

---

---

**INDENTURE OF TRUST**

**Dated as of June 1, 2019**

**by and between the**

**COALINGA REGIONAL MEDICAL CENTER**

**and**

**U.S. BANK NATIONAL ASSOCIATION, as Trustee**

---

---

**Relating to**  
**\$ \_\_\_\_\_**  
**Coalinga Regional Medical Center**  
**Taxable Refunding Revenue Bonds, Series 2019**

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS; CONTENT OF CERTIFICATES AND OPINIONS

Section 1.01. Definitions ..... 3  
Section 1.02. Content of Certificates and Opinions ..... 9

ARTICLE II

THE BONDS

Section 2.01. Authorization of Bonds ..... 10  
Section 2.02. Terms of the Bonds ..... 10  
Section 2.03. Form of Bonds ..... 11  
Section 2.04. Execution of Bonds ..... 11  
Section 2.05. Transfer of Bonds ..... 11  
Section 2.06. Bond Register ..... 12  
Section 2.07. Temporary Bonds ..... 12  
Section 2.08. Bonds Mutilated, Lost, Destroyed or Stolen ..... 12

ARTICLE III

ISSUANCE OF Bonds; APPLICATION OF PROCEEDS

Section 3.01. Issuance of Bonds ..... 14  
Section 3.02. Application of Proceeds of Bonds ..... 14  
Section 3.03. Establishment and Application of Costs of Issuance Fund ..... 14  
Section 3.04. Validity of Bonds ..... 14

ARTICLE IV

REDEMPTION OF BONDS

Section 4.01. Terms of Redemption ..... 16  
Section 4.02. Notice of Redemption ..... 16  
Section 4.03. Effect of Redemption ..... 17

ARTICLE V

OBLIGATION OF THE DISTRICT; PLEDGE OF PLEDGED REVENUES

Section 5.01. Obligation of the District ..... 18  
Section 5.02. Pledge of Pledged Revenues; Transfer to Pay the Principal or Sinking Fund  
Installments of and Interest on the Bonds; Release from Lien ..... 18  
Section 5.03. Application of Moneys ..... 19  
Section 5.04. No Future Obligations Secured by Pledged Revenues ..... 19  
Section 5.05. Additional Payments ..... 19  
Section 5.06. Investment of Moneys in Funds and Accounts ..... 19  
Section 5.07. Acquisition, Disposition and Valuation of Investments by the District ..... 20

ARTICLE VI

DISTRICT COVENANTS

Section 6.01. Bankruptcy Plan and Confirmation Order ..... 21  
Section 6.02. Further Assurances ..... 21  
Section 6.03. Future Bankruptcy Filing ..... 21  
Section 6.04. Additional Obligations ..... 21

ARTICLE VII

REPRESENTATIONS AND WARRANTIES OF THE DISTRICT

Section 7.01. Representations and Warranties of the District ..... 22

ARTICLE VIII  
PARTICULAR COVENANTS

Section 8.01. Punctual Payment .....	24
Section 8.02. Extension of Payment of Bonds .....	24
Section 8.03. Accounting Records and Financial Statements Relating to the Bonds and Other Information to be Provided to the Owner .....	24
Section 8.04. Waiver of Laws .....	24

ARTICLE IX  
EVENTS OF DEFAULT AND REMEDIES OF BONDOWNERS

Section 9.01. Events of Default .....	26
Section 9.02. Remedies Upon Event of Default .....	27
Section 9.03. Application of Pledged Revenues and Other Funds After Default .....	28
Section 9.04. Trustee to Represent Owner .....	29
Section 9.05. Owner' Direction of Proceedings .....	29
Section 9.06. Limitation on Owner' Right to Sue .....	29
Section 9.07. Absolute Obligation of District .....	30
Section 9.08. Termination of Proceedings .....	30
Section 9.09. Remedies Not Exclusive .....	30
Section 9.10. No Waiver of Default .....	30
Section 9.11. Parties Interested Herein .....	30

ARTICLE X  
THE TRUSTEE

Section 10.01. Duties, Immunities and Liabilities of Trustee .....	32
Section 10.02. Merger or Consolidation .....	33
Section 10.03. Liability of Trustee .....	33
Section 10.04. Right of Trustee to Rely on Documents .....	34
Section 10.05. Preservation and Inspection of Documents .....	34
Section 10.06. Compensation of Trustee .....	35
Section 10.07. Indemnification .....	35

ARTICLE XI  
MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 11.01. Amendments Permitted .....	36
Section 11.02. Effect of Supplemental Indenture .....	37
Section 11.03. Endorsement of Bonds; Preparation of New Bonds .....	37
Section 11.04. Amendment of Particular Bonds .....	37

ARTICLE XII  
DEFEASANCE

Section 12.01. Discharge of Indenture .....	38
Section 12.02. Discharge of Liability on Bonds .....	38
Section 12.03. Deposit of Money or Securities with Trustee .....	39
Section 12.04. Payment of Bonds After Discharge of Indenture .....	39

ARTICLE XIII  
MISCELLANEOUS

Section 13.01. Liability of District Limited to Pledged Revenues .....	41
Section 13.02. Successor Is Deemed Included in All References to Predecessor .....	41
Section 13.03. Limitation of Rights to Parties and Owner .....	41
Section 13.04. Waiver of Notice .....	41
Section 13.05. Destruction of Bonds .....	41

Section 13.06. Severability of Invalid Provisions .....	41
Section 13.07. Notices .....	41
Section 13.08. Evidence of Rights of Owner .....	42
Section 13.09. Disqualified Bonds .....	43
Section 13.10. Money Held for Particular Bonds .....	43
Section 13.11. Funds and Accounts .....	43
Section 13.12. Article and Section Headings and References .....	43
Section 13.13. Waiver of Personal Liability .....	43
Section 13.14. Execution in Several Counterparts .....	44
Section 13.15. Governing Law	44

EXHIBIT A: FORM OF BONDS  
EXHIBIT B: FORM OF INVESTOR'S LETTER

## INDENTURE OF TRUST

THIS INDENTURE OF TRUST (this "Indenture"), made and entered into and dated as of June 1, 2019, by and between COALINGA REGIONAL MEDICAL CENTER, a local health care district 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 and qualified to accept and administer the trusts hereby created (the "Trustee").

### 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 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 provide for the refunding of the 2008A Certificates and the 2008B Certificates;

WHEREAS, in furtherance thereof, the District has determined to issue its Coalinga Regional Medical Center Taxable Refunding Revenue Bonds, Series 2019 (the "Bonds"), pursuant to the provisions of section 53570 *et seq.* of the California Government Code;

WHEREAS, the District's obligation to pay the principal of and interest on the Bonds will be secured by a pledge of the District's general purpose operating *ad valorem* property tax revenues (the "Pledged Revenues"), and will not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation, other than the Pledged Revenues;

WHEREAS, in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal and sinking fund installments 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 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 and sinking fund installments 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 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 Bonds by the owners 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 respective owners from time to time of the 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.

*"Authorized Representative"* means, with respect to the District, the President, the Vice President, the Chief Executive Officer/Administrator, the CEO/Administrator, the Secretary or any other person designated as an Authorized Representative of the District by a Certificate of the District signed by the President, the Vice President, the Chief Executive Officer/Administrator or the CEO/Administrator, and filed with the Trustee.

