereafter in existence limiting medical and malpractice liability, or to establish or participate in other alternative risk management programs; all as may be approved, in writing, as reasonable and appropriate risk management by the Insurance Consultant and reviewed each two years thereafter.

Section 6.04. Workers' Compensation and Insurance Law. The District will at all times comply to the extent required by law with the Workers' Compensation and Insurance Law of the State, or any successor statute or statutes.

Section 6.05. Insurers; Policy Forms and Loss Payees. Each insurance policy maintained by the District shall be carried by its current insurance provider as of the date hereof or any stock, reciprocal or mutual insurance companies authorized to do business in the State or are subject to service of process therein, and which are financially responsible and capable of fulfilling the requirements of such policies. All such policies (except liability policies and workers' compensation policies) shall name the District and the Trustee as additional insured parties, beneficiaries or loss payees as their interest may appear. Each policy shall be in such form and contain such provisions as are generally considered standard for the type of insurance involved and shall contain a provision to the effect that the insurer shall not cancel or substantially modify the policy provisions without first giving at least thirty (30) days written notice thereof to the District and to the Trustee. In lieu of separate policies, the District may maintain blanket policies which cover any one or more risks required to be insured against so long as the minimum coverages required herein are met. The District shall file within one hundred fifty (150) days after the end of each Fiscal Year with the Trustee a Certificate stating that the District has complied with the insurance requirements under this Indenture.

Section 6.06. Disposition of Insurance and Condemnation Proceeds. The proceeds of insurance maintained by the District against loss or damage by fire, lightning, vandalism, malicious mischief and all other risks covered by the extended coverage insurance endorsement then in use in the State or against loss or damage by risks covered by builders' risk insurance, and the proceeds of any condemnation awards with respect to the Facilities, shall be paid immediately upon receipt to the District. In the event the District shall not elect to repair or replace the property damaged, destroyed or taken, as provided herein, the District shall deposit such proceeds which with the Trustee for deposit to the Special Redemption Account in order to redeem the 2023 Bonds; provided that if any Parity Debt is then outstanding, any such proceeds which the District elects to deposit shall be deposited in part in the Special Redemption Account and in part in such other fund or account as may be appropriate (and used for the retirement of such Parity Debt) in the same proportion which the aggregate in principal amount of Outstanding Bonds then bears to the aggregate unpaid principal amount of such Parity Debt.

Notwithstanding the foregoing, insurance proceeds received with respect to a non-revenue generating facility may be applied by the District for any legal purpose without compliance with the Section 6.06.

ARTICLE VII

REPRESENTATIONS AND WARRANTIES OF THE DISTRICT

Section 7.01. Representations and Warranties of the District. The District makes the following representations and warranties to the Trustee that as of the date of the execution of this Indenture:

(a) The District is a local health care district duly organized and existing under the laws of the State, has full legal right, power and authority to enter into this Indenture and to carry out and consummate all transactions contemplated by this Indenture, and by proper corporate action has duly authorized the execution and delivery of this Indenture.

(b) The officers of the District executing this Indenture are duly and properly in office and fully authorized to execute the same.

(c) This Indenture has been duly authorized, executed and delivered by the District, and, if executed by the Trustee, constitutes the legal, valid and binding agreement of the District with the Trustee for the benefit of the Owner; except, in all cases, as may be limited by bankruptcy, insolvency, moratorium and other similar laws affecting creditors' rights generally and to the application of equitable principles if equitable remedies are sought.

(d) The execution and delivery of this Indenture, the consummation of the transactions herein contemplated and the fulfillment of or compliance with the terms and conditions hereof will not in any material respect conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) to the knowledge of the District, after reasonable inquiry and investigation, any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, trust agreement, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the District is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the District.

(e) No consent or approval of any trustee, holder of any indebtedness of the District or any other Person, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority (other than approvals required to be obtained subsequent to the date hereof with respect to the Project) is necessary in connection with the execution and delivery of this Indenture, the consummation of any transaction herein contemplated, or the fulfillment of or compliance with the terms and conditions hereof, except as have been obtained or made and as are in full force and effect.

(f) There is no action, suit, proceeding, inquiry or investigation, before or by any court or federal, state, municipal or other governmental authority, pending and served, or to the knowledge of the District, after reasonable inquiry and investigation, threatened against or affecting the District or the assets, properties or operations of the District which, if determined adversely to the District or its interests, could have a material adverse effect upon the consummation of the transactions contemplated by or the fulfillment or compliance with the terms and conditions of or the validity or enforceability of this Indenture or upon the financial condition, assets, properties or operations of the District, and the District is not in default (and no event has occurred and is continuing which with the giving of notice or the passage of time or both would constitute a default) with respect to any order or decree of any court or any order, regulation or express demand of any federal, state, municipal or other governmental authority

which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Indenture or the financial condition, assets, properties or operations of the District or its properties. All tax returns (federal, state and local) required to be filed by or on behalf of the District have been filed, and all taxes shown thereon to be due, including interest and penalties, except such, if any, are being actively contested by the District in good faith, have been paid or adequate reserves have been made for the payment thereof, which reserves, if any, are reflected in the financial statements described in subsection (g) of this Section 7.01. The District enjoys the peaceful and undisturbed possession of all the premises upon which it is operating health care facilities.

(g) The audited financial statements of the District at June 30, 2022, for the Fiscal Year ended on such date fairly present the financial position of the District at June 30, 2022, and the results of operations for the Fiscal Year ended on such date, with such exceptions as may be disclosed therein, and since June 30, 2022, there has been no material adverse change in the financial condition or results of operations of the District or otherwise, except as disclosed by the District.

(h) No information, exhibit or report furnished by the District in connection with the execution of this Indenture (~~including, without limitation, information pertaining to the District in the official statement relating to the 2023 Bonds~~) contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

ARTICLE VIII

PARTICULAR COVENANTS

Section 8.01. Punctual Payment. The District shall punctually pay or cause to be paid the principal or Redemption Price and interest to become due in respect of all the 2023 Bonds, in strict conformity with the terms of the 2023 Bonds and of this Indenture, according to the true intent and meaning thereof, and shall punctually pay or cause to be paid all Mandatory Sinking Account Payments, but only out of Gross Revenues and other assets pledged for such payment as provided in this Indenture.

Section 8.02. Extension of Payment of Bonds. The District shall not directly or indirectly extend or assent to the extension of the maturity of any of the 2023 Bonds or the time of payment of any or claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement and in case the maturity of any of the 2023 Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal all of the 2023 Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section 8.02 shall be deemed to limit the right of the District to issue bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

Section 8.03. Accounting Records and Financial Statements Relating to the 2023 Bonds. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with the Trustee's accounting practices for books of record and account relating to similar trust accounts, in which sufficient entries shall be made of all transactions relating to the proceeds of Bonds and all funds and accounts established pursuant to this Indenture and held by the Trustee. Such books of record and account shall be available for inspection by the District and any Owner, or his agent or representative duly authorized in writing, upon prior written notice and at reasonable hours and under reasonable circumstances.

Section 8.04. Waiver of Laws. The District shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in this Indenture or in the 2023 Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the District to the extent permitted by law.

Section 8.05. Additional Covenants. The following provisions shall apply so long as the Original Purchaser owns the 2023 Bonds:

(a) Notwithstanding any other provision of this Indenture, the Original Purchaser shall have the right to consent to the appointment of a successor Trustee appointed by the District after the resignation or removal of the Trustee, which consent shall not be unreasonably withheld.

(b) Notwithstanding any other provision of this Indenture, the Original Purchaser shall have the right to consent to any amendment to this Indenture.

(c) The District shall inform the Original Purchaser promptly upon the occurrence of an Event of Default.

