
ESCROW AGREEMENT

by and between the

COALINGA REGIONAL MEDICAL CENTER

and

U.S. BANK NATIONAL ASSOCIATION, as Escrow Bank

Dated July __, 2019

Relating to the current refunding of the
Coalinga Regional Medical Center
Series A Certificates of Participation,
2008 Refunding and Capital Improvement Project
(Acquisition of Medical Building) (Tax-Exempt)
and the
Coalinga Regional Medical Center
Series B Certificates of Participation,
2008 Capital Improvement Project
(Acquisition of Medical Building) (Federally Taxable)

ESCROW AGREEMENT

This ESCROW AGREEMENT is dated July __, 2019, by and between the COALINGA REGIONAL MEDICAL CENTER, a local healthcare district organized and existing under the constitution and laws of the State of California (the "District"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as escrow agent (the "Escrow Bank");

WITNESSETH:

WHEREAS, the District has heretofore caused the execution and delivery of its Coalinga Regional Medical Center Series A Certificates of Participation, 2008 Refunding and Capital Improvement Project (Acquisition of Medical Building) (Tax-Exempt) (the "2008A Certificates"), of which \$9,320,000 is currently outstanding;

WHEREAS, the District has also heretofore caused the execution and delivery of its Coalinga Regional Medical Center Series B Certificates of Participation, 2008 Capital Improvement Project (Acquisition of Medical Building) (Federally Taxable) (the "2008B Certificates" and, with the 2008A Certificates, the "2008 Certificates"), of which \$2,130,000 is currently outstanding;

WHEREAS, the 2008 Certificates were executed and delivered pursuant to the terms of a trust agreement, dated as of February 29, 2008 (the "2008 Trust Agreement"), by and among the District, the Coalinga Regional Medical Center (the "Auxiliary") and U.S. Bank National Association, as trustee (the "2008 Trustee");

WHEREAS, in order to provide for the repayment of the 2008 Certificates, the District and the Auxiliary entered into an installment sale agreement, dated as of February 29, 2008 (the "2008 Installment Sale Agreement"), under which the District agreed to make installment payments to the Auxiliary (the "2008 Payments") in sufficient amounts each year to pay the full amount of principal and interest with respect to the 2008 Certificates;

WHEREAS, the District has determined that, as a result of favorable financial market conditions and for other reasons, it is in the best interests of the District at this time to refinance the District's obligation to make the 2008 Payments and, as a result thereof, to provide for the redemption of all outstanding 2008 Certificates on July 24, 2019, at a redemption price equal to 100% of the principal amount thereof, and to that end, the District proposes to issue its \$_____ Coalinga Regional Medical Center Taxable Refunding Revenue Bonds, Series 2019 (the "2019 Bonds"), pursuant to an indenture of trust, dated as of July 1, 2019 (the "Indenture"), by and between the District and U.S. Bank National Association, as trustee (the "Trustee");

WHEREAS, Article 10 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with section 53570) of the California Government Code (the "Refunding Bond Law") authorizes the District to issue refunding bonds for the purpose of refunding obligations of the District;

WHEREAS, the District proposes to appoint the Escrow Bank as its agent for the purpose of providing for the prepayment of the 2008 Payments in accordance with the instructions provided by this Escrow Agreement and of applying said 2008 Payments to the redemption of the 2008 Certificates and the Escrow Bank desires to accept said appointment; and

WHEREAS, the Escrow Bank has full powers to perform the duties and obligations to be undertaken pursuant to this Escrow Agreement.

NOW, THEREFORE, in consideration of the above premises and of the mutual promises and covenants herein contained and for other valuable consideration, the parties hereto do hereby agree as follows:

Section 1. Definitions. Capitalized terms used, but not otherwise defined, herein, shall have the meanings ascribed thereto in the 2008 Trust Agreement.

Section 2. Appointment of Escrow Bank. The District hereby appoints the Escrow Bank as escrow agent for all purposes of this Escrow Agreement and in accordance with the terms and provisions of this Escrow Agreement, and the Escrow Bank hereby accepts such appointment.

Section 3. Establishment of Escrow Fund. There is hereby created by the District with, and to be held by, the Escrow Bank, as security for the redemption price of the 2008 Certificates as hereinafter set forth, an irrevocable escrow to be maintained by the Escrow Bank on behalf of the District and for the benefit of the owners of the 2008 Certificates, said escrow to be designated the "Escrow Fund." All moneys deposited in the Escrow Fund shall be held as a special fund to provide for the redemption of all outstanding 2008 Certificates on July 24, 2019 (the "Redemption Date"), at a redemption price equal to 100% of the principal amount thereof (the "Redemption Price") in accordance with the provisions of this Escrow Agreement.

Section 4. Deposit into Escrow Fund; Investment of Amounts.