*"Bankruptcy"* means the District's Chapter 9 proceeding, *In re Coalinga Regional Medical Center*, pending In the United States Bankruptcy Court for the Eastern District of California, Fresno Division, Case No. 18-13677.

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

*"Bonds"* means the Coalinga Regional Medical Center Taxable Refunding Revenue Bonds, Series 2019, issued hereunder.

*"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, California, or the City of San Francisco, California, 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 June \_\_, 2019, the date on which the Bonds are delivered by the District to the Original Purchaser.

*"Code"* means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

*"Confirmation Order"* means the final non-appealable order confirming the Debtor's plan of adjustment in the Bankruptcy Case.

*"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 Bonds, including but not limited to 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 3.03 of this Indenture.

*"County"* means Fresno County, California.

*"Debt Service Fund"* means the fund by that name established pursuant to Section 5.02(b) of this Indenture.

*"Default Rate"* means \_\_\_\_\_% per annum based on a 30-day month and a 360-day year for calculating interest.

*"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 or State 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 Coalinga Regional Medical Center, a local health care district duly organized and existing under the Law.

*"Escrow Agreement"* means that certain Escrow Agreement, dated the Closing Date, by and between the District and the Escrow Bank, as originally entered into or as it may be amended or supplemented pursuant to the provisions thereof, created to provide for the payment and redemption of the 2008A Certificates and the 2008B Certificates.

*"Escrow Bank"* means U.S. Bank National Association, as escrow agent under the Escrow Agreement, or any successor thereto appointed as escrow agent thereunder in accordance with the provisions thereof.

*"Escrow Fund"* means the escrow fund created and maintained by the Escrow Bank pursuant to the Escrow Agreement.

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

*"Excess Property Tax Revenues"* means, in each year, the District's general purpose operating *ad valorem* property tax revenue remaining after payment of (A) debt service on the Bonds, (b) annual operating expenses of the District, and all amounts required to be paid by the



Bankruptcy Court pursuant to the Plan of Reorganization in the bankruptcy proceeding.

*“Facilities”* means (a) the real property owned by the District and all buildings, structures and fixtures thereon, (b) additional real property to be owned by the District, and all buildings, structures and fixtures thereon, and (c) 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 (a) Cash and (b) obligations of, or obligations guaranteed as to principal and interest by, the United States or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States including: (i) United States treasury obligations, (ii) all direct or fully guaranteed obligations, (iii) Farmers Home Administration, (iv) General Services Administration, (v) Guaranteed Title XI financing, (vi) Government National Mortgage Association (GNMA), and (vi) State and Local Government Series.

*“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.

*“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 Counsel”* means legal counsel who (a) is independent of and not under the control of the District, (b) does not have any substantial interest, direct or indirect, in the District, and (c) in the case of an individual, is not connected, including through a spouse, with the District as a director, officer or employee of the District, and in the case of a firm, is not connected with the District as a partner, director, officer or employee of the District, but who may be regularly retained by the District.

*“Interest Payment Date”* means March 1 and September 1 in each year, commencing September 1, 2019.

*Irrevocable Request and Direction to Fresno County”* means that Irrevocable Request and Direction to Fresno County regarding disposition of general *ad valorem* property tax revenue allocable to the District and cancellation of prior directions.

“Law” means the provisions of Article 11 (commencing with section 53580) of the California Government Code, as now in effect and as it may from time to time hereafter be amended or supplemented.

“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.

“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.

“Original Purchaser” means Western Alliance Business Trust, a wholly owned affiliate of Western Alliance Bank, an Arizona corporation, first purchaser of the 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 13.09 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 13.10 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.

“Permitted Investments” means any of the following, but only to the extent that the same are acquired at Fair Market Value, provided that the Trustee is entitled to conclusively rely upon any investment direction received by it under this Indenture as a certification that such investment constitutes a Permitted Investment under this Indenture:

(a) Federal Securities.

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

1. U.S. Export-Import Bank (Eximbank)  
Direct obligations or fully guaranteed certificates of beneficial ownership
2. U.S. Farmers Home Administration (FmHA)  
Certificates of Beneficial Ownership
3. Federal Financing Bank
4. Federal Housing Administration Debentures (FHA)

5. General Services Administration  
Participation Certificates
6. Government National Mortgage Association (GNMA or Ginnie Mae)  
GNMA—guaranteed mortgage-backed bonds  
GNMA—guaranteed pass-through obligations
7. U.S. Maritime Administration  
Guaranteed Title XI financing
8. U.S. Department of Housing and Urban Development (HUD)  
Project Notes  
Local Authority Bonds  
New Communities Debentures - U.S. government guaranteed debentures  
U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies which are not backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

1. Federal Home Loan Bank System  
Senior debt obligations
2. Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac)  
Participation Certificate  
Senior debt obligations
3. Federal National Mortgage Association (FNMA or Fannie Mae)  
Mortgage-backed securities and senior debt obligations
4. Student Loan Marketing Association (SLMA or Sallie Mae)  
Senior debt obligations
5. Resolution Funding Corp. (REFCORP) obligations
6. Farm Credit System  
Consolidated system wide bonds and notes

(d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, which invest solely in Federal Securities, if rated by S&P, having a rating of AAAM-G; and if rated by Moody's having a rating of Aaa, including such funds for which the Trustee, its affiliates or subsidiaries provide investment advisory or other management services or for which the Trustee or an affiliate of the Trustee serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives and collects a fee for services provided to the fund, whether as a custodian, transfer agent, investment advisor or otherwise, (ii) the Trustee collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee.

(e) Certificates of deposit or deposit accounts secured at all times by collateral described in (a) and/or (b) above. Such certificates must be issued by commercial banks or savings and loan associations (including the Trustee or its affiliates). The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral.

(f) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC including those of the Trustee or its affiliates.

(g) Commercial paper rated, at the time of purchase, "Prime-1" by Moody's and "A-1" or better by S&P.

(h) Deposit accounts, Federal funds or bankers acceptances with a maximum term of 180 days of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or better by Moody's and "A-1" or better by S&P.

(i) the Local Agency Investment Fund of the State, created pursuant to 16429.1 of the California Government Code.

"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.

"Plan of Adjustment" means the District's plan of adjustment filed with the bankruptcy court.

"Pledged Revenues" means the District's general purpose operating *ad valorem* property tax revenue which constitute special revenues under Title 11 U.S.C. § 928.

"Principal Corporate Trust Office" or "principal corporate trust office" means the corporate trust office of the Trustee located at One California Street, Suite 1000, San Francisco, CA 94111, 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 of Bonds such term shall mean the office or agency of the Trustee at which, at any particular time, its corporate trust agency or operations business shall be conducted, initially in St. Paul, Minnesota.

"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.

"S&P" means S&P Global Ratings, 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.

"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 Bonds.

"State" means the State of California.

"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.

*“Trustee”* means U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America, or its successor, as Trustee as provided in Section 10.01 of this Indenture.

*“2008A Certificates”* means the Coalinga Regional Medical Center Series 2008A Certificates of Participation, of which \$9,320,000 is currently outstanding.

*“2008B Certificates”* means the Coalinga Regional Medical Center Series 2008B Certificates of Participation, of which \$2,130,000 is currently outstanding.

