AGENDA
CITY OF EL CENTRO
FINANCING AUTHORITY
MARCH 3, 2015

City Hall	Regular Meeting	6:00 PM

CITY HALL
COUNCIL CHAMBERS
1275 MAIN STREET
EL CENTRO, CA 92243

Financing Authority Members may be reached at (760) 336-8989

Chairperson:	**Efrain Silva**	**Executive Dir.: Ruben Duran**
Vice Chairperson:	**Jason Jackson**	**City Attorney: Kris Becker**
Agency Members:	**Sedalia Sanders**	**Secretary: L. Diane Caldwell**
	Alex Cardenas	
	Cheryl Viegas-Walker	

This is a Public Meeting. If there is an item on the Agenda on which you wish to be heard, you are asked to complete a blue speaker slip and submit it to the Secretary prior to the start of the meeting. **Persons wishing to address the Financing Authority are not required to identify themselves (Government Code §54953.3); however, this information assists the Chairperson by ensuring that all persons wishing to address the Agency are recognized and also assists the Secretary in preparing the Financing Authority meeting minutes.** When the item is announced and your name is called, please step to the podium and state your name for the record. Unless the Chairperson extends the time, there is a three (3) minute time limit for each public presentation. If you wish to address the Financing Authority, concerning any other matter not appearing on the agenda, you may do so during the public comment portion of the agenda.

6:00 P.M. OPEN SESSION

ALL TIMES ARE APPROXIMATE AND MAY VARY

CALL TO ORDER:

ROLL CALL BY CITY CLERK

PLEDGE OF ALLEGIANCE

INVOCATION

CONSENT AGENDA

Consent agenda items are approved by one motion. Council members or members of the public may pull consent items to be considered separately at a time determined by the Mayor.

1. Approve Financing Authority Minutes of December 18, 2012 and November 18, 2014

NEW BUSINESS

2. Discussion and any necessary action regarding the issuance by the El Centro Financing Authority of Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project), Series 2015A and Hospital Revenue Refunding Bonds, Series 2015B to assist in financing and refinancing of certain public capital improvements for the benefit of the El Centro Regional Medical Center

PRESENTATION: ALEX WELLS, CHIEF FINANCIAL OFFICER, ECRMC

RECOMMENDATION:

EXECUTIVE DIRECTOR'S RECOMMENDATION:

Approve the issuance by the El Centro Financing Authority (the "Authority") of Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project), Series 2015A (the "Series 2015A Bonds") and Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project), Series 2015B (the "Series 2015B Bonds" and, together with the Series 2015A Bonds, the "Series 2015 Bonds") by adopting the following:

a) Adopt Resolution No. FA 15 - RESOLUTION OF THE GOVERNING BOARD OF THE EL CENTRO FINANCING AUTHORITY AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $25,000,000 AGGREGATE PRINCIPAL AMOUNT OF ITS HOSPITAL REVENUE REFUNDING BONDS (EL CENTRO REGIONAL MEDICAL CENTER PROJECT) SERIES 2015A AND NOT TO EXCEED $25,000,000 AGGREGATE PRINCIPAL AMOUNT OF ITS HOSPITAL REVENUE REFUNDING BONDS (EL CENTRO REGIONAL MEDICAL CENTER PROJECT) SERIES 2015B; APPROVING A TRUST AGREEMENT, AN INSTALLMENT PURCHASE AGREEMENT AND AUTHORIZING THE TAKING OF CERTAIN ACTIONS IN CONNECTION THEREWITH.

The proceeds of the sale of the Series 2015 Bonds will be used to finance and/or refinance certain public capital improvements for the benefit of the El Centro Regional Medical Center (the "Medical Center"), including the refunding of the Authority's outstanding Insured Hospital Revenue Bonds (El Centro Regional Medical Center Project), Series 2001 (the "Refunded Bonds") and an outstanding loan from Rabobank, N.A. ("Rabobank") to the Medical Center.