(d) The Original Purchaser is hereby expressly made a third-party beneficiary of this Indenture.

(e) The Trustee, to the extent of its knowledge, or the District, as applicable, shall notify the Original Purchaser of any failure of the District to provide relevant notices, certificates or other similar documents.

(f) The District shall pay or reimburse the Original Purchaser for any and all charges, fees, costs and expenses that the Original Purchaser may reasonably pay or incur in connection with the following: (i) the administration, enforcement, defense, or preservation of any rights or security hereunder or under the Indenture; (ii) the pursuit of any remedies hereunder, under the Indenture, or otherwise afforded by law or equity; (iii) any amendment, waiver, or other action with respect to or related to this Indenture whether or not executed or completed; (iv) the violation by the District of any law, rule, or regulation or any judgment, order or decree applicable to it; or (v) any litigation or other dispute in connection with this Indenture.

(g) The District covenants to establish a separate debt service reserve in an amount at least equal to an average annual debt service payments on the 2023 Bonds. The reserve will be accumulated at the rate of at least one-tenth of that average annual debt service payment each year, beginning with the fiscal year ended June 30, 2027, until the required level is reached. The District covenants to report the debt service reserve account balance to the Original Purchaser annually and will include the debt service reserve account balance in the District's annual audit as a separate and identifiable line item as restricted. For any fiscal year end in which the debt service reserve account balance is less than the required account total, the District will provide the Original Purchaser with a twelve-month budget and plan to correct the cash shortfall.

(h) The District covenants to fund a capital asset replacement reserve in an amount adequate to replace short term assets in an amount adequate, in the opinion of the Original Purchaser, to replace short term assets.

(i) The District covenants to provide the Original Purchaser with a 12 month cash flow projection, with occupancy ramp up, of the Project prior to the Closing Date.

(j) The District covenants to provide evidence to the Original Purchaser of a six month operation and maintenance reserve specifically for the Project, in the approximate amount of \$1,500,000, prior to the Closing Date, or as identified in the 12 month cash flow described in paragraph (i) above.

(k) The District covenants to monitor and provide a monthly report to the Original Purchaser on the Project, including USDA Form RD 1924-18, "Partial Payment Estimate" and USDA Form 124-7, "Contract Change Order." Copies of certificated payrolls or timesheets must be submitted with pay requests to demonstrate compliance with Davis-Bacon and related act requirements.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES OF OWNER

Section 9.01. Events of Default. The following events shall be Events of Default:

(a) default in the due and punctual payment of the principal or Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by declaration or otherwise, or default in the redemption from any Sinking Account of any Term Bonds in the amounts and at the times provided therefor;

(b) default in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable;

(c) default in the due and punctual payment of the amounts required by Section 4.01(d) of this Indenture in the amounts and at the times provided therefor;

(d) if any representation or warranty made by the District herein or in any document, instrument or certificate furnishes to the Trustee or to the ~~initial purchaser(s)~~Original Purchaser of the 2023 Bonds in connection with the execution and delivery of the 2023 Bonds shall at any time prove to have been incorrect in any material respect as of the time made;

(e) if the District shall fail to observe or perform any covenant, condition, agreement or provision in this Indenture on its part to be observed or performed, other than as referred to in subsection (a), (b), (c) or (d) of this Section 9.01, or shall breach any warranty by the District herein contained, for a period of thirty (30) days after written notice, specifying such failure or breach and requesting that it be remedied, has been given to the District by the Trustee; except that, if such failure or breach can be remedied but not within such thirty (30) day period and if the District has taken all action reasonably possible to remedy such failure or breach within such thirty (30) day period, such failure or breach shall not become an Event of Default for so long as the District shall diligently proceed to remedy same in accordance with and subject to any directions or limitations of time established by the Trustee within sixty (60) days;

(f) if any default shall exist under any agreement governing any Parity Debt and such default shall continue beyond the grace period, if any, provided for with respect to such default, or if the debt service payments on any Indebtedness which is not Parity Debt are accelerated;

(g) if a final judgment for the payment of money in excess of one million dollars (\$1,000,000) (not covered by insurance) shall be rendered against the District and the same shall remain undischarged for a period of one hundred twenty (120) days during which the execution of such judgment shall not be effectively stayed;

(h) if the District files a petition in voluntary bankruptcy, for the composition of its affairs or for its corporate reorganization under any state or federal bankruptcy or insolvency law, or makes an assignment for the benefit of creditors, or admits in writing to its insolvency or inability to pay debts as they mature, or consents in writing to the appointment of a trustee or receiver for itself or for the whole or any substantial part of the Facilities;

(i) if a court of competent jurisdiction shall enter an order, judgment or decree declaring the District an insolvent or adjudging it bankrupt, or appointing a trustee or receiver of the District or of the whole or any substantial part of the Facilities, or approving a petition filed

against the District seeking reorganization of the District under any applicable bankruptcy or insolvency law or statute of the United States of America or any state thereof, and such order, judgment or decree shall not be vacated or set aside or stayed within sixty (60) days from the date of the entry thereof; or

(j) if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the District or of the whole or any substantial part of the Facilities, and such custody or control shall not be terminated within sixty (60) days from the date of assumption of such custody or control.

Section 9.02. Acceleration of Maturities. If an Event of Default shall occur, then, and in each and every such case during the continuance of such Event of Default, the Trustee or the Owner shall be entitled, upon notice in writing to the District, to declare the principal of all of the 2023 Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Indenture or in the 2023 Bonds contained to the contrary notwithstanding.

Any such declaration, however, is subject to the condition that if, at any time after such declaration and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the District shall deposit with the Trustee a sum sufficient to pay all the principal or Redemption Price of and installments of interest on the 2023 Bonds payment of which is overdue, with interest on such overdue principal at the rate borne by the respective Bonds, and the reasonable charges and expenses of Trustee, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the 2023 Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Owner, by written notice to the District and the Trustee, or the Trustee if such declaration was made by the Trustee, may, on behalf of the Owner, rescind and annul such declaration and its consequences and waive such default; but no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

Section 9.03. Application of Gross Revenues and Other Funds After Default. If an Event of Default shall occur and be continuing, without the requirement of an acceleration, all Gross Revenues and any other funds then held or thereafter received by the Trustee under any of the provisions of this Indenture (subject to Sections 5.01 and 14.11 of this Indenture) shall be applied by the Trustee as follows and in the following order:

(a) To the payment of any reasonable expenses necessary in the opinion of the Trustee to protect the interests of the Owner after payment of the fees and expenses (including those previously outstanding) of the Trustee (including the fees and disbursements of its counsel and accountants) incurred in and about the performance of its powers and duties under this Indenture;

(b) To the payment of the principal or Redemption Price of and interest then due on the 2023 Bonds (upon presentation of the 2023 Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of this Indenture (including Section 8.02), as follows:

(i) Unless the principal of the 2023 Bonds shall have become or have been declared due and payable,

First: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, with interest on the overdue principal at the rate borne by the respective Bonds, and, if the amount available shall not be sufficient to pay in full all the due on any date, together with such interest, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date to the persons entitled thereto, without any discrimination or preference.

(ii) If the principal of all of the 2023 Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the 2023 Bonds, with interest on the overdue principal at the rate borne by the respective Bonds, and, if the amount available shall not be sufficient to pay in full the whole amount so due and unpaid, then to the payment thereof ratably, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference.