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, 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 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 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, 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 or counsel may certify to different matters, respectively.

## ARTICLE II

### THE BONDS

Section 2.01. Authorization of Bonds. The Bonds are hereby authorized to be issued by the District under and subject to the terms of the Law and this Indenture. This Indenture constitutes a continuing agreement with the Owner of all of the Bonds issued hereunder and then Outstanding to secure the full and final payment of principal of and the interest on all Bonds which may from time to time be executed and delivered hereunder, subject to the covenants, agreements, provisions and conditions herein contained. The Bonds shall be designated the "Coalinga Regional Medical Center Taxable Refunding Revenue Bonds, Series 2019."

Section 2.02. Terms of the Bonds. The Bonds shall be issued as one fully registered bond, registered initially in the name of the Original Purchaser, and shall be evidenced by one Bond in the principal amount of \_\_\_\_\_ dollars (\$\_\_\_\_\_), shall bear interest at the rate of \_\_\_\_% per annum and shall mature on September 1, 2043; *provided, however*, that so long as an Event of Default shall have occurred and is continuing, the interest rate may, at the option of the Owner, be increased to the Default Rate, as provided in a written notice to the Trustee and the District. Registered ownership of the Bonds, or any portion thereof, may not thereafter be transferred except as set forth herein.

The Bonds shall be dated as of the Closing Date and interest thereon shall be payable semiannually on each Interest Payment Date. Interest shall be calculated on the basis of a three hundred sixty (360) day year of twelve thirty (30) day months.

The principal or sinking fund installments of and interest on the Bonds shall be payable in lawful money of the United States of America at the Principal Corporate Trust Office. Payments shall be made, without presentation or surrender, to the person whose name appears on the bond registration books of the Trustee as the Owner thereof as of the Record Date for each Interest Payment Date, such payments to be paid by check or draft mailed on each Interest Payment Date to the Owner at his or her address as it appears on such registration books; provided that such payment shall be paid by wire transfer if the Owner makes a one-time written request of the Trustee specifying the account address in the United States.

Any such payment not so punctually paid or duly provided for shall forthwith cease to be payable to the Owner on such Record Date and shall be paid to the person in whose name the Bond is registered at the close of business on a Special Record Date for the payment of such defaulted payment to be fixed by the Trustee, notice of which shall be given to the Owner by first class mail not less than ten (10) days prior to such Special Record Date. For the avoidance of doubt, interest on any overdue payment of principal or interest shall continue at the interest rate applicable to the Bonds until paid in full.

The Bonds shall be subject to redemption as provided in Article IV of this Indenture.

The Bonds shall not be (a) assigned a rating by any rating agency, (b) registered with The Depository Trust Company or any other securities depository, or (c) issued pursuant to any type of offering document or official statement.

Unless otherwise directed in writing by the Original Purchaser, so long as the Original Purchaser owns any Bonds, the Trustee shall make all payments to the Original Purchaser by wire in accordance with the following wire instructions:

Receiving bank: \_\_\_\_\_  
ABA No. \_\_\_\_\_  
Account Name: \_\_\_\_\_  
Account Number: \_\_\_\_\_  
Beneficiary info: Coalinga Regional Medical Center  
Loan No. \_\_\_\_\_  
Attention: \_\_\_\_\_

Section 2.03. Form of Bonds. The Bonds, the Trustee's Certificate of Authentication, and the Assignment to appear thereon, shall be substantially in the forms set forth in Exhibit A, which are attached hereto and by this reference incorporated herein, with such variations, omissions and insertions, as permitted or required by this Indenture.

Section 2.04. Execution of Bonds. The Bonds shall be executed in the name and on behalf of the District with the facsimile or manual signature of the President of the Board or the CEO/Administrator, and attested by the facsimile or manual signature of the Secretary of the Board. The Bonds shall then be delivered to the Trustee for authentication by it. In case any of the officers who shall have signed or attested any of the Bonds shall cease to be such officer or officers of the District before the Bonds so signed or attested shall have been authenticated or delivered by the Trustee or issued by the District such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the District as though those who signed and attested the same had continued to be such officers of the District and also any Bond may be signed and attested on behalf of the District by such persons as at the actual date of execution of such Bond shall be the proper officers of the District although at the nominal date of such Bond any such person shall not have been such officer of the District.

Only such of the Bonds as shall bear thereon a certificate of authentication substantially in the form set forth in Exhibit A attached hereto, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

Section 2.05. Transfer of Bonds.

(a) The Bonds may, in accordance with their terms, be transferred, 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 such Bond 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 any Bonds shall be surrendered for registration of transfer, the District shall execute and the Trustee shall deliver a new Bond or 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 any Bonds pursuant to this Section 2.05. The cost of printing 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 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 Bonds selected by the Trustee for redemption.

(b) Ownership of the Bonds may be transferred in whole only and 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.

Section 2.06. Bond Register. The Trustee will keep or cause to be kept, at its Principal Corporate Trust Office, sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the District or the Owner with reasonable prior written notice during regular business hours; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such books, Bonds as hereinbefore provided.

Section 2.07. Temporary Bonds. The Bonds may be issued in temporary form exchangeable for definitive Bonds when ready for delivery. Any temporary Bond may be printed, lithographed or typewritten, shall be of such denomination as may be determined by the District, shall be in registered form and may contain such reference to any of the provisions of this Indenture as may be appropriate. A temporary Bond may be in the form of a single Bond payable in installments, each on the date, in the amount and at the rate of interest established for the Bonds. Every temporary Bond shall be executed by the District and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the District issues temporary Bonds it will execute and deliver definitive Bonds as promptly thereafter as practicable, and thereupon the temporary Bonds shall be surrendered, for cancellation, in exchange therefor at the Principal Corporate Trust Office and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds authenticated and delivered hereunder.

Section 2.08. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the District shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it and delivered to, or upon the order of, the District. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to the Trustee and indemnity satisfactory to the Trustee shall be given, the District shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured, instead of issuing a substitute Bond, the Trustee may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Trustee). The District may require payment of extraordinary expenses, if any, which may be incurred by the District and the Trustee in connection with the foregoing. Any Bond issued under the provisions of this Section 2.08 in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the District whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Indenture with all other



Bonds secured by this Indenture.

## ARTICLE III

### ISSUANCE OF BONDS; APPLICATION OF PROCEEDS

Section 3.01. Issuance of Bonds. At any time after the execution and delivery of this Indenture, the District may sell and execute and the Trustee shall authenticate and, upon Request of the District, deliver Bonds in the aggregate principal amount of one million two hundred seventy-one thousand dollars (\$\_\_\_\_\_).

Section 3.02. Application of Proceeds of Bonds. The proceeds received from the sale of the Bonds in the amount of \$\_\_\_\_\_.00 (consisting of the par amount of the Bonds), shall be deposited in trust with the Trustee, who shall forthwith transfer or deposit such proceeds as follows:

(a) the Trustee shall transfer the sum of \$\_\_\_\_\_ to the Escrow Bank to provide for the redemption of the 2008A Certificates and the 2008B Certificates; and

(c) the Trustee shall deposit the remaining amount (\$\_\_\_\_\_) in the Costs of Issuance Fund.