(a) Concurrently with delivery of the 2019 Bonds, the District shall cause to be transferred to the Escrow Bank for deposit into the Escrow Fund the amount of \$11,687,710.00 in immediately available funds, derived as follows:

(i) \$ _____ from the proceeds of sale of the 2019 Bonds,

(ii) \$ _____ from amounts on deposit in the reserve fund created for the 2008 Certificates (the "2008 Reserve Fund"), and

(iii) \$ _____ from amounts on deposit in the installment payment fund created for the 2008 Certificates (the "2008 Installment Payment Fund").

(b) The Escrow Bank shall hold all amounts deposited in the Escrow Fund in cash, uninvested solely for the uses and purposes set forth herein.

(c) The Escrow Bank shall not be liable or responsible for any loss resulting from its full compliance with the provisions of this Escrow Agreement.

(d) Any money left on deposit in the Escrow Fund after payment in full of the 2008 Certificates, and the payment of all amounts due to the Escrow Bank hereunder, shall be applied to the payment of debt service on the Bonds.

(e) If at any time the Escrow Bank shall receive actual knowledge that the moneys in the Escrow Fund will not be sufficient to make any payment required hereunder, the Escrow Bank shall notify the District of such fact and the District shall immediately cure such deficiency. The Escrow Bank shall have no liability or responsibility for such insufficiency.

Section 5. Instructions as to Application of Deposit.

(a) The moneys deposited in the Escrow Fund pursuant to Section 4 shall be applied by the Escrow Bank for the sole purpose of redeeming the outstanding 2008 Certificates in full on the Redemption Date at the Redemption Price, as set forth in Exhibit B attached hereto and by this reference incorporated herein.

(d) The Escrow Bank, in its capacity as 2008 Trustee, has been previously requested to give notice of the redemption of the 2008 Certificates in accordance with the applicable provisions of the 2008 Trust Agreement and the Escrow Bank, in its capacity as 2008 Trustee, has provided such notice.

Section 6. Application of 2008 Funds. On the date of deposit of amounts in the Escrow Fund pursuant to Section 4, the Escrow Bank, as 2008 Trustee, is hereby directed to (a) transfer all amounts on deposit in the 2008 Reserve Fund (\$_____) to the Escrow Fund, (a) transfer all amounts on deposit in the 2008 Installment Payment Fund (\$_____) to the Escrow Fund.

Any amounts remaining in any fund or account created with respect to the 2008 Certificates, including interest earnings received by the 2008 Trustee, shall, after payment of all fees and expenses of the 2008 Trustee, be paid to the Trustee and shall be applied to the payment of debt service on the 2019 Bonds.

Section 7. Application of Certain Terms of 2008 Trust Agreement. All of the terms of the 2008 Trust Agreement relating to the making of payments of principal and interest with respect to the 2008 Certificates are incorporated in this Escrow Agreement as if set forth in full herein. The provisions of the 2008 Trust Agreement relating to the limitations from liability and protections afforded the 2008 Trustee and the resignation and removal of the 2008 Trustee are also incorporated in this Escrow Agreement as if set forth in full herein and shall be the procedure to be followed with respect to any resignation or removal of the Escrow Bank hereunder.

Section 8. Compensation to Escrow Bank. The District shall pay the Escrow Bank full compensation for its duties under this Escrow Agreement, including out-of-pocket costs such as publication costs, prepayment or redemption expenses, legal fees and other costs and expenses relating hereto. Under no circumstances shall amounts deposited in the Escrow Fund be deemed to be available for said purposes.

Section 9. Liabilities and Obligations of Escrow Bank. The Escrow Bank shall have no obligation to make any payment or disbursement of any type or incur any financial liability in the performance of its duties under this Escrow Agreement unless the District shall have deposited sufficient funds with the Escrow Bank. The Escrow Bank may rely and shall be protected in acting upon the written instructions of the District or its agents relating to any matter or action as Escrow Bank under this Escrow Agreement.

The Escrow Bank and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the acceptance of the moneys deposited therein, the sufficiency of the uninvested moneys held hereunder to accomplish the purposes set forth in Section 4 hereof, or any payment, transfer or other application of moneys by the Escrow Bank in accordance with the provisions of this Escrow Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Bank made in good faith in the conduct of its duties. The recitals of fact contained in the "whereas" clauses herein shall be taken as the statement of the District,

and the Escrow Bank assumes no responsibility for the correctness thereof. The Escrow Bank makes no representations as to the sufficiency of the uninvested moneys to accomplish the purposes set forth in Section 4 hereof or to the validity of this Escrow Agreement as to the District and, except as otherwise provided herein, the Escrow Bank shall incur no liability in respect thereof. The Escrow Bank shall not be liable in connection with the performance of its duties under this Escrow Agreement except for its own negligence, willful misconduct or default, and the duties and obligations of the Escrow Bank shall be determined by the express provisions of this Escrow Agreement. The Escrow Bank may consult with counsel, who may or may not be counsel to the District, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Bank shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Escrow Agreement, such matter (except the matters set forth herein as specifically requiring a certificate of a nationally recognized firm of independent certified public accountants or an opinion of counsel) may be deemed to be conclusively established by a written certification of the District.