PUBLIC COMMENTS

The City Council welcomes your input. At this time, members of the public may address the City Council on any matter not listed on the posted agenda. Pursuant to the Brown Act, no action will be taken on any issue brought forth under Public Comments. We ask that you please complete a "Speaker Slip" and submit it to the City Clerk prior to the start of the meeting. Although you are not required to identify yourself (Gov't Code§54953.3); this information on the "Speaker Slip" assists the Mayor that all persons wishing to address the Council are recognized and also assists the City Clerk in preparing the City Council meeting minutes. Unless the Mayor extends the time, there is a three (3) minute time limit for each public presentation. * Any information provided on the "Speaker Slip" is voluntary and will be public record.

ADJOURNMENT

Approve Financing Authority Minutes of December 18, 2012 and November 18, 2014

CITY MANAGER'S RECOMMENDATION:
Approve Financing Authority Minutes of December 18, 2012 and November 18, 2014.

ATTACHMENTS:

- FA 2014 11-18 (DOC)
- FA 2012 12-18 (DOC)

REGULAR MEETING
FINANCING AUTHORITY
CITY OF EL CENTRO, CALIFORNIA
TUESDAY, NOVEMBER 18, 2014

The Financing Authority of the City of El Centro met in regular session on November 18, 2014 at 7:30 p.m.

PRESENT: Jackson, Silva, Viegas-Walker, Cardenas
Secretary Caldwell, Executive Dir. Duran, Attorney Becker;
ABSENT: Sanders

1. Moved by Silva, seconded by Jackson, approval of Resolution No. FA14-01, RESOLUTION OF THE GOVERNING BOARD OF THE EL CENTRO FINANCING AUTHORITY AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $35,500,000 AGGREGATE PRINCIPAL AMOUNT OF ITS WATER REVENUE REFUNDING BONDS, 2014 SERIES A AND NOT TO EXCEED $32,500,000 AGGREGATE PRINCIPAL AMOUNT OF ITS WASTEWATER REVENUE REFUNDING BONDS, 2014 SERIES A; APPROVING TWO TRUST AGREEMENTS, TWO INSTALLMENT SALE AGREEMENTS, TWO ASSIGNMENT AGREEMENTS, TWO PRELIMINARY OFFICIAL STATEMENTS, TWO ESCROW AGREEMENTS AND TWO BOND PURCHASE AGREEMENTS, AND AUTHORIZING THE TAKING OF CERTAIN ACTIONS IN CONNECTION THEREWITH

AYES: Jackson, Silva, Viegas-Walker, Solomon
NOES: None
ABSENT: Sanders
ABSTAINED: None

ADJOURNMENT:

Being no further business, the meeting was adjourned at 7:31 p.m.

____
L. Diane Caldwell, Secretary

APPROVED BY

____
Cheryl Viegas-Walker, Chairperson

SPECIAL MEETING
FINANCING AUTHORITY
CITY OF EL CENTRO, CALIFORNIA
TUESDAY, DECEMBER 18, 2012

The Financing Authority of the City of El Centro met in special session on December 18, 2012 at 12:29 p.m.

PRESENT: Jackson, Silva, Viegas-Walker, Solomon, Sanders
Secretary Caldwell, Executive Dir. Duran, Attorney Becker;
ABSENT: None

1. Moved by Viegas-Walker, seconded by Sanders approval of Financing Authority Minutes for December 20, 2011.

AYES: Jackson, Silva, Viegas-Walker, Solomon, Sanders
NOES: None
ABSENT: None
ABSTAINED: None

ADJOURNMENT:

Being no further business, the meeting was adjourned at 12:31 p.m.

____
L. Diane Caldwell, Secretary

APPROVED BY

____
Benjamin James Solomon III, Chairman

Financing Authority

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SCHEDULED

RESOLUTION (ID # 1245)

Meeting: 03/03/15 06:00 PM
Department: City Clerk's Office
Category: Bond
Prepared By: Norma Wyles
Initiator: Diane Caldwell
Sponsors:
DOC ID: 1245 B

Discussion and any necessary action regarding the issuance by the El Centro Financing Authority of Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project), Series 2015A and Hospital Revenue Refunding Bonds, Series 2015B to assist in financing and refinancing of certain public capital improvements for the benefit of the El Centro Regional Medical Center

FISCAL IMPACT:
None to the Authority. Installment Purchase Payments are required to be made from revenues of the El Centro Regional Medical Center. No City funds are obligated for this financing.