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

Section 3.03. 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 used to pay Costs of Issuance of the Bonds upon 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. On the date three months after the Closing Date, 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 terminated and any amounts then remaining in said fund shall be transferred to the Debt Service Fund and applied as soon as possible to the payment of the principal of such Bonds and the Costs of Issuance Fund shall be closed.

Section 3.04. Validity of Bonds.

(a) The District is a debtor in a Bankruptcy proceeding. The District has obtained a Bankruptcy Court Order Authorizing the Issuance of the Bonds. The District has represented, warranted and covenanted to provide in any Plan of Adjustment confirmed by the bankruptcy court that the Bonds are ratified and otherwise reinstated without any change or modification to the terms of the Bonds.

(b) The Board has reviewed all proceedings heretofore taken relative to the authorization of the 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 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 Bonds in the form and manner provided in this Indenture and the Bonds shall be entitled to the benefit, protection and security of the provisions of this Indenture.

(c) From and after the issuance of the Bonds the findings and determinations of the Board respecting the 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 Bonds is at issue, and, as except set forth herein with regard to the District's Bankruptcy, no bona fide purchaser of any of the 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 Bonds. The recital contained in the 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 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

REDEMPTION OF BONDS

Section 4.01. Terms of Redemption.

(a) *Optional Redemption of Bonds.* The Bonds are subject to redemption prior to maturity, at the option of the District, in whole or in part on any date on after September 1, 2019, from any source other than Excess Property Tax Revenues, at a redemption price equal to the principal amount of Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

(b) *Mandatory Redemption of Bonds.* The Bonds are subject to mandatory redemption prior to maturity, in part on any date, from Excess Property Tax Revenues, at a redemption price equal to the principal amount of Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

(c) *Mandatory Sinking Fund Redemption of Bonds.* The Bonds are subject to mandatory sinking fund redemption on September 1 in each year, in the amounts specified in the following table.

<u>Mandatory Sinking Fund Redemption Date (September 1)</u>	<u>Sinking Fund Redemption Amount</u>	<u>Mandatory Sinking Fund Redemption Date (September 1)</u>	<u>Sinking Fund Redemption Amount</u>
2019		2032	
2020		2033	
2021		2034	
2022		2035	
2023		2036	
2024		2037	
2025		2038	
2026		2039	
2027		2040	
2028		2041	
2029		2042	
2030		2043†	
2031			

† Maturity

Section 4.02. Notice of Redemption. The District shall give the Trustee written notice of its intention to redeem Bonds pursuant to Section 4.01(a) no less than 45 days prior to the proposed redemption. Notice of redemption shall be mailed by first class mail by the Trustee, not less than thirty (30) days prior to the redemption date (which redemption date shall not be less than sixty (60) days after notice of redemption pursuant to Section 4.01(a) of this Indenture shall have been delivered to the Trustee by the District), to the respective Owner of any Bonds designated for redemption at their addresses appearing on the bond registration books of the Trustee. Each notice of redemption shall state the date of such notice, the Bonds to be redeemed, the date of issue of the Bonds, the redemption date, the redemption price, the place or places of redemption (including the name and appropriate address or addresses of the Trustee), and, if less than all of any such maturity, the distinctive certificate numbers of the Bonds of such maturity, to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that

on said date there will become due and payable on each of said Bonds the redemption price thereof or of said specified portion of the principal amount thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice.

Any notice of optional redemption of Bonds shall state that such redemption shall be conditional upon the receipt by the Trustee by 11:00 A.M. (California time) on the Business Day preceding the date fixed for redemption of moneys sufficient to pay in full the redemption price of such Bonds (unless the Trustee shall be in receipt of such moneys at the time such notice is given). If such moneys shall not be so received, such notice of redemption shall be of no force and effect, the District shall not redeem such Bonds and the Trustee shall give notice, in the manner in which the notice of redemption was given, that such moneys were not so received and that such redemption did not occur. In such event, the Trustee shall promptly return Bonds which it has received to the Owner thereof.

Notice of redemption of Bonds shall be given by the Trustee, at the expense of the District, for and on behalf of the District.

Failure by the Trustee to mail notice of redemption pursuant to this Section 4.02 to any one or more of the respective Owner of any Bonds designated for redemption shall not affect the sufficiency of the proceedings for redemption with respect to the Owner to whom such notice was not mailed.

Notice of redemption shall not be required with respect to mandatory sinking fund redemption of Bonds pursuant to Section 4.01(b).

Section 4.03. Effect of Redemption. Notice of redemption having been duly given as aforesaid, and receipt of moneys for payment of the redemption price of, together with interest accrued to the redemption date on, the Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the Bonds (or portions thereof) so called for redemption shall become due and payable at the redemption price specified in such notice as provided herein and interest accrued thereon to the redemption date, interest on the Bonds so called for redemption shall cease to accrue, said Bonds (or portions thereof) shall cease to be entitled to any benefit or security under this Indenture, and the Owner of said Bonds shall have no rights in respect thereof except to receive payment of said redemption price and accrued interest.

All Bonds redeemed pursuant to the provisions of this Article IV shall be canceled upon surrender of such Bonds and delivered to or upon the Order of the District.

## ARTICLE V

### OBLIGATION OF THE DISTRICT; PLEDGE OF PLEDGED REVENUES

Section 5.01. Obligation of the District. The District's obligation to pay the principal, sinking fund installments of and interest on the Bonds shall be an obligation payable from Pledged Revenues.

The obligation of the District to pay the principal or sinking fund installments and interest on the Bonds from Pledged Revenues, to apply Pledged Revenues and to perform and observe the other agreements contained herein and the District's pledge of Pledged Revenues as herein provided shall be absolute and unconditional and shall not be subject to any defense or any right of set-off, counterclaim or recoupment arising out of any breach of the District or the Trustee of any obligation to the District or otherwise with respect to the Facilities, whether hereunder or otherwise, or out of indebtedness or liability at any time owing to the District by the Trustee. Until such time as all of the principal or sinking fund installments of and interest on the Bonds shall have been fully paid or redeemed, the District (a) will not suspend, abate, or discontinue any payments provided for in Section 5.02 hereof, and (b) will perform and observe all other agreements contained in this Indenture, and (c) will not terminate this Indenture for any cause, including, without limiting the generality of the foregoing, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either thereof, any failure of the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Indenture or on account of the sale, lease or closure of the Facilities or change in healthcare service provided at the Facilities.

Section 5.02. Pledge of Pledged Revenues; Transfer to Pay the Principal or Sinking Fund Installments of and Interest on the Bonds; Release from Lien.

(a) *Pledge of Pledged Revenues.* The District hereby irrevocably and unconditionally agrees that the payment of the principal or sinking fund installments of and interest on the Bonds shall be secured by a pledge, charge and first and prior lien upon Pledged Revenues, and Pledged Revenues sufficient to pay the principal or sinking fund installments of and interest on the Bonds as the same shall become due and payable are hereby pledged, charged, assigned, transferred and set over by the District to the Trustee for the purpose of securing payment of the principal or sinking fund installments of, premium, if any, and interest on the Bonds. The Pledged Revenues shall constitute a trust fund for the security and payment of the principal or sinking fund installments of, premium, if any, and interest on the Bonds held for the benefit of the Owner of the Bonds.