Section 9.04. Trustee to Represent Owner. The Trustee is hereby irrevocably appointed (and the successive respective Owner, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Owner not the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to the Owner under the provisions of the 2023 Bonds, this Indenture, the Law, and applicable provisions of any other law; provided, however, the Trustee shall not be obligated to pursue claims relating to the District's violation of any law, rule or regulation under the Securities and Exchange Act of 1933, as amended, but only to the extent the Trustee gives notice to the Owner of its intentions not to pursue such claims. If the Trustee provides the notice described in the preceding sentence, the Trustee shall incur no liability therefor and shall be deemed to be entitled to indemnification by the District. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Owner, the Trustee in its discretion may, and upon the written request of the Owner, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Owner by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in the Owner under this Indenture, the Law or any other law related hereto; and upon instituting such proceeding, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Gross Revenues and other assets pledged under this Indenture, pending such proceedings. If the Trustee shall receive conflicting directions from two or more groups, each satisfying the minimum percentages determined above, the Trustee shall have the right not to follow any such instructions and shall be deemed entitled to indemnification hereunder. All rights of action under this Indenture or the 2023 Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the 2023 Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding

instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of the Owner, subject to the provisions of this Indenture (including Section 8.02). Counsel to the Trustee is not counsel to the Owner and communications between the Trustee and its counsel shall be deemed privileged.

Section 9.05. Owner's Direction of Proceedings. The Owner shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder, provided that such direction shall not (a) be otherwise than in accordance with law and the provisions of this Indenture or (b) subject the Trustee to personal liability.

Section 9.06. Limitation on Owner's Right to Sue. The Owner shall have no right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Indenture, the Law or any other applicable law, unless (a) the Owner shall have given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owner shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) the Owner shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; (d) the Trustee shall have refused or omitted to comply with such request for a period of ten (10) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee; and (e) no direction inconsistent with such written request has been given to the Trustee during such ~~10~~ ten (10) day period by the Owner.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by the Owner of any remedy hereunder or under law; it being understood and intended that the Owner shall have any no right in any manner whatever by his, her or their action to affect, disturb or prejudice the security of this Indenture, or to enforce any right under this Indenture, the Law or other applicable law with respect to the 2023 Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of the Owner, subject to the provisions of this Indenture (including Section 8.02).

Section 9.07. Absolute Obligation of District. Nothing in Section 9.06 of this Indenture or in any other provision of this Indenture, or in the 2023 Bonds, contained shall affect or impair the obligation of the District, which is absolute and unconditional to pay the principal or Redemption Price of and interest on the 2023 Bonds to the Owner at their date of maturity, or upon call for redemption, as herein provided, but only out of the Gross Revenues and other assets herein pledged therefor, or affect or impair the right of the Owner, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the 2023 Bonds.

Section 9.08. Termination of Proceedings. In case any proceedings taken by the Trustee or the Owner on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Owner, then in every such case the District, the Trustee and the Owner, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers and duties of the District, the Trustee and the Owner shall continue as though no such proceedings had been taken.

Section 9.09. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Owner is intended to be exclusive of any other remedy or remedies, and

each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

Section 9.10. No Waiver of Default. No delay or omission of the Trustee or of the Owner to exercise any right or power arising upon the occurrence of any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or to the Owner may be exercised from time to time and as often as may be deemed expedient.

ARTICLE X
THE TRUSTEE

Section 10.01. Duties, Immunities and Liabilities of Trustee.

(a) The Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture and no implied duties shall be read into this Indenture. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(b) The District may remove the Trustee at any time unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owner (or its attorneys duly authorized in writing) or if at any time the Trustee shall cease to be eligible in accordance with subsection (e) of this Section 10.01, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee, and thereupon shall appoint a successor Trustee by an instrument in writing.

(c) The Trustee may at any time resign by giving written notice of such resignation to the District and by giving the Owner notice of such resignation by mail at the addresses shown on the registration books maintained by the Trustee. Upon receiving such notice of resignation, the District shall promptly appoint a successor Trustee by an instrument in writing.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within forty-five (45) days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or the Owner may petition any federal court or any other court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, (a) order the District to appoint a successor Trustee, or (b) appoint such successor Trustee. Any successor Trustee appointed under this Indenture, shall signify its acceptance of such appointment by executing and delivering to the District and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Request of the District or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the District shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the District shall give notice of the succession of such

Trustee to the trusts hereunder by mail to the Owner at the address shown on the registration books maintained by the Trustee. If the District fails to mail such notice within fifteen (15) days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the District. The Trustee shall be paid all amounts owing to it concurrent with the receipt by the successor Trustee of the trusts of this Indenture.

(e) Any Trustee appointed under the provisions of this Section 10.01 in succession to the Trustee shall be a bank, corporation or trust company having the powers of a trust company having a corporate trust office in the State, having a combined capital and surplus (or the parent holding company of which has a combined capital and surplus) of at least fifty million dollars (\$50,000,000), and subject to supervision or examination by federal or state authority. If such bank, corporation or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such bank, corporation or trust (or holding) company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section 10.01.

Section 10.02. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under subsection (e) of Section 10.01 of this Indenture, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 10.03. Liability of Trustee. The recitals of facts herein and in the 2023 Bonds contained shall be taken as statements of the District, and the Trustee assumes no responsibility for the correctness of the same and makes no representations as to the validity or sufficiency of this Indenture or of the 2023 Bonds or shall incur no responsibility or liability in respect thereof, other than in connection with the express duties or obligations herein or in the 2023 Bonds assigned to or imposed upon it. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the 2023 Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee may become the Owner of Bonds with the same rights it would have if it were not the Trustee, and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Owner, whether or not such committee shall represent the Owner. The Trustee shall not be deemed to have knowledge of any Event of Default unless and until an officer at the Principal Corporate Trust Office responsible for the administration of its duties hereunder shall have actual knowledge thereof or the Trustee shall have received written notice thereof at the Principal Corporate Trust Office. The Trustee shall not be bound to inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the 2023 Bonds, or as to the existence of any default or Event of Default thereunder. The Trustee shall not be responsible for the validity or effectiveness of any collateral given or held by it. As used herein, the term "actual knowledge" means the actual fact or statement of knowing, without any duty to make any investigation with regard thereto.

Section 10.04. Right of Trustee to Rely on Documents. The Trustee shall be protected in acting upon any notice, resolution, request, consent, requisition, order, certificate, report, opinion, note or other paper or document believed by it to be genuine and to have been signed or

presented by the proper party or parties. Before the Trustee acts or refrains from acting, the Trustee may consult with counsel, who may be counsel of or to the District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accord therewith.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate of the District, and such Certificate shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such Certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the 2023 Bonds.

Before taking any action under this Article X or Article IX hereof, the Trustee may require indemnity satisfactory to the Trustee be furnished from any expenses and to protect it against any liability it may incur hereunder.

The immunities extended to the Trustee also extend to its directors, officers, employees and agents.

The Trustee may execute any of the trusts or powers hereof and perform any of its duties through attorneys, agents and receivers and shall not be answerable for the conduct of the same if appointed by it with reasonable care.

The Trustee shall not be liable for any action taken or not taken by it in accordance with the direction of a majority (or other percentage provided for herein) in aggregate principal amount of Bonds outstanding relating to the exercise of any right, power or remedy available to the Trustee.

The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty.

No provision of this Indenture shall require the Trustee to risk or advance its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of its rights hereunder or in the exercise of any of its rights or powers.

Section 10.05. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the District and any Owner, and their agents and representatives duly authorize in writing, upon prior written notice and at reasonable hours and under reasonable conditions.

Section 10.06. Compensation of Trustee. Absent any agreement to the contrary, the District covenants to pay to the Trustee from time to time, but only out of Gross Revenues, and the Trustee shall be entitled to, reasonable compensation for all services rendered by it in the exercise and performance of any of the powers and duties hereunder of the Trustee, and the District will pay or reimburse the Trustee promptly upon its request, but only out of Gross Revenues, for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance

with any of the provisions of this Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and of all persons but regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence or willful misconduct.