STRATEGIC PLANNING PROGRAM 2013-2018 RELATION:
N/A

DUE DILIGENCE CHECK FOR CONTRACTORS/CONSULTANTS: DID THE DEPARTMENT VERIFY CURRENT EL CENTRO BUSINESS LICENSE, CONTRACTORS LICENSE, REFERENCE CHECKS, INSURANCE, ETC:
N/A

BACKGROUND:
After an extensive RFP process, the Medical Center has accepted the proposals of two lenders, Comerica Bank, a Texas banking association ("Comerica"), and Key Government Finance, Inc. ("Key"), and approved the bond documents authorizing the issuance of $50 million of private placement Series 2015 Bonds. Key will purchase the Series 2015A Bonds and Comerica will purchase the Series 2015B Bonds. In addition to the refunding of the Refunded Bonds and the retirement of the outstanding Rabobank obligation, the two main capital building projects are the upgrade of the Medical Center's central utility plant, and the building of a Medical Plaza building, which will expand outpatient services to the community and bring Medical Center personnel back on the hospital's campus from rented spaces around El Centro.

A detailed Sources and Uses of Funds Schedule has been provided to City staff by Medical Center staff. The following is a brief description of the major uses of the funds and their benefits to the Medical Center.

Refinance of current Cal Mortgage bonds - The Medical Center will refinance approximately $24 million remaining on the Refunded Bonds relating to construction of the existing Emergency Room, Medical-Surgical bed tower, and Surgery Center. The Series 2015B Bonds that refund the Refunded Bonds will have a 10-year term, which is approximately the remaining life of the Refunded Bonds. The interest savings on the Refunded Bonds is conservatively estimated at $3-$4 million.

Central Utility Plant upgrade - To provide proper utilities to future seismically-compliant buildings, the Medical Center's central utility plant is in need of an upgrade. Design and engineering for the project has been completed and approved by the Office of Statewide Health Planning and Development (OSHPD). The project entails the replacement of generators, chillers, and boilers at an estimated $10 million. Construction is scheduled to begin in late March or April of 2015.

Rebuilding/Expansion of Medical Plaza - The Medical Center's former Medical Plaza building was damaged beyond repair in the Easter earthquake of 2010, resulting in the displacement of more than 75 Medical Center personnel (mainly non-clinical support staff). The two-story replacement building currently in design will bring those personnel back on campus from leased office spaces, and relocate them on the second floor of the new building. The first floor of the new building will be occupied entirely by outpatient medical services, among them the Medical Center's Oncology and Hematology Center. The estimated cost of the Medical Plaza project is $10 million offset by approximately $500K in annual rent and utility savings, and new outpatient service line revenue.

The role of City staff in development of the bid documents, selection of lenders has been limited to insuring the ECRMC process is in conformance with City policy and practice. The bid documents as well as the Sources and Uses Summary were prepared by Medical Center staff. With the exception of bond counsel (Norton, Rose & Fulbright, LLP) which was chosen by the City, the Medical Center selected and contracted with all other consultants for this issuance were selected by ECRMC. The prospective lenders were selected and are recommended by the Medical Center's Board of Trustees.

On February 16, 2015, the Medical Center Board of Trustees, by resolution approved their recommendation for this financing. The resolution is attached.

DISCUSSION:

The issuance of the Series 2015 Bonds contemplates the refunding of the outstanding Refunded Bonds. The proposed refunding will take advantage of lower interest rates to reduce the annual interest expense of the Refunded Bonds. In addition, proceeds of the Series 2015 Bonds will be applied to finance additional improvements to the Medical Center as described above.

The **Series 2015A Bonds** will bear interest at a fixed interest rate and be subject to mandatory tender for purchase by the Authority on March 1, 2022. The annualized rate of interest at closing is 3.05 percent. The Series 2015A bond term is seven years but amortized over 20 years. With further future financing required for additional capital building projects in the next three to five years, it is anticipated these bonds will be rolled into a new issuance. However, if these bonds remain until maturity at the end of the seven years, the remaining balance will be refinanced at such time.

The anticipated savings from the refinancing will be used in the ECRMC general fund for operations and equipment replacement.