(b) *Transfer to Pay the Principal or Sinking Fund Installments of and Interest on the Bonds.* In order to provide for the payment of the principal or sinking fund installments of, and interest on the Bonds when due, the District shall irrevocably direct the County, so long as the Bonds are Outstanding, to transfer to the Trustee, as collected by the County, all general *ad valorem* property tax revenues allocable to the District.

With respect to the Bonds, the Trustee shall deposit into the Debt Service Fund, which is hereby created with the Trustee, from such received general *ad valorem* property tax revenues the amount of interest on the Bonds coming due on the next succeeding Interest Payment Date, and the amount of principal due on the Bonds on the next succeeding Interest Payment Date on which principal or a sinking fund installment are due.

(c) *Release from Lien.* Upon receipt by the Trustee of general *ad valorem* property tax revenues sufficient for the deposits to the Debt Service Fund for the Bonds, after such deposits, all excess general *ad valorem* property tax revenues shall be transferred by the Trustee to the District and shall be available to pay operating expenses of the District and all amounts required to be paid by the Bankruptcy Court in pursuant to the Plan of Reorganization in the bankruptcy proceeding. All remaining amounts, which shall constitute Excess Property Tax Revenues, shall be applied to the mandatory redemption of Bonds pursuant to Section 4.01(b).

(d) *No Prior Lien.* The District has not heretofore made a pledge of, granted a lien on or security interest in, or made an assignment or sale of the Pledged Revenues that ranks on a parity with or prior to the pledge granted hereunder.

Section 5.03. Application of Moneys. All amounts in the Debt Service Fund shall be used and withdrawn by the Trustee solely for the purpose of paying principal or sinking fund installments of, and interest on the Bonds as the same shall become due and payable, in accordance with the provisions of Article II hereof.

Section 5.04. No Future Obligations Secured by Pledged Revenues. In order to protect the availability of the Pledged Tax Revenues and the security for the principal or sinking fund installments of and interest on the Bonds, the District hereby agrees that the District shall not, so long as any Bonds are outstanding, issue or incur any obligations payable from Pledged Revenues other than bonds to refund the Bonds.

Section 5.05. Additional Payments In addition to the principal or sinking fund installments of and interest on the Bonds, the District shall pay when due, from Pledged Revenues or other available moneys of the District, all costs and expenses incurred by the District to comply with the provisions of this Indenture, including, without limitation, compensation due to the Trustee for its fees, costs and expenses incurred under this Indenture and all costs and expenses of attorneys, auditors and accountants.

Section 5.06. 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 5.07 of this Indenture, the limitations as to maturities hereinafter in this Section 5.06 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 (d) of the definition thereof. Moneys in all funds and accounts hereunder shall be invested in Permitted Investments maturing not later than the date on which it is estimated that such moneys will be required by the Trustee.

All interest, profits and other income received from the investment of moneys in any fund or account hereunder shall be deposited when received in the Debt Service 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.

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 5.07. 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 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 VI

### DISTRICT COVENANTS

Section 6.01. Bankruptcy Plan and Confirmation Order. The District covenants to provide in any Plan of Adjustment presented for confirmation and confirmed by the bankruptcy court that the Bonds are ratified and otherwise reinstated without any change or modification to the terms of the Bonds.

Section 6.02. 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 of the Bonds the rights and benefits provided in this Indenture.

Section 6.03 Future Bankruptcy Filing. The District covenants that as part of consideration for the issuance and purchase of the Bonds by the Purchaser, the District covenants to continue to make all payments of principal, sinking fund installments of and interest on the Bonds from the Pledged Revenues in the pending Bankruptcy and in any future bankruptcy that the District may file.

Section 6.04. Additional Obligations. The District covenants that except for a refinancing of the Bonds, It shall not incur any obligations payable from the Pledged Revenues.

## 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. The District is a debtor in Bankruptcy and has obtained a Bankruptcy Court Order Authorizing the Issuance of the Bonds.

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

(c) Other than as noted in connection with the District's Bankruptcy, 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 of the Bonds; 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) Other than as noted in connection with the District's Bankruptcy, 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) Other than as noted in connection with the District's Bankruptcy, 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) Other than as noted in connection with the District's Bankruptcy, there is no action, suit, proceeding, inquiry or investigation, before or by any court or federal, state, municipal or other governmental authority, pending, 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, \_\_\_\_, for the year ended on such date fairly present the financial position of the District at June 30, \_\_\_\_, and the results of operations for the year ended on such date, with such exceptions as may be disclosed therein, and since June 30, \_\_\_\_, there has been no material adverse change in the financial condition or results of operations of the District or otherwise, except as disclosed in the official statement relating to the Bonds.

(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 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 sinking fund installments of, redemption premium, if any, and interest to become due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of this Indenture, according to the true intent and meaning thereof, but only out of Pledged Revenues and any other available moneys of the District for such payment as provided in this Indenture. The District shall provide in any Plan of Adjustment presented to the bankruptcy court for confirmation that the Bonds are ratified and otherwise reinstated with any change or modification to the terms of the Bonds or the payments due thereon.

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 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 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 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 Bonds and Other Information to be Provided to the Owner.

(a) 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 and any other commercially reasonable requested information shall be available for inspection by the District and the Owner, or his agent or representative duly authorized in writing, upon prior written notice and at any time during regular business hours and under reasonable circumstances.

(b) Within 270 days after the end of the District's Fiscal Year, it shall provide to the Owner: (i) a copy of the District's audited financial statements for such Fiscal Year, (ii) tables presenting (A) the assessed valuation of the District for the current Fiscal Year, and (B) general property tax delinquencies for the prior Fiscal Year if the County does not maintain the Teeter Plan.

(c) The Owner shall receive notice of any material impact to the District's financial position which could have an impact to the repayment of the Bonds.

(d) The District shall furnish at the Owner's request, such additional information that the Owner may from time to time reasonably request.

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 Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the District to the extent permitted in the District's Bankruptcy or by any other applicable law.

## ARTICLE IX

### EVENTS OF DEFAULT AND REMEDIES OF BONDOWNERS

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

(a) failure to provide in the District's Plan of Adjustment that the Bonds are ratified and otherwise reinstated without any change or modifications to the terms of the Bonds or failure to obtain a final non-appealable Confirmation Order providing that the Bonds are reinstated without any change or modification to their terms or the District's duties and obligations thereunder.

(b) default in the due and punctual payment of the principal, sinking fund installment or redemption premium, if any, 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;

(c) 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;

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

(e) if the District revokes or modifies the Irrevocable Request and Direction to Fresno County;

(f) 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) or (c) 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 and the Owner;

(g) the District (i) is determined by the majority of the Owners of the Bonds to have made any material false or misleading statement or representation in connection with this Indenture or the Bonds; or (ii) sells, assigns, leases, or otherwise transfers or encumbers all or any part of its interest in the Pledged Revenues;

(h) the occurrence of a default or event of default which represents a liability of the District in the amount of \$250,000 or more under any instrument, agreement or other document evidencing or relating to any indebtedness, credit accommodation or other monetary obligation of the District after giving effect to any grace or cure periods applicable under such instruments, agreements or documents; provided, however, nothing herein shall preclude the District's right to contest in good faith by appropriate proceedings any default or event of default;

(i) 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 ninety (90) days during which the execution of such judgment shall not be effectively stayed;

(k) if, after confirming a Plan of Adjustment in its pending Bankruptcy, 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;

(l) other than as noted in connection with the District's bankruptcy, 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

(m) 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. Remedies Upon Event of Default. If an Event of Default shall occur, then, and in each and every such case during the continuance of such Event of Default, the Default Rate shall apply and the Trustee may, and shall at the written direction of the Owner of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding and receipt of indemnity to its satisfaction, and payment of its fees and expenses, including the fees and expenses of its counsel, shall in its own name and as the Trustee of an express trust:

(a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Owner under, and require the District to carry out any agreements with or for the benefit of the Owner of Bonds and to perform its or their duties under the Installment Sale Agreement and this Indenture, provided that any such remedy may be taken only to the extent permitted under the applicable provisions of the Installment Sale Agreement or this Indenture, as the case may be;

(b) bring suit upon the Bonds;

(c) by action or suit in equity require the Authority to account as if it were the trustee of an express trust for the Owner of Bonds; or

(d) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Owner of Bonds hereunder.