Section 10.07. Indemnification. The District covenants, to the extent permitted by law, to indemnify the Trustee, its officers, directors, employees and agents and to hold it harmless against any loss, liability, expenses or advance, including fees and expenses of counsel and other experts, incurred or made without negligence or willful misconduct on the part of the Trustee, in the exercise and performance of any of the powers and duties hereunder by the Trustee, including the costs and expenses of defending itself against or investigating any claim of liability arising under this Indenture. The provisions of Section 10.06 and this Section 10.07 shall survive the removal or resignation of the Trustee or the termination of this Indenture.

ARTICLE XI

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 11.01. Amendments Permitted.

(a) This Indenture and the rights and obligations of the District, the Owner and the Trustee may be modified or amended from time to time and at any time by a Supplemental Indenture, which the District and the Trustee may enter into with the written consent of the Owner filed with the Trustee; provided that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any particular maturity remain Outstanding, the consent of the Owner shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Bonds Outstanding under this Section 11.01. No such modification or amendment shall (i) extend the fixed maturity of any Bond, or reduce the amount of principal thereof, or extend the time of payment or reduce the amount of any Mandatory Sinking Account Payment provided in this Indenture for the payment of any Bond, or reduce the rate of interest thereon, or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the consent of the Owner, or (ii) reduce the aforesaid percentage of Bonds the consent of the Owner of which is required to effect any such modification or amendment, or permit the creation of any lien on the Gross Revenues and other assets pledged under this Indenture prior to or on a parity with the lien created by this Indenture, or deprive the Owner of the lien created by this Indenture on such Gross Revenues and other assets (except as expressly provided in this Indenture), without the consent of the Owner. It shall not be necessary for the consent of the Owner to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof. Promptly after the adoption by the District of any Supplemental Indenture pursuant to this subsection (a), the Trustee shall mail a notice, setting forth in general terms the substance of such Supplemental Indenture to the Owner at the address shown on the registration books of the Trustee. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

(b) This Indenture and the rights and obligations of the District, of the Trustee and of the Owner may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the District and the Trustee may enter into without the consent of the Owner but only to the extent permitted by law and only for any one or more of the following purposes:

(i) to add to the covenants and agreements of the District in this Indenture contained other covenants and agreements thereafter to be observed, to pledge or assign additional security for the 2023 Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the District, provided, that no such covenant, agreement, pledge, assignment or surrender shall materially adversely affect the interests of the Owner;

(ii) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in this Indenture, or in regard to matters or questions arising under this Indenture, as the District may deem necessary or desirable and not inconsistent with this Indenture, and which shall not materially adversely affect the interests of the Owner;

(iii) to modify, amend or supplement this Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect and to add such other terms, conditions and provisions

as may be permitted by said act or similar federal statute, and which shall not materially adversely affect the interests of the Owner; and

(iv) to provide for the issuance of a Series of Bonds, and to provide the terms and conditions under which such bonds may be issued, subject to and in accordance with the provisions of Article III and Section 5.05 of this Indenture.

(c) The Trustee may in its discretion, but shall not be obligated to, enter into any such Supplemental Indenture which materially affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

(d) Prior to entering into any Supplemental Indenture, the Trustee may require the District to file with it an opinion of counsel of recognized standing in the field of law relating to municipal bonds, to the effect that the execution and delivery of such Supplemental Indenture by the Trustee and the District (i) is in compliance with the terms and conditions hereof and (ii) ~~will not cause interest on any Bonds Outstanding to become includable in gross income for federal income tax purposes.~~

Section 11.02. Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article XI, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the District, the Trustee and the Owner shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 11.03. Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after any Supplemental Indenture becomes effective pursuant to this Article XI may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the District and the Trustee as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand of the Owner of any Bond Outstanding at the time of such execution and presentation of his Bond for the purpose at the Principal Corporate Trust Office or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation shall be made on such Bond. If the Supplemental Indenture shall so provide, new Bonds so modified as to conform, in the opinion of the District and the Trustee, to any modification or amendment contain in such Supplemental Indenture, shall be prepared and executed by the District and authenticated by the Trustee, and upon demand of the Owner shall be exchanged at the Principal Corporate Trust Office, without cost to the Owner, upon surrender for cancellation of such Bonds, in equal aggregate principal amounts of the same Series and maturity.

Section 11.04. Amendment of Particular Bonds. The provisions of this Article XI shall not prevent any Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

ARTICLE XII

DEFEASANCE

Section 12.01. Discharge of Indenture. All or a portion of the 2023 Bonds of any Series may be paid by the District in any of the following ways; provided that the District also pays or causes to be paid any other sums payable hereunder by the District and related to the respective Series:

(a) by paying or causing to be paid the principal or Redemption Price of and interest on Bonds Outstanding of the Series, as and when the same become due and payable;

(b) by depositing with the Trustee, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 12.03 of this Indenture) to pay or redeem Bonds Outstanding of the Series; or

(c) by delivering to the Trustee, for cancellation by it, Bonds Outstanding of the Series.

If the District shall pay all Series for which any Bonds are Outstanding and shall also pay or cause to be paid all other sums payable hereunder by the District, then and in that case, at the election of the District (evidenced by a Certificate of the District, filed with the Trustee, signifying the intention of the District to discharge all such indebtedness and this Indenture), and notwithstanding that any Bonds shall not have been surrendered for payment, this Indenture and the pledge of Gross Revenues and other assets made under this Indenture and all covenants, agreements and other obligations of the District under this Indenture shall cease, terminate, become void and be completely discharged and satisfied. In such event, upon Request of the District, the Trustee shall cause an accounting for such period or periods as may be requested by the District to be prepared and filed with the District and shall execute and deliver to the District all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over, transfer, assign or deliver to the District all moneys or securities or other property held by it pursuant to this Indenture which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

Section 12.02. Discharge of Liability on Bonds. Upon the deposit with the Trustee, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 12.03 of this Indenture) to pay or redeem any Outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bonds), provided that, if such Bond is to be redeemed prior to maturity, notice of such redemption shall have been given as in Article IV of this Indenture provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, then all liability of the District in respect of such Bond shall cease, terminate and be completely discharged, and the Owner thereof shall thereafter be entitled only to payment out of such money or securities deposited with the Trustee as aforesaid for their payment, subject, however, to the provisions of Section 12.04 of this Indenture and the continuing duties of the Trustee hereunder including, without limitation, the provisions of Section 2.05 and Section 2.06 of this Indenture.

The District may at any time surrender to the Trustee for cancellation by it any Bonds previously issued and delivered, which the District may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

Section 12.03. Deposit of Money or Securities with Trustee. Whenever in this Indenture it is provided or permitted that there be deposited with or held in trust by the Trustee money or

securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may include money or securities held by the Trustee in the funds and accounts established pursuant to this Indenture and shall be:

(a) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as in Article IV of this Indenture provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount or Redemption Price of such Bonds and all unpaid interest thereon to the redemption date; or

(b) cash and/or Defeasance Obligations, the principal of and interest on which when due will provide money sufficient in the opinion of a certified public accountant to pay the principal or Redemption Price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the 2023-Bonds to be paid or redeemed, as such principal or Redemption Price and interest become due, provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article IV of this Indenture provided or provision satisfactory to the Trustee shall have been made for the giving of such notice;

provided, in each case, that the Trustee shall have been irrevocably instructed (by the terms of this Indenture or by Request of the District) to apply such money to the payment of such principal or Redemption Price and interest with respect to such Bonds.