The **Series 2015B Bonds** will bear interest at the One-Month LIBOR (London Interbank Offer Rate) rate, plus a spread of 200 basis points (2 percent) for 5 years, after which the spread may be reset by Comerica without restriction. This provision was requested as protection by the lender should there be a drastic change in the Medical Center's operations. However, the City/Authority may buy/finance the debt after three years if advantageous. The expected interest rate at closing is the February LIBOR One Month rate of 0.17 percent plus 2 percent for a total of 2.17 percent. The overall term of this series is 10 years which coincides with the current CalMortgage bonds. Series 2015B proceeds will be used to refund the Cal Mortgage bonds (currently 5.65 percent) and Rabobank long-term debt for the El Centro Outpatient Center (currently 3.5 percent). The debt service will be calculated at 11 years. The Series 2015B Bonds are subject to mandatory purchase by the Authority on March 1, 2025.

The Sources and Uses Summary presents the issuance cost for these bonds. The cost of obtaining new financing has not been addressed in this report, but financial projections provided by the Medical's Center Finance staff cover all future debt issuances have been reviewed with the Board of Trustees. Should the debt service for either bond series increase due to future refinancing or interest changes, the Medical Center's staff would recommend to the Board of Trustees certain adjustments to operations at such time in order to meet its debt obligations.

To maintain the tax-exempt status of each series of the Series 2015 Bonds, the Authority is required to comply with certain federal tax regulations set forth in the Installment Purchase Agreement and the Trust Agreement. You have been provided with a copy of the current drafts of these agreements, each of which is a necessary part of the proposed refunding and new financing:

> Installment Purchase Agreement. The City agrees to purchase a portion of the Medical Center facilities from the Authority and to make periodic payments (the "Installment Purchase Payments") to the Authority in consideration for such

purchase. The Installment Payments under the Installment Purchase Agreement are equivalent in time and amount to pay the principal and interest due on each series of Series 2015 Bonds. The Installment Purchase Agreement also requires the City to comply with certain federal tax requirements.

Trust Agreement. The Trust Agreement is between the Authority and MUFG Union Bank, N.A. (the "Trustee") and provides for the issuance, delivery and security for the applicable series of Series 2015 Bonds. The Trust Agreement will set forth the interest rates on the applicable series of Series 2015 Bonds and provide for the early prepayment of such bonds, as applicable.

All necessary tax and compliance record keeping and reporting will be performed by Medical Center staff on behalf of the Authority.

CONCLUSION:

Based on information provided by the Medical Center, the Sources and Uses of Funds attached hereto and the advice of counsel with respect to the necessary documentation for the transaction, staff recommends adoption of the Resolution.

EXECUTIVE DIRECTOR'S RECOMMENDATION:

Approve the issuance by the El Centro Financing Authority (the "Authority") of Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project), Series 2015A (the "Series 2015A Bonds") and Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project), Series 2015B (the "Series 2015B Bonds" and, together with the Series 2015A Bonds, the "Series 2015 Bonds") by adopting the following:

a) Adopt Resolution No. FA 15 - RESOLUTION OF THE GOVERNING BOARD OF THE EL CENTRO FINANCING AUTHORITY AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $25,000,000 AGGREGATE PRINCIPAL AMOUNT OF ITS HOSPITAL REVENUE REFUNDING BONDS (EL CENTRO REGIONAL MEDICAL CENTER PROJECT) SERIES 2015A AND NOT TO EXCEED $25,000,000 AGGREGATE PRINCIPAL AMOUNT OF ITS HOSPITAL REVENUE REFUNDING BONDS (EL CENTRO REGIONAL MEDICAL CENTER PROJECT) SERIES 2015B; APPROVING A TRUST AGREEMENT, AN INSTALLMENT PURCHASE AGREEMENT AND AUTHORIZING THE TAKING OF CERTAIN ACTIONS IN CONNECTION THEREWITH.

The proceeds of the sale of the Series 2015 Bonds will be used to finance and/or refinance certain public capital improvements for the benefit of the El Centro Regional Medical Center (the "Medical Center"), including the refunding of the Authority's outstanding Insured Hospital Revenue Bonds (El Centro Regional Medical Center Project), Series 2001 (the “Refunded Bonds”) and an outstanding loan from Rabobank, N.A. (“Rabobank”) to the Medical Center.