Upon the occurrence of an Event of Default, the Trustee shall be entitled as a matter of right to the appointment of a receiver or receivers for the Revenues, *ex parte*, and without notice, and the Authority consents to the appointment of such receiver upon the occurrence of an Event of Default. In the case of any receivership, insolvency, bankruptcy, or other judicial proceedings affecting the District, the Trustee shall be entitled to file such proofs of claims and other documents as may be necessary or advisable in order to have the claims of the Trustee and the

Owner allowed in such proceedings, without prejudice, however, to the right of the Owner to file a claim on his or her own behalf; provided, the Trustee shall be entitled to compensation and reimbursement for the reasonable fees and expenses of its counsel and indemnity for its reasonable expenses and liability from the District or the Owner, as appropriate.

Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of the Owner any plan of reorganization, arrangement, adjustment, or composition affecting the Bonds or the rights of the Owner thereof, or to authorize the Trustee to vote in respect of the claim of the Owner in any such proceeding without the approval of the Owner so affected.

Section 9.03. Application of Pledged Revenues and Other Funds After Default. If an Event of Default shall occur and be continuing, without the requirement of an acceleration, all Pledged 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 13.11 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 and the Owner to protect the interests of the Owner of the Bonds after payment of the fees and expenses (including those previously outstanding) of the Trustee and the Owner (including the reasonable and actual fees and disbursements of counsel and accountants, and collection costs) incurred in and about the performance of its powers and duties under this Indenture and/or the exercise of remedies hereunder;

(b) To the payment of the principal or sinking fund installments of, redemption premium, if any, of and interest then due on the Bonds subject to the provisions of this Indenture (including Section 9.02), as follows:

(i) Unless the principal of all of the 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 sinking fund installments 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 sinking fund installments due on such date to the persons entitled thereto, without any discrimination or preference.

(ii) If the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal or sinking fund installments of and interest then due and unpaid upon the Bonds, with interest on the overdue principal at an annual rate of interest of 8%, 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 of the Bonds, 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 of the Bonds for 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 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 hereunder 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 Pledged Revenues and any other available moneys of the District 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 Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the 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 all the Owner of such Bonds, subject to the provisions of this Indenture (including Section 9.02). 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' Direction of Proceedings. The Owner of a majority in aggregate principal amount of the Bonds then Outstanding 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' Right to Sue. No Owner of any Bond shall have the 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 with respect to such Bond, 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 or 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 thirty (30) 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 thirty (30) day period by the Owner of a majority in aggregate principal amount of the Bonds then Outstanding.

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 Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Owner of Bonds shall have any right in any manner whatever by his, her or their action to affect, disturb or prejudice the security of this Indenture or the rights of any other Owner of Bonds, or to enforce any right under this Indenture, the Law or other applicable law with respect to the 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 all Owner of the Outstanding Bonds, subject to the provisions of this Indenture (including Section 9.02).

Section 9.07. Absolute Obligation of District. Notwithstanding the pending Bankruptcy or a future bankruptcy filed by the District, nothing in Section 9.06 of this Indenture or in any other provision of this Indenture, or in the Bonds, contained shall affect or impair the obligation of the District, which is absolute and unconditional, even in bankruptcy, to pay the principal or sinking fund installments of, redemption premium, if any, and interest on the Bonds to the respective Owner of the Bonds at their respective dates of maturity, or upon call for redemption, as herein provided, but only out of the Pledged Revenues and any other available moneys of the District, 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 Bonds.

Section 9.08. Termination of Proceedings. In case any proceedings taken by the Trustee or any one or more 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 of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law or in equity, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise, including, without limitation, the right to seek mandamus and special performance.

Section 9.10. No Waiver of Default. No delay or omission of the Trustee or of the Owner of the Bonds 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 of the Bonds may be exercised from time to time and as often as may be deemed expedient.

Section 9.11. Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the District, the Corporation, the Trustee, their officers, employees and agents, and the Owner any right, remedy or claim under or by reason of this Indenture, or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Indenture

contained by and on behalf of the District shall be for the sole and exclusive benefit of the District, the Corporation, the Trustee, their officers, employees and agents, and the Owner.

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, with the prior written consent of the Original Purchaser, 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 of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their 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 acceptable to the Original Purchaser 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 (on behalf of himself and all other Owner) may petition, at the expense of the District, 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 addresses 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 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 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 Bonds, and shall incur no responsibility or liability in respect thereof, other than in connection with the express duties or obligations herein or in the Bonds assigned to or imposed upon it. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the 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 Owner, whether or not such committee shall represent the Owner of a majority in principal amount of the Bonds then Outstanding. 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 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 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, attorneys, agents and receivers.

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.

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 the Owner, and their agents and representatives duly authorized 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, 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, which such compensation shall not be limited by or in regard to the compensation for a trustee of an express trust, and the District will pay or reimburse the Trustee promptly upon its request, 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, attorneys, agents and receivers 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 of the Bonds 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 of a majority in aggregate principal amount of the Bonds then Outstanding filed with the Trustee; provided that if such modification or amendment will, by its terms, not take effect so long as any Bonds remain Outstanding, the consent of the Owner of such Bonds 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 of each Bond so affected, 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 Pledged Revenues and any other available moneys of the District under this Indenture prior to or on a parity with the lien created by this Indenture, or deprive the Owner of the Bonds of the lien created by this Indenture on such Pledged Revenues and other assets (except as expressly provided in this Indenture), without the consent of the Owner of all of the Bonds then Outstanding. 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 of the Bonds at the addresses 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 of the Bonds 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 to be observed, to pledge or assign additional security for the 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 adversely affect the interests of the Owner of the Bonds;

(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 adversely affect the interests of the Owner of the Bonds; or



(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 adversely affect the interests of the Owner of the Bonds.

(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 shall be furnished by the District with 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 all Owner of Bonds Outstanding 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 of any Bonds then Outstanding shall be exchanged at the Principal Corporate Trust Office, without cost to the Owner for Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amounts.

Section 11.04. Amendment of Particular Bonds. The provisions of this Article XI shall not prevent the 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 Bonds 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 thereto:

(a) by paying or causing to be paid the principal or sinking fund installments of and interest on the Bonds Outstanding, 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; or

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

If the District shall pay all Bonds 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 Pledged 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.

Notwithstanding the foregoing permitting defeasance of a portion of Bonds, the Bonds may be defeased in whole only.