Section 12.04. Payment of Bonds After Discharge of Indenture. Any moneys held by the Trustee in trust for the payment of the principal or Redemption Price of, or interest on, any Bonds and remaining unclaimed for the period which is one year less than the statutory escheat period after the principal of all of the 2023-Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in this Indenture), if such moneys were so held at such date, or the period which is one year less than the statutory escheat period after the date of deposit of such moneys if deposited after said date when all of the 2023-Bonds became due and payable, shall, be repaid to the District free from the trusts created by this Indenture, and all liability of the Trustee with respect to such moneys shall thereupon cease; *provided, however,* that before the repayment of such moneys to the District as aforesaid, the Trustee may (at the cost of the District) first mail to the Owner at the address shown on the registration books maintained by the Trustee a notice, in such form as may be deemed appropriate by the Trustee, with respect to the 2023-Bonds so payable and not presented and with respect to the provisions relating to the repayment to the District of the moneys held for the payment thereof.

ARTICLE XIII

MISCELLANEOUS

Section 13.01. Liability of District Limited to Gross Revenues. Notwithstanding anything in this Indenture or in the ~~2023~~ Bonds, the District shall not be required to advance any moneys derived from any source other than the Gross Revenues and other assets pledged under this Indenture for any of the purposes in this Indenture mentioned, whether for the payment of the principal or Redemption Price of or interest on the ~~2023~~ Bonds or for any other purpose of this Indenture.

Section 13.02. Successor Is Deemed Included in All References to Predecessor. Whenever in this Indenture either the District or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the District or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 13.03. Limitation of Rights to Parties and Owner. Nothing in this Indenture or in the ~~2023~~ Bonds expressed or implied is intended or shall be construed to give to any person other than the District, the Trustee and the Owner, any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the District, the Trustee and the Owner.

Section 13.04. Waiver of Notice. Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 13.05. Destruction of Bonds. Whenever in this Indenture provision is made for the cancellation by the Trustee and the delivery to the District of any Bonds, the Trustee may, in lieu of such cancellation and delivery, destroy such Bonds, and deliver a certificate of such destruction to the District.

Section 13.06. Severability of Invalid Provisions. If any one or more of the provisions contained in this Indenture or in the ~~2023~~ Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Indenture and such invalidity, illegality or unenforceability shall not affect any other provisions of this Indenture, and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The District hereby declares that it would have entered into this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the ~~2023~~ Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

Section 13.07. Notice. All written notices to be given under this Indenture shall be given by mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed to have been received upon actual receipt.

If to the District: Plumas Hospital District
1065 Bucks Lake Road
Quincy, California 95971
Attention: Chief Executive Officer
Phone: (530) 283-7127

If to the Trustee: Treasurer of the District
1065 Bucks Lake Road
Quincy, California 95971
Phone: (530) 283-7952

Original Purchaser: United States of America
Department of Agriculture
Rural Development
430 G Street, Agency 4169
Davis, CA 95616-4169
Attention: Michael Vukas
Community Programs Specialist
Phone: (530) 792-5824

Section 13.08. Evidence of Rights of Owner. Any request, consent or other instrument required or permitted by this Indenture to be signed and executed by the Owner shall be signed or executed by the Owner in person or by an agent duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or of the holding by any person of Bonds transferable by delivery, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and of the District if made in the manner provided in this Section 13.08.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The ownership of Bonds shall be proved by the 2023 Bond registration books held by the Trustee.

Any request, consent, or other instrument or writing of the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the District in accordance therewith or in reliance thereon.

Section 13.09. Disqualified Bonds. In determining whether the Owner of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the District, or by any other obligor on the 2023 Bonds, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with the District or any other obligor on the 2023 Bonds, shall be disregarded and deemed not to be Outstanding for the

purpose of any such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section 13.09 if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the District or any other obligor on the 2023 Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee. Upon request of the Trustee, the District shall specify to the Trustee those Bonds disqualified pursuant to this Section 13.09 and the Trustee may conclusively rely on such certificate.

Section 13.10. Money Held for Particular Bonds. The money held by the Trustee for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds (or portions of Bonds in the case of registered Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owner, subject, however, to the provisions of Section 12.04 of this Indenture but without any liability for the interest thereon.

Section 13.11. Funds and Accounts. Any fund required by this Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds shall at all times be maintained in accordance with customary standards of the corporate trust industry, to the extent practicable, and with due regard for the protection of the security of the 2023 Bonds and the rights of every Owner thereof.

Section 13.12. Article and Section Headings and References. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Indenture.

All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof; and words of the masculine gender shall mean and include words of the feminine and neuter genders.

Section 13.13. Waiver of Personal Liability. No Board member, officer, agent or employee of the District shall be individually or personally liable for the payment of principal or Redemption Price of or interest on the 2023 Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such Board member, officer, agent or employee from the performance of any official duty provided by law or by this Indenture.

Section 13.14. Execution in Several Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the District and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 13.15. Force Majeure. From the effective date of this Indenture, the Trustee, or any successor in interest, shall not be considered in breach of or in default in its obligations with respect to any obligations created hereunder or progress in respect thereto, in the event of delay in the performance of such obligations due to unforeseeable causes beyond its control and

without its fault or negligence, including, but not limited to, acts of God, or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the 2023 Project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

Section 13.16. Electronic Communications. The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to this Indenture and delivered using Electronic Means. “Electronic Means” shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder; provided, however, that the District shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions (“Authorized Officers”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the District whenever a person is to be added or deleted from the listing. If the District elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s reasonable understanding of such Instructions shall be deemed controlling. The District understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The District shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the District and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the District. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The District agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the District; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures

Section 13.17. Judicial Reference.

(a) The District hereby agrees as follows:

(i) each proceeding or hearing based upon or arising out of, directly or indirectly, this Indenture or any document related thereto, any dealings of the District related to the subject matter of this Indenture or any related transactions (hereinafter, a “Claim”) shall be determined by a consensual general judicial reference (the “Reference”) pursuant to

the provisions of section 638 *et seq.* of the California Code of Civil Procedure, as such statutes may be amended or modified from time to time;

(ii) upon a written request, or upon an appropriate motion by the District, any pending action relating to any Claim and every Claim shall be heard by a single Referee (as defined below) who shall then try all issues (including any and all questions of law and questions of fact relating thereto), and issue findings of fact and conclusions of law and report a statement of decision. The Referee's statement of decision will constitute the conclusive determination of the Claim. The District agrees that the Referee shall have the power to issue all legal and equitable relief appropriate under the circumstances before the Referee;

(iii) the District shall promptly and diligently cooperate with the Referee and shall perform such acts as may be necessary to obtain prompt and expeditious resolution of all Claims in accordance with the terms of this Section 13.17;

(iv) the District may file the Referee's findings, conclusions and statement with the clerk or judge of any appropriate court, file a motion to confirm the Referee's report and have judgment entered thereon. If the report is deemed incomplete by such court, the Referee may be required to complete the report and resubmit it; and

(v) the District will have such rights to assert such objections as are set forth in section 638 *et seq.* of the California Code of Civil Procedure.

(b) The parties to the Reference proceeding shall select a single neutral referee (the "Referee"), who shall be a retired judge or justice of the courts of the State, or a federal court judge, in each case, with at least 10 years of judicial experience in civil matters. The Referee shall be appointed in accordance with section 638 of the California Code of Civil Procedure (or pursuant to comparable provisions of federal law if the dispute falls within the exclusive jurisdiction of the federal courts). If within 10 days after the request or motion for the Reference, the parties to the Reference proceeding cannot agree upon a Referee, then any party to such proceeding may request or move that the Referee be appointed by the Presiding Judge of the Los Angeles County Superior Court, or of the U.S. District Court for the Central District of California. The Referee shall determine all issues relating to the applicability, interpretation, legality and enforceability of this Section 13.17.