RESOLUTION NO. FA 15-

RESOLUTION OF THE GOVERNING BOARD OF THE EL CENTRO FINANCING AUTHORITY AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $25,000,000 AGGREGATE PRINCIPAL AMOUNT OF ITS HOSPITAL REVENUE REFUNDING BONDS (EL CENTRO REGIONAL MEDICAL CENTER PROJECT) SERIES 2015A AND NOT TO EXCEED $25,000,000 AGGREGATE PRINCIPAL AMOUNT OF ITS HOSPITAL REVENUE REFUNDING BONDS (EL CENTRO REGIONAL MEDICAL CENTER PROJECT) SERIES 2015B; APPROVING A TRUST AGREEMENT, AN INSTALLMENT PURCHASE AGREEMENT AND AUTHORIZING THE TAKING OF CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, the El Centro Financing Authority (the "Authority"), is a Joint Powers Authority (a public body, corporate and politic) duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the Joint Exercise of Powers Act (Articles 1 through 4 of Chapter 5, Division 7, Title 1 of the California Government Code) (the "Act") and the powers of such Authority include the power to issue bonds for any of its corporate purposes; and

WHEREAS, the City of El Centro, California, a municipal corporation duly organized and existing under and by virtue of the laws of the State of California (the "City"), is a local agency that has requested the assistance of the Authority in financing and/or refinancing certain public capital improvements for the benefit of the El Centro Regional Medical Center, a municipal hospital and agency of the City duly organized and existing under and by virtue of the laws of the State of California (the "Medical Center"); and

WHEREAS, the Authority is empowered pursuant to Article 4 of Chapter 5 of Division 7 of Tide 1 of the Government Code of the State of California (the "Government Code") to cause the design, acquisition and construction of certain additions, betterments, extensions and improvements to the Medical Center and to finance and/or refinance such additions, betterments, extensions and improvements through the issuance of revenue bonds in multiple series; and

WHEREAS, pursuant to Section 6586.5 of the Government Code, a member of the Authority, which is not itself a joint powers authority, within whose boundaries the project being financed is to be located, is required to approve the financing and make a finding of significant public benefit in accordance with the criteria specified in Section 6586 of the Government Code after a public hearing, notice of which was published once at least five days prior to the hearing in a newspaper of general circulation; and

WHEREAS, the projects to be financed and/or refinanced for the Medical Center are located within the City, a local agency and a member of the Authority; and

WHEREAS, on the date hereof, the City Council of the City conducted a public hearing, notice of which hearing was published at least five days prior to the hearing in a newspaper of general circulation within the County of Imperial, and, following such public hearing, the City

Council made a finding of significant public benefit in accordance with the criteria specified in Section 6586 of the Government Code and adopted a resolution authorizing and approving the financing and/or refinancing of certain public capital improvements for the benefit of the Medical Center; and

WHEREAS, the Authority desires to authorize the issuance of two series of revenue bonds to be designated as the El Centro Financing Authority Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project), Series 2015A (the "Series 2015A Bonds") and the El Centro Financing Authority Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project), Series 2015B (the "Series 2015B Bonds" and, together with the Series 2015A Bonds, the "Series 2015 Bonds") to assist in financing and/or refinancing of certain public capital improvements for the benefit of the Medical Center, including the refunding of the Authority's outstanding Insured Hospital Revenue Bonds (El Centro Regional Medical Center Project), Series 2001 (the "Refunded Bonds") and an outstanding loan from Rabobank, N.A. to the Medical Center.

NOW, THEREFORE, THE GOVERNING BOARD OF THE EL CENTRO FINANCING AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:

1. That the Authority hereby approves the issuance and delivery of the Series 2015A Bonds in an amount not to exceed $25,000,000 and the Series 2015B Bonds in an amount not to exceed $25,000,000 in accordance with the terms and conditions of a Trust Agreement between the Authority and MUFG Union Bank, N.A., as trustee, substantially in the form on file with the Secretary, with such revisions, amendments and completions as shall be approved by the Executive Director, the Chair, or the Vice-Chair of the Authority, or their respective designee (each, a "Responsible Officer") with the advice of counsel to the Authority, such approval to be conclusively evidenced by the execution and delivery thereof.