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 or sinking fund installments 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 sinking fund installments of, redemption premium, if any, and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such principal or sinking fund installments of, redemption premium, if any, 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 sinking fund installments of, redemption premium, if any, and interest with respect to such Bonds.

To accomplish defeasance, the District shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants ("Accountant") verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or redemption date ("Verification"), (ii) an escrow deposit agreement, and (iii) an opinion of nationally recognized bond counsel to the effect that the Bonds are no longer Outstanding; each Verification and defeasance opinion shall be acceptable in form and substance to the District, and addressed, to the District and the Trustee.

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 sinking fund installments of, redemption premium, if any, 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 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 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 of any Bonds remaining unpaid at the addresses 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 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. Notwithstanding the foregoing, with

respect to the Bonds, any amounts held by the Trustee after discharge shall be paid without presentation or surrender, except that the Owner of the Bonds will surrender its Bonds following receipt of all amounts due and owing hereunder and following the request of the District or the Trustee.

## ARTICLE XIII

### MISCELLANEOUS

Section 13.01. Liability of District Limited to Pledged Revenues. Notwithstanding anything contained in this Indenture or in the Bonds, the District shall not be required to advance any moneys derived from any source other than the Pledged Revenues and any other available moneys of the District under this Indenture for any of the purposes in this Indenture mentioned, whether for the payment of the principal or sinking fund installments of, redemption premium, if any, or interest on the 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 Bonds expressed or implied is intended or shall be construed to give to any person other than the District, the Trustee and the Owner of the Bonds, 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 of the Bonds.

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 Bond 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 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. Notices. All written notices to be given under this Indenture shall be given by facsimile or by mail first class, postage prepaid, to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other parties in writing from time to time. Any such notice shall be deemed to have been received 48 hours after deposit in the United States mail, with postage fully prepaid.

If to the District: Coalinga Regional Medical Center  
1191 Phelps Avenue  
Coalinga, CA 93210  
Attention: CEO/Administrator  
Phone: (559) 935-6562

If to the Trustee: U.S. Bank National Association  
One California Street, Suite 1000  
San Francisco, CA 94111  
Attention: Global Corporate Trust Services  
Phone: (415) 677-3597

If to the Original Purchaser: Western Alliance Business Trust,  
a wholly owned affiliate of  
Western Alliance Bank, an Arizona corporation  
c/o Western Alliance Bank  
One East Washington Street, Suite 1400  
Phoenix, AZ 85004  
Attention: Vice President—Municipal Finance Officer  
Phone: (602) 346-7467

So long as the Original Purchaser owns any Bonds, it shall receive a copy of any notices required to be provided to the Trustee.

Notwithstanding the foregoing provisions of this Section 13.07, the Trustee shall not be deemed to have received, and shall not be liable for failing to act upon the contents of, any notice unless and until the Trustee actually receives such notice.

The Trustee agrees to accept and act upon the facsimile transmission of written instructions and/or pursuant to this Indenture; *provided, however,* that: (a) the District, subsequent to such facsimile transmission of written instructions, shall provide the originally executed instructions and/or directions to the Trustee in a timely manner, (b) such originally executed instructions and/or directions shall be signed by a person as may be designated and authorized to sign for the District, and (c) the District shall provide to the Trustee an incumbency certificate listing such designated persons which such incumbency certificate shall be amended whenever a person is to be added to or deleted from the listing.

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 Owner may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by the Owner in person or by an agent or agents 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 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 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 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 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 principal or sinking fund installments of, redemption premium, if any, or interest 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 of the Bonds entitled thereto, 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 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 sinking fund installments of, redemption premium, if any, or interest on the 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 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. Governing Law. This Indenture shall be construed in accordance with and governed by the Constitution and laws of the State.

*[The remainder of this page is intentionally left blank]*



IN WITNESS WHEREOF, COALINGA REGIONAL MEDICAL CENTER has caused this Indenture to be signed in its name by its CEO/Administrator and U.S. Bank National Association, 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.

COALINGA REGIONAL MEDICAL  
CENTER

By \_\_\_\_\_  
Wayne C. Allen  
CEO/Administrator

U.S. BANK NATIONAL ASSOCIATION, as  
Trustee

By \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**  
**FORM OF BOND**

THIS BOND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. THIS BOND MAY NOT BE TRANSFERRED EXCEPT IN ACCORDANCE WITH SECTION 2.05 OF THE INDENTURE DESCRIBED HEREIN.

United States of America  
State of California  
Fresno County

**COALINGA REGIONAL MEDICAL CENTER**  
**Taxable Refunding Revenue Bond, Series 2019**

INTEREST RATE:	MATURITY DATE:	DATED DATE:
_____ % <sup>*</sup>	September 1, 2043	June 12, 2019

REGISTERED OWNER: Western Alliance Business Trust,  
a wholly owned affiliate of  
Western Alliance Bank, an Arizona corporation

PRINCIPAL SUM: \_\_\_\_\_ DOLLARS

COALINGA REGIONAL MEDICAL CENTER, a local health care district organized and existing under and pursuant to The Local Health Care District Law of the State of California (herein called the "District"), for value received, hereby promises to pay (but only out of the Pledged Revenues (as defined in the hereinafter defined Indenture) and any other available moneys of the District therefor as hereinafter mentioned) to the Registered Owner stated above or registered assigns, on the Maturity Date stated above (subject to any right of prior redemption hereinafter mentioned), the Principal Sum stated above in lawful money of the United States of America, and to pay interest thereon in like lawful money from the date hereof until payment of such principal sum shall be discharged as provided in the Indenture hereinafter mentioned, at the Interest Rate per annum stated above (or, if applicable, at the Taxable Rate, as defined in the Indenture), payable semiannually on each March 1 and September 1 (each, an "Interest Payment Date"), commencing September 1, 2019. The principal (or redemption price) hereof is payable (without presentation) at the Principal Corporate Trust Office (as defined in the Indenture) of U.S. Bank National Association (together with any successor trustee, herein called the "Trustee") (or at the principal corporate trust office of any successor trustee). Interest hereon is payable (without presentation) by check mailed on each Interest Payment Date to the Owner as of the fifteenth calendar day of the month (except with respect to defaulted interest) next preceding each Interest Payment Date (herein called a "Record Date") at the address shown on the registration books maintained by the Trustee;

\* Upon the occurrence and continuation of an Event of Default, the interest may, at the option of the Owner, be payable at the Default Rate.

provided that such principal and interest shall be paid by wire transfer to any registered owner if the registered owner makes a written request of the Trustee specifying the account address.

This Bond is one of a duly authorized issue of bonds of the District designated as "Coalinga Regional Medical Center Taxable Refunding Revenue Bonds, Series 2019" (herein called the "Bonds"), pursuant to the provisions of section 53570 *et seq.* of the California Government Code (herein called the "Law"), and an indenture, dated as of June 1, 2019, by and between the District and the Trustee (herein called the "Indenture"). All capitalized terms not otherwise defined shall have the meanings set forth in the Indenture.

Reference is hereby made to the Indenture (a copy of which is on file at said 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, the nature and extent of the security, the rights, duties and immunities of the Trustee, and the rights and obligations of the District thereunder. The Owner of this Bond, by acceptance hereof, assents and agrees to all the provisions of the Indenture.