(c) No provision of this Section 13.17 shall limit the right of the District to (i) exercise such self-help remedies as might otherwise be available under applicable law; or (ii) obtain or oppose provisional or ancillary remedies, including without limitation injunctive relief, writs of possession, the appointment of a receiver, and/or additional or supplementary remedies from a court of competent jurisdiction before, after, or during the pendency of any Reference. The exercise of, or opposition to, any such remedy does not waive the right of the District to the Reference pursuant to this Section 13.17.

(d) Promptly following the selection of the Referee, the parties to such Reference proceeding shall each advance equal portions of the estimated fees and costs of the Referee. In the statement of decision issued by the Referee, the Referee shall award costs, including reasonable attorneys' fees, to the prevailing party, if any, and may order the Referee's fees to be paid or shared by the parties to such Reference proceeding in such manner as the Referee deems just.

Section 13.18. Sovereign Immunity. The District is subject to claims and to suit for damages in connection with its obligations under this Indenture pursuant to and in accordance

with the laws of the State applicable to public entities such as the District; *provided, however*, that a claimant shall be required to comply with the provisions of the Government Claims Act set forth in section 810 *et seq.* of the California Government Code in tort or contract suits, actions or proceedings brought against the District. Except for applicable requirements of the District pursuant to the laws of the State, the District hereby agrees not to assert the defense of any future right of sovereign immunity in any legal proceeding to enforce or collect upon the obligations of the District under this Indenture or the transactions contemplated hereby or thereby.

Section 13.19. Governing Law. This Indenture shall be governed by the laws of the State of California.

[Remainder of this page is intentionally left blank]

IN WITNESS WHEREOF, PLUMAS HOSPITAL DISTRICT has caused this Indenture to be signed in its name by its Chief Executive Officer and Treasurer of the Plumas Hospital District, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its name by one of its authorized officers, all as of the day and year first above written.

PLUMAS HOSPITAL DISTRICT

By _____
Chief Executive Officer

TREASURER OF THE PLUMAS
HOSPITAL DISTRICT, as Trustee

By _____
Treasurer

EXHIBIT A
FORM OF 2023 BOND

STATE OF CALIFORNIA
PLUMAS COUNTY

PLUMAS HOSPITAL DISTRICT
Revenue Bond, Series 2023

THE HOLDER OF THIS BOND BY ITS ACCEPTANCE HEREOF AGREES THAT NO TRANSFER OF A BOND (OR ANY INTEREST THEREIN) SHALL BE MADE EXCEPT TO (A) AN AFFILIATE OF THE ORIGINAL BOND OWNER, OR (B) ONE OR MORE BANKS, INSURANCE COMPANIES OR SIMILAR FINANCIAL INSTITUTIONS OR THEIR AFFILIATES; IN EACH CASE THAT EXECUTES AND DELIVERS A LETTER IN SUBSTANTIALLY THE FORM ATTACHED AS EXHIBIT B TO THE INDENTURE (AS HEREINAFTER DEFINED)

INTEREST RATE	MATURITY DATE	DATED DATE
____%	March 1, <u>2061</u>	<u>March 10, 2023</u>

REGISTERED OWNER: UNITED STATES OF AMERICA—Rural Development

PRINCIPAL AMOUNT: _____ DOLLARS

The PLUMAS HOSPITAL DISTRICT, a local health care district, duly organized and existing under the laws of the State of California (herein called the “District”), for value received, hereby promises to pay (but only out of the Revenues and other moneys and securities hereinafter referred to) to the Registered Owner identified above or registered assigns (the “Registered Owner”), on the Maturity Date stated above (subject to any right of prior redemption hereinafter mentioned), the Principal Amount stated above, in lawful money of the United States of America; and to pay interest thereon in like lawful money from the Interest Payment Date (as herein defined) next preceding the date of authentication of this Bond (unless this Bond is authenticated on or before August 15, 2023, in which event it shall bear interest from the Dated Date stated above) until payment of such principal sum shall be discharged as provided in the Indenture hereinafter mentioned, at the Interest Rate per annum stated above, payable semiannually on each March 1 and September 1, commencing September 1, 2023 (each, an “Interest Payment Date”). The principal (or redemption price) hereof is payable at the office of the Treasurer of the Plumas Hospital District (together with any successor trustee under the indenture, the “Trustee”). Interest hereon is payable by the Trustee on each Interest Payment Date to the Registered Owner as of the fifteenth (15th) day of the month preceding each Interest Payment Date (except as otherwise provided in the Indenture with respect to defaulted interest) by wire transfer in immediately available funds to an account in the United States of America to designated by the Registered Owner. Interest on the Bonds (hereinafter defined) shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

This Bond is one of a duly authorized issue of bonds of the District designated as “Plumas Hospital District (Plumas County, California) Revenue Bonds” (herein called the “Bonds”), unlimited in aggregate principal amount, except as otherwise provided in the Indenture hereinafter mentioned, which issue consists or may consist of one or more series of varying dates,

maturities, interest rates, redemption and other provisions, all issued pursuant to the provisions of The Local Health Care District Law, constituting Division 23 of the California Health and Safety Code (herein called the "Law"), and pursuant to an indenture, dated as of March 1, 2023, by and between the District and the Trustee (the "Indenture")

This Bond is also one of a duly authorized series of Bonds designated "Plumas Hospital District (Plumas County, California) Revenue Bonds, Series 2023" (herein called the "Bonds"), in the aggregate principal amount of not to exceed thirty-two million nine hundred fifty thousand dollars (\$32,950,000) issued to (a) finance a portion of the costs of a new 36-bed skilled nursing facility to be located on property owned by the District adjacent to its acute care hospital in Quincy, California, and (d) to pay a portion of the costs of issuance of the Bonds.

Reference is hereby made to the Indenture (a copy of which is on file at the Principal Corporate Trust Office of the Trustee) and all indentures supplemental thereto and to the Law for a description of the rights thereunder of the registered owners of the Bonds, of the nature and extent of the security, of the rights, duties and immunities of the Trustee and of the rights and obligations of the District thereunder, to all the provisions of which Indenture the registered owner of this Bond, by acceptance hereof, assents and agrees.

Optional Redemption. The Bonds are subject to optional redemption prior to maturity, in whole or in part on any date, from any source of funds, by paying a redemption price equal to the aggregate principal amount of Bonds to be redeemed, together with accrued interest to such date without premium.

Mandatory Redemption. The 2023 Bonds are subject to mandatory redemption in whole or in part, if at any time the Original Purchaser determines that the District is able to obtain financing for such purpose from responsible cooperative or private sources at reasonable rates and terms and for similar purposes and periods of time. The ability to refinance will be assessed by the Original Purchaser every other year so long as it is the Owner.

Sinking Fund Redemption. The 2023 Bonds are subject to mandatory redemption, in part by lot, from Sinking Account payments set forth in the following schedules, each at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; *provided, however,* that if some but not all of such 2023 Bonds have been optionally redeemed, the total amount of Sinking Account payments to be made subsequent to such redemption shall be reduced in inverse order in Sinking Account payments.