2. That the Authority hereby approves an Installment Purchase Agreement among the Authority, the City and the Medical Center, substantially in the form on file with the Secretary, with such revisions, amendments and completions as shall be approved by a Responsible Officer with the advice of counsel to the Authority, such approval to be conclusively evidenced by the execution and delivery thereof.

3. That any Responsible Officer is hereby authorized and directed to execute and deliver any and all documents, including escrow agreements, conveyance instruments and termination agreements and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution, including but not limited to retaining the services of an independent certified public accountant as verification agent if necessary or desirable in connection with the refunding of the Refunded Bonds and paying all fees incurred in connection with the issuance of the Series 2015 Bonds and the other transactions contemplated by this Resolution. All prior actions by any Responsible Officer and any other officer of the Authority relating to the Series 2015 Bonds and the transactions contemplated by this Resolution are hereby approved, ratified and confirmed.

4. That the Secretary of the Authority shall certify to the adoption of this Resolution, and thenceforth and thereafter the same shall be in full force and effect. Notwithstanding the foregoing, such certification and any of the other duties and responsibilities assigned to the Secretary pursuant to this Resolution may be performed by an Assistant Secretary with the same force and effect as if performed by the Secretary hereunder.

PASSED AND ADOPTED at a regular meeting of the Financing Authority of the City of El Centro, California, held on the day of , 2015.

By___________________________________
Efrain Silva, Chairperson

By___________________________________
L. Diane Caldwell, Authority Secretary

APPROVED AS TO FORM:

Office of the Authority Counsel

By __________________________________
Kris M. Becker, Authority Counsel

STATE OF CALIFORNIA)
COUNTY OF IMPERIAL) ss
CITY OF EL CENTRO)

I, L. Diane Caldwell, Authority Secretary of the Financing Authority of the City of El Centro, California, do hereby certify that the foregoing Resolution No. FA 15- was duly and regularly adopted at a regular meeting of the Financing Authority of the City of El Centro, California, held on the day of , 2015, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINED:

By ___________________________________
L. Diane Caldwell, Authority Secretary

Norton Rose Fulbright US LLP – Draft 02/18/15

INSTALLMENT PURCHASE AGREEMENT

between

CITY OF EL CENTRO,

as Purchaser

and

EL CENTRO REGIONAL MEDICAL CENTER

and

EL CENTRO FINANCING AUTHORITY,

as Seller

for the

El Centro Regional Medical Center Project

Dated as of February 1, 2015

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INSTALLMENT PURCHASE AGREEMENT

This **INSTALLMENT PURCHASE AGREEMENT**, dated as of February 1, 2015 (this "Installment Purchase Agreement"), among the **CITY OF EL CENTRO**, a municipal corporation duly organized and existing under and by virtue of the laws of the State of California (the "City"), **EL CENTRO REGIONAL MEDICAL CENTER**, a municipal hospital and agency of the City duly organized and existing under and by virtue of the laws of the State of California (the "Medical Center"), and the **EL CENTRO FINANCING AUTHORITY**, a public entity duly organized and existing as a joint exercise of powers authority under and by virtue of the laws of the State of California (the "Authority");

W I T N E S S E T H:

WHEREAS, the City has determined that the design, acquisition and construction of certain additions, betterments, extensions and improvements to the Medical Center (such additions, betterments, extensions and improvements each being hereinafter referred to as a "Medical Center Project," and being hereinafter collectively referred to as the "Medical Center Project") is necessary and proper for City purposes and uses under the terms of applicable law and is for the common benefit of the City as a whole;

WHEREAS, the City and the Medical Center have requested the assistance of the Authority in financing and/or refinancing the costs of the Medical Center Project;

WHEREAS, to assist the City and the Medical Center to finance and/or refinance the costs of the Medical Center Project, the Authority intends to issue revenue bonds, pursuant to the terms of a Trust Agreement, dated as of February 1, 2015 (the "Trust Agreement"), between the Authority and MUFG Union Bank, N.A., as trustee (the "Trustee");

WHEREAS, pursuant to the terms of this Installment Purchase Agreement, the City and the Medical Center have agreed to purchase each Medical Center Project, from the Authority and the Authority has agreed to sell each Medical Center Project to the Medical Center;

WHEREAS, to pay the purchase price due the Authority in connection with the purchase of a Medical Center Project, the Medical Center has determined to make installment purchase payments (the "Installment Purchase Payments') as hereinafter described to the Authority;

WHEREAS, to assist the Medical Center to finance and/or refinance the costs of the additions, betterments, extensions and improvements more fully described in <u>Exhibit B</u> to this Installment Purchase Agreement (such improvements being hereinafter referred to as the "Series 2015 Medical Center Project"), the Authority intends to issue El Centro Financing Authority Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project), Series 2015A (the "Series 2015A Bonds") and the El Centro Financing Authority Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project), Series 2015B (the "Series 2015B Bonds" and, together with the Series 2015A Bonds, the "Series 2015 Bonds");

WHEREAS, pursuant to the terms of this Installment Purchase Agreement, the City has agreed to purchase the Series 2015 Medical Center Project from the Authority and the Authority has agreed to sell the Series 2015 Medical Center Project to the City;

WHEREAS, to pay the purchase price due the Authority in connection with the purchase of the Series 2015 Medical Center Project (the "Series 2015 Purchase Price"), the City (hereinafter sometimes referred to as the "Purchaser") has determined to make Installment Purchase Payments (the "Series 2015 Installment Purchase Payments") to the Authority; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Installment Purchase Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Installment Purchase Agreement;

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, THE PARTIES HERETO DO AGREE AS FOLLOWS:

ARTICLE I

DEFINITIONS; INTERPRETATIONS; CONTENTS OF CERTIFICATES AND OPINIONS

SECTION 1.01. Definitions. Unless otherwise defined in this Installment Purchase Agreement, all capitalized terms used herein shall have the meanings assigned to such terms in the Trust Agreement, as originally executed or as it may from time to time be supplemented, modified or amended as provided therein.

SECTION 1.02. Interpretations.

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

SECTION 1.03. Content of Certificates and Opinions. Every certificate or opinion provided for in this Installment Purchase Agreement with respect to compliance with any provision hereof shall include: (1) a statement that the individual making or giving such certificate or opinion has read such provision and the definitions herein relating thereto; (2) a brief statement as to the nature and scope of the examination or investigation upon which the certificate or opinion is based; (3) a statement that, in the opinion of such individual, he has made or caused to be made such examination or investigation as is necessary to enable him to express an informed opinion with respect to the subject matter referred to in the certificate or opinion to which his signature is affixed; and (4) a statement as to whether, in the opinion of such individual, such provision has been complied with.

Any such certificate or opinion made or given by an Authorized Authority Representative, an Authorized City Representative or an Authorized Medical Center Representative may be based, insofar as it relates to legal, accounting or health care matters, upon a certificate or opinion of or representation by counsel, an Accountant or a Management Consultant, unless such Authorized Representative 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 opinion may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel, an Accountant or a Management Consultant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the Authority, the City or the Medical Center) upon a certificate or opinion of or representation by an officer of the Authority, the City or the Medical Center, unless such counsel, Accountant or Management Consultant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such individual's certificate or opinion or representation may be based, as aforesaid, is erroneous. The same Authorized Authority Representative, the same Authorized City Representative, the same Authorized Medical Center Representative or the same counsel or Accountant or Management Consultant, as the case may be, need not certify to all of the matters required to be certified under any provision of this Installment Purchase Agreement, but different Authorized Representatives, counsel, Accountants or Management Consultants may certify to different matters, respectively.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE AUTHORITY, THE CITY AND THE MEDICAL CENTER

SECTION 2.01. Representations of the Authority. The Authority makes the following representations:

(a) The Authority is a joint exercise of powers authority duly organized and existing under the laws of the State.

(b) The Authority has full legal right, power and authority to enter into this Installment Purchase Agreement and the Trust Agreement, and to carry out its obligations hereunder and to carry out and consummate all other transactions contemplated by this Installment Purchase Agreement and the Trust Agreement, and the Authority has complied with the provisions of the Act in all matters relating to such transactions.

(c) By proper action, the Authority has duly authorized the execution, delivery and due performance of this Installment Purchase Agreement and the Trust Agreement.

SECTION 2.02. Representations and Warranties of the City. The City makes the following representations and warranties to the Authority as of the date of the execution of this Installment Purchase