The Bonds and the interest thereon are payable from and secured by a pledge of Pledged Revenues (as that term is defined in the Indenture), being all legally available funds of the District (including, without limitation, an irrevocable (but not exclusive) pledge of the District's general purpose operating *ad valorem* property tax revenues) and of amounts held in the funds and accounts established pursuant to 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 aforesaid pledge and assignment. Neither the faith and credit nor the tax revenues received by the District are pledged to the payment of the principal of or interest on the Bonds. The Bonds are not a debt of the State of California or any political subdivision thereof, and neither said State nor any political subdivision thereof (except the District to the extent provided in the Indenture) is liable for the payment thereof.

The Bonds are subject to redemption prior to maturity, at the option of the District, in whole or in part on any date on after September 1, 2019, from any source other than Excess Property Tax Revenues (as defined in the Indenture), at a redemption price equal to the principal amount of Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

The Bonds are subject to mandatory redemption prior to maturity, in part on any date, from Excess Property Tax Revenues, at a redemption price equal to the principal amount of Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

The Bonds are subject to mandatory sinking fund redemption on September 1 in each year, in the amounts specified in the following table.

Mandatory Sinking Fund Redemption Date (September 1)	Sinking Fund Redemption Amount	Mandatory Sinking Fund Redemption Date (September 1)	Sinking Fund Redemption Amount
2019		2032	
2020		2033	
2021		2034	
2022		2035	
2023		2036	
2024		2037	
2025		2038	
2026		2039	
2027		2040	
2028		2041	
2029		2042	
2030		2043†	
2031			

† Maturity

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

Any notice of optional redemption of Bonds shall state that such redemption shall be conditional upon the receipt by the Trustee by 11:00 A.M. (California time) on the Business Day preceding the date fixed for redemption of moneys sufficient to pay in full the redemption price of such Bonds (unless the Trustee shall be in receipt of such moneys at the time such notice is given). If such moneys shall not be so received, such notice of redemption shall be of no force and effect, the District shall not redeem such Bonds and the Trustee shall give notice, in the manner in which the notice of redemption was given, that such moneys were not so received and that such redemption did not occur. In such event, the Trustee shall promptly return Bonds which it has received to the registered owners thereof.

If an Event of Default (as that term is defined in the Indenture) shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture. The Indenture provides that in certain events such declaration and its consequences may be rescinded by the registered owners of not less than a majority in aggregate principal amount of the Bonds then outstanding or by the Trustee.

The Bonds are issuable as one fully registered bond.

This Bond is transferable by the Owner hereof, in person or by his or her attorney duly authorized in writing, at the principal corporate trust 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 a new registered Bond or Bonds, of the same maturity for the same aggregate principal amount, will be issued to the transferee in exchange herefor.

The District and the Trustee may treat the 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 Indenture and the rights and obligations of the District the registered owners of the Bonds and 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 any 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 hereon, 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 of each Bond so affected, 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 Pledged 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 Pledged 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.

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 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 Trustee's Certificate of Authentication hereon shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, COALINGA REGIONAL MEDICAL CENTER has caused this Bond to be executed in its name and on its behalf by the facsimile signature of its CEO/Administrator and attested by the facsimile signature of the Secretary of its Board of Directors, all as of the Dated Date stated above.

COALINGA REGIONAL MEDICAL  
CENTER

By \_\_\_\_\_  
CEO/Administrator

Attest:

\_\_\_\_\_  
Secretary

**TRUSTEE'S CERTIFICATE OF AUTHENTICATION**

This is one of the Bonds described in the within-mentioned Indenture.

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

U.S. BANK NATIONAL ASSOCIATION,  
Trustee

By \_\_\_\_\_  
Authorized Signatory

**ASSIGNMENT**

For value received, the undersigned do(es) hereby sell, assign and transfer unto

\_\_\_\_\_  
\_\_\_\_\_

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

the within Certificate and do(es) hereby irrevocably constitute and appoint

\_\_\_\_\_  
attorney, to transfer the same on the registration books of the Trustee, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution (banks, stock brokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program) pursuant to Securities and Exchange Commission Rule 17 Ad-15.

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

**EXHIBIT B**  
**FORM OF INVESTOR'S LETTER**

Coalinga Regional Medical Center  
Coalinga, California

Re: Coalinga Regional Medical Center Taxable Refunding Revenue Bonds, Series 2019

---

Ladies and Gentlemen:

The undersigned (the "Purchaser"), being the purchaser of the above-referenced bonds (the "Bonds") does hereby certify, represent and warrant for the benefit of the Coalinga Regional Medical Center (the "District") and U.S. Bank National Association, as trustee (the "Trustee") that:

(a) The Purchaser (MARK OR INDICATE APPROPRIATELY):

is a qualified institutional buyer (a "Qualified Institutional Buyer") within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended (the "Securities Act"),

is an "accredited investor" as defined in Section 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act (an "Accredited Investor"), or

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.

(b) The Purchaser understands that the Bonds have not been registered under the United States Securities Act of 1933, as amended, or under any state securities laws. The Purchaser agrees that it will comply with any applicable state and federal securities laws then in effect with respect to any disposition of the Bonds by it, and further acknowledges that any current exemption from registration of the Bonds does not affect or diminish such requirements.

(c) The Purchaser is not now and has never been controlled by, or under common control with, the District. The District has never been and is not now controlled by the Purchaser. The Purchaser has entered into no arrangements with the District or with any affiliate in connection with the Bonds, other than as disclosed to the District.

(d) The Purchaser has authority to purchase the Bonds and to execute this letter and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the Bonds. The individual who is signing this letter on behalf of the Purchaser is a duly appointed, qualified, and acting officer of the Purchaser and is authorized to cause the Purchaser to make the certificates, representations and warranties contained herein by execution of this letter on behalf of the Purchaser.



(e) The Purchaser has been informed that the Bonds (i) have not been and will not be registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any jurisdiction, and (ii) will not be listed on any stock or other securities exchange.

(f) The Purchaser acknowledges that it has the right to sell and transfer the Bonds, subject to compliance with the transfer restrictions set forth in Section 2.05 of the Indenture of Trust, dated as of July 1, 2019, by and between the District and the Trustee (the “Indenture”), including in certain circumstances the requirement for the delivery to the District and the Trustee of an investor’s letter in the same form as this Investor’s Letter, including this paragraph. Failure to comply with the provisions of Section 2.05 of the Indenture shall cause the purported transfer to be null and void.

(h) Neither the Trustee nor the District’s bond counsel, or any of their employees, counsel or agents will have any responsibility to the Purchaser for the accuracy or completeness of information obtained by the Purchaser from any source regarding the District or its financial condition, the provision for payment of the Bonds, or the sufficiency of any security therefor. The Purchaser acknowledges that, as between the Purchaser and all of such parties, the Purchaser has assumed responsibility for obtaining such information and making such review as the Purchaser deemed necessary or desirable in connection with its decision to purchase the Bonds.

(i) The Purchaser acknowledges that the Bonds are exempt from the requirements of Rule 15c2-12 of the Securities and Exchange Commission and that the District has not undertaken to provide any continuing disclosure with respect to the Bonds, except as otherwise provided in the Indenture.

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.

[PURCHASER]

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_