Term Bond 1

<u>Sinking Account Redemption Date</u>	<u>Principal Amount to be Redeemed</u>	<u>Sinking Account Redemption Date</u>	<u>Principal Amount to be Redeemed</u>
<u>3/1/2027</u>		<u>3/1/2045</u>	
<u>3/1/2028</u>		<u>3/1/2046</u>	
<u>3/1/2029</u>		<u>3/1/2047</u>	
<u>3/1/2030</u>		<u>3/1/2048</u>	
<u>3/1/2031</u>		<u>3/1/2049</u>	
<u>3/1/2032</u>		<u>3/1/2050</u>	
<u>3/1/2033</u>		<u>3/1/2051</u>	
<u>3/1/2034</u>		<u>3/1/2052</u>	
<u>3/1/2035</u>		<u>3/1/2053</u>	
<u>3/1/2036</u>		<u>3/1/2054</u>	
<u>3/1/2037</u>		<u>3/1/2055</u>	
<u>3/1/2038</u>		<u>3/1/2056</u>	
<u>3/1/2039</u>		<u>3/1/2057</u>	
<u>3/1/2040</u>		<u>3/1/2058</u>	
<u>3/1/2041</u>		<u>3/1/2059</u>	
<u>3/1/2042</u>		<u>3/1/2060</u>	
<u>3/1/2043</u>		<u>3/2/2061</u>	
<u>3/1/2044</u>			

†Maturity

Term Bond 2

<u>Sinking Account Redemption Date</u>	<u>Principal Amount to be Redeemed</u>	<u>Sinking Account Redemption Date</u>	<u>Principal Amount to be Redeemed</u>
<u>3/1/2027</u>		<u>3/1/2045</u>	
<u>3/1/2028</u>		<u>3/1/2046</u>	
<u>3/1/2029</u>		<u>3/1/2047</u>	
<u>3/1/2030</u>		<u>3/1/2048</u>	
<u>3/1/2031</u>		<u>3/1/2049</u>	
<u>3/1/2032</u>		<u>3/1/2050</u>	
<u>3/1/2033</u>		<u>3/1/2051</u>	
<u>3/1/2034</u>		<u>3/1/2052</u>	
<u>3/1/2035</u>		<u>3/1/2053</u>	
<u>3/1/2036</u>		<u>3/1/2054</u>	
<u>3/1/2037</u>		<u>3/1/2055</u>	
<u>3/1/2038</u>		<u>3/1/2056</u>	
<u>3/1/2039</u>		<u>3/1/2057</u>	
<u>3/1/2040</u>		<u>3/1/2058</u>	
<u>3/1/2041</u>		<u>3/1/2059</u>	
<u>3/1/2042</u>		<u>3/1/2060</u>	
<u>3/1/2043</u>		<u>3/2/2061</u>	
<u>3/1/2044</u>			

†Maturity

Term Bond 3

<u>Sinking Account Redemption Date</u>	<u>Principal Amount to be Redeemed</u>	<u>Sinking Account Redemption Date</u>	<u>Principal Amount to be Redeemed</u>
<u>3/1/2027</u>		<u>3/1/2045</u>	
<u>3/1/2028</u>		<u>3/1/2046</u>	
<u>3/1/2029</u>		<u>3/1/2047</u>	
<u>3/1/2030</u>		<u>3/1/2048</u>	
<u>3/1/2031</u>		<u>3/1/2049</u>	
<u>3/1/2032</u>		<u>3/1/2050</u>	
<u>3/1/2033</u>		<u>3/1/2051</u>	
<u>3/1/2034</u>		<u>3/1/2052</u>	
<u>3/1/2035</u>		<u>3/1/2053</u>	
<u>3/1/2036</u>		<u>3/1/2054</u>	
<u>3/1/2037</u>		<u>3/1/2055</u>	
<u>3/1/2038</u>		<u>3/1/2056</u>	
<u>3/1/2039</u>		<u>3/1/2057</u>	
<u>3/1/2040</u>		<u>3/1/2058</u>	
<u>3/1/2041</u>		<u>3/1/2059</u>	
<u>3/1/2042</u>		<u>3/1/2060</u>	
<u>3/1/2043</u>		<u>3/2/2061</u>	
<u>3/1/2044</u>			

†Maturity

Term Bond 4

<u>Sinking Account Redemption Date</u>	<u>Principal Amount to be Redeemed</u>	<u>Sinking Account Redemption Date</u>	<u>Principal Amount to be Redeemed</u>
<u>3/1/2027</u>		<u>3/1/2045</u>	
<u>3/1/2028</u>		<u>3/1/2046</u>	
<u>3/1/2029</u>		<u>3/1/2047</u>	
<u>3/1/2030</u>		<u>3/1/2048</u>	
<u>3/1/2031</u>		<u>3/1/2049</u>	
<u>3/1/2032</u>		<u>3/1/2050</u>	
<u>3/1/2033</u>		<u>3/1/2051</u>	
<u>3/1/2034</u>		<u>3/1/2052</u>	
<u>3/1/2035</u>		<u>3/1/2053</u>	
<u>3/1/2036</u>		<u>3/1/2054</u>	
<u>3/1/2037</u>		<u>3/1/2055</u>	
<u>3/1/2038</u>		<u>3/1/2056</u>	
<u>3/1/2039</u>		<u>3/1/2057</u>	
<u>3/1/2040</u>		<u>3/1/2058</u>	
<u>3/1/2041</u>		<u>3/1/2059</u>	
<u>3/1/2042</u>		<u>3/1/2060</u>	
<u>3/1/2043</u>		<u>3/2/2061</u>	
<u>3/1/2044</u>			

†Maturity

Term Bond 5

<u>Sinking Account Redemption Date</u>	<u>Principal Amount to be Redeemed</u>	<u>Sinking Account Redemption Date</u>	<u>Principal Amount to be Redeemed</u>
<u>3/1/2027</u>		<u>3/1/2045</u>	
<u>3/1/2028</u>		<u>3/1/2046</u>	
<u>3/1/2029</u>		<u>3/1/2047</u>	
<u>3/1/2030</u>		<u>3/1/2048</u>	
<u>3/1/2031</u>		<u>3/1/2049</u>	
<u>3/1/2032</u>		<u>3/1/2050</u>	
<u>3/1/2033</u>		<u>3/1/2051</u>	
<u>3/1/2034</u>		<u>3/1/2052</u>	
<u>3/1/2035</u>		<u>3/1/2053</u>	
<u>3/1/2036</u>		<u>3/1/2054</u>	
<u>3/1/2037</u>		<u>3/1/2055</u>	
<u>3/1/2038</u>		<u>3/1/2056</u>	
<u>3/1/2039</u>		<u>3/1/2057</u>	
<u>3/1/2040</u>		<u>3/1/2058</u>	
<u>3/1/2041</u>		<u>3/1/2059</u>	
<u>3/1/2042</u>		<u>3/1/2060</u>	
<u>3/1/2043</u>		<u>3/2/2061</u>	
<u>3/1/2044</u>			

†Maturity

The Bonds are transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the office of the Trustee but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer new Bonds, of the same series and maturity for the same aggregate principal amount, will be issued to the transferee in exchange herefor.

The District and the Trustee may treat the registered owner hereof as the absolute owner hereof for all purposes, and the District and the Trustee shall not be affected by any notice to the contrary.

The Bonds are issuable as one fully registered bond in the total principal amount thereof. Subject to the limitations provided in the Indenture, Bonds may be exchanged, at said corporate trust office of the Trustee, for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity.

The Indenture and the rights and obligations of the District and of the registered owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time in the manner, to the extent, and upon the terms provided in the Indenture; provided that no such modification or amendment shall (i) extend the fixed maturity of this Bond, or reduce the amount of principal hereof, or extend the time of payment or reduce the amount of any Mandatory Sinking Account Payment provided for in the Indenture for the payment of this maturity of Bonds, or reduce the rate of interest thereon, or extend the time of payment of interest hereon, or reduce any premium payable upon the redemption hereof, without the consent of the registered owner hereof, or (ii) reduce the percentage of Bonds the consent of the registered owners of which is required to effect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged as security for the Bonds prior to or on a parity with the lien created by the Indenture, or deprive the registered owners of the Bonds of the lien created by the Indenture on such Revenues and other assets (except as expressly provided in the Indenture), without the consent of the registered owners of all Bonds then outstanding, all as more fully set forth in the Indenture.