Anything in this Escrow Agreement to the contrary notwithstanding, in no event shall the Escrow Bank be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Bank has been advised of the likelihood of such loss or damage and regardless of the form of action.

The District hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated), to the extent permitted by law, to indemnify, protect, save and hold harmless the Escrow Bank and its respective successors, assigns, agents and servants from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Bank (whether or not also indemnified against by any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the retention of the moneys therein and any payment, transfer or other application of moneys by the Escrow Bank in accordance with the provisions of this Escrow Agreement, or as may arise by reason of any act, omission or error of the Escrow Bank made in good faith in the conduct of its duties; provided, however, that the District shall not be required to indemnify the Escrow Bank against its own negligence or misconduct. The indemnities contained in this Section 9 shall survive the termination of this Escrow Agreement or the resignation or removal of the Escrow Bank.

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 Escrow Bank will furnish the District periodic cash transaction statements which include detail for all investment transactions made by the Escrow Bank hereunder.

No provision of this Escrow Agreement shall require the Escrow Bank to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

The Escrow Bank may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed

with due care and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

Section 10. Amendment. This Escrow Agreement may be modified or amended at any time by a supplemental agreement which shall become effective when the written consents of the owners of one hundred percent (100%) in aggregate principal amount of the 2008 Certificates shall have been filed with the Escrow Bank. This Escrow Agreement may be modified or amended at any time by a supplemental agreement, without the consent of any such owners, but only (1) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein or therein reserved to the District, (2) to cure, correct or supplement any ambiguous or defective provision contained herein, (3) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which, in the opinion of counsel, shall not materially adversely affect the interests of the owners of the 2008 Certificates or the 2019 Bonds, and that such amendment will not cause interest on the 2008 Certificates or the 2019 Bonds to become subject to federal income taxation. In connection with any contemplated amendment or revocation of this Escrow Agreement, written notice thereof and draft copies of the applicable legal documents shall be provided by the District to each rating agency then rating the 2008 Certificates.

Section 11. Severability. If any section, paragraph, sentence, clause or provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, sentence clause or provision shall not affect any of the remaining provisions of this Escrow Agreement. Notice of any such invalidity or unenforceability shall be provided to each rating agency then rating the 2008 Certificates.

Section 12. Notice of Escrow Bank and District. Any notice to or demand upon the Escrow Bank may be served and presented, and such demand may be made, at the Principal Corporate Trust Office of the Escrow Bank as specified by the Escrow Bank as 2008 Trustee in accordance with the provisions of the 2008 Trust Agreement. Any notice to or demand upon the District shall be deemed to have been sufficiently given or served for all purposes by being mailed by first class mail, and deposited, postage prepaid, in a post office letter box, addressed to such party as provided in the 2008 Trust Agreement (or such other address as may have been filed in writing by the District with the Escrow Bank).

Section 13. Merger or Consolidation of Escrow Bank. Any company into which the Escrow Bank 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 Escrow Bank may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible to act as trustee under the 2008 Trust Agreement, shall be the Successor hereunder to the Escrow Bank without the execution or filing of any paper or any further act.

Section 14. Execution in Several Counterparts. This Escrow Agreement 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 shall together constitute but one and the same instrument.

Section 15. Business Days. Whenever any act is required by this Escrow Agreement to be done on a specified day or date, and such day or date shall be a day other than a business day for the Escrow Bank, then such act may be done on the next succeeding business day.

Section 16. Governing Law. This Escrow Agreement shall be construed and governed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the COALINGA REGIONAL MEDICAL CENTER has caused this Escrow Agreement to be signed in its name by its CEO/Administrator and U.S. BANK NATIONAL ASSOCIATION, in token of its acceptance of its obligations created under this Escrow Agreement, has caused this Escrow Agreement to be signed in its name by one of its authorized officers, all as of the day and year first above written.

COALINGA REGIONAL MEDICAL
CENTER

By _____
Wayne C. Allen
CEO/Administrator

U.S. BANK NATIONAL ASSOCIATION, as
Escrow Bank

By _____
Authorized Signatory

EXHIBIT A

REDEMPTION SCHEDULE

2008A Certificates

<u>Date</u>	<u>Maturing Principal</u>	<u>Called Principal</u>	<u>Interest</u>	<u>Redemption Premium</u>	<u>Total Payment</u>
07/01/19	—	\$9,320,000	\$180,330.83	—	\$9,500,330.83

2008B Certificates

<u>Date</u>	<u>Maturing Principal</u>	<u>Called Principal</u>	<u>Interest</u>	<u>Redemption Premium</u>	<u>Total Payment</u>
07/01/19	—	\$2,130,000	\$57,379.17	—	\$2,187,379.17