The Bonds and the interest thereon are payable from Revenues (as that term is defined in the Indenture) and are secured by a pledge and assignment of said Revenues and of amounts held in the funds and accounts established pursuant to the Indenture (except any amounts held in the Rebate Fund, as such term is defined in the Indenture), subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture.

The Bonds are limited obligations of the District and are not a lien or charge upon the funds or property of the District, except to the extent of the aforementioned pledge and assignment. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS.

It is hereby certified and recited that any and all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Law and by the Constitution and laws of the State of California, and that the amount of this Bond, together with all other indebtedness of the District, does not exceed any limit prescribed by the Law, or by the Constitution and laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Trustee.

IN WITNESS HEREOF, the Plumas Hospital District has caused this Bond to be executed in its name and on its behalf by the facsimile signature of the President of its Board of Directors and attested by the facsimile signature of the Secretary of its Board of Directors, all as of the dated date identified above.

PLUMAS HOSPITAL DISTRICT

By _____
President, Board of Directors

Attest:

Secretary, Board of Directors

FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Indenture and registered on the registration books of the Trustee.

Dated:

TREASURER OF THE PLUMAS
HOSPITAL DISTRICT, as Trustee

By _____
Authorized Signatory

FORM OF ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within-registered Bond and hereby irrevocably constitute(s) and appoints(s)

attorney, to transfer the same on the Bond register of the Trustee with full power of substitution in the premises.

Dated: _____

Signature:

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

Note: Signature(s) must be guaranteed by a financial institution that is a member of the Securities Transfer Agents Medallion Program ("STAMP"), the Stock Exchanges Medallion Program ("SEMP") or the New York Stock Exchange, Inc. Medallions Securities Program ("MSP") or an "eligible guarantor."

EXHIBIT B
FORM OF PURCHASER LETTER

Plumas Hospital District
Quincy, California

Treasurer of the Plumas Hospital District
Quincy, California

Re: Plumas Hospital District (Plumas County, California) Revenue Bonds, Series 2023

Ladies and Gentlemen:

The undersigned authorized representative of _____ (the "Purchaser"), being the purchaser of the above-referenced bonds (the "Bonds") does hereby certify, represent and warrant for the benefit of the Plumas Hospital District (the "District") and the Treasurer of the District (the "Trustee") that:

(a) The Purchaser has full power and authority to carry on its business as now conducted, deliver this certificate and make the representations and certifications contained herein.

(b) The Purchaser is

(i) a qualified institutional buyer within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended,

(ii) an accredited investor as defined in Section 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act of 1933, as amended, or

(iii) a trust, partnership, custodial arrangement or similar entity, interests in which are offered and sold in a private placement or limited offering only to qualified institutional buyers or accredited investors.

(c) The Purchaser has conducted its own investigation of the financial condition of the District, the purpose for which the Bonds are being issued and delivered and of the security for the payment of the principal of and interest on the Bonds, and has obtained such information regarding the Bonds and the District and its operations, financial condition and financial prospects as the Purchaser deems necessary to make an informed decision with respect to the purchase of the Bonds.

(d) The Purchaser is purchasing the Bonds as a vehicle for making a ~~commercial~~ loan for its own loan account and without any present intention of distributing or selling any interest therein or portion thereof, provided that the Purchaser shall have the right at any time to assign, transfer or convey the Bonds or any interest therein or portion thereof, but no such assignment, transfer or conveyance shall be effective as against the District unless and until the Purchaser has delivered to the District written notice thereof that discloses the name and address of the assignee or the Loan Servicer (as hereafter provided) and such assignment, transfer or conveyance shall be made only to (i) an affiliate of the Purchaser; or (ii) one or more banks, insurance companies or similar financial institutions or their affiliates. Nothing herein or in any other document relating to the Bonds shall limit the right of the Purchaser or its assignees to sell or assign participation interests in the Bonds to one or more entities listed in (i) or (ii), provided that any participation, custodial or similar agreement under which multiple ownership interests in the Bonds are created shall provide the method by which the owners of such interests shall establish the rights and duties of a single entity, owner, servicer or other fiduciary or agent acting on behalf of all of the assignees (herein referred to as the "Loan Servicer") to act on their behalf with respect to the rights and interests of the Purchaser under the Bonds, including with respect to the exercise of rights and remedies of the Purchaser on behalf of such owners upon the occurrence of an event of default hereunder.

(e) The Purchaser acknowledges that the Bonds (a) have not been registered under the Securities Act of 1933, as amended, and have not been registered or otherwise qualified for sale under the securities laws of any state, (b) will not be listed on any securities exchange and (c) there is no established market for the Bonds and that none is likely to develop. The Purchaser understands and acknowledges that (i) its purchase of the Bonds is not intended to be subject to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended; and (ii) in connection with its purchase of the Bonds, the District has not prepared or caused to be prepared, any official statement, private placement memorandum or other offering document.

The Purchaser acknowledges that the sale of the Bonds to the Purchaser is made in reliance upon the certifications, representations and warranties herein by the addressees hereto. Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Indenture, dated as of March 1, 2023, by and between the District and the Trustee.

[PURCHASER]

By _____
Name _____
Title _____

EXHIBIT C

FORM OF ADVANCE REQUEST

Up to \$32,950,000
Plumas Hospital District
(Plumas County, California)
Revenue Bonds, Series 2023

ADVANCE REQUEST

The undersigned hereby states and certifies:

(i) that the undersigned is the duly appointed, qualified and acting Chief Financial Officer of the Plumas Hospital District, a local health care district duly organized and existing under the laws of the State of California (the "District"), and as such, is familiar with the facts herein certified and is authorized to certify the same on behalf of the District;

(ii) that the undersigned is an Authorized Representative, as such term is defined in that certain Indenture, dated as of March 1, 2023, by and between the District and the Treasurer of the Plumas Hospital District, as trustee (the "Trustee");

(iii) that the District hereby requests that the United States of America, Department of Agriculture—Rural Development, as Original Purchaser (as defined in the Indenture), advance the sum of \$_____ to the Trustee and the total of all advances cannot exceed the Authorized Amount (as defined in the Indenture), being a draw-down and additional purchase price of the principal amount of the Bonds (as defined in the Indenture), as contemplated by the Indenture, with interest to accrue on such amount when advanced;

- (iv) that such advance will be deposited in the:
1. Costs of Issuance Fund (as defined in the Indenture) in the amount of \$_____;
 2. Project Fund (as defined in the Indenture) in the amount of \$_____;

(v) advances shall be transferred to the Trustee as follows:

(vi) that no Event of Default has occurred or is continuing under the Indenture and each representation and warranty set forth in the Indenture remains true and correct except for such representations and warranties that are no longer true due to the passage of time;

(vii) that the total amount drawn down to date is \$_____, as shown on Exhibit A attached to this advance request; and

(viii) that this advance request [IS] [IS NOT] the final advance request.

Dated: _____, 20__

PLUMAS HOSPITAL DISTRICT

By _____
Name _____
Title _____

ACKNOWLEDGED:

UNITED STATES OF AMERICA,
DEPARTMENT OF AGRICULTURE—RURAL
DEVELOPMENT

By _____
Name _____

EXHIBIT A
SCHEDULE OF ADVANCES

Date of Advance	Amount of Advance	Total of All Advances	District Signature
__/__/23	\$_____	\$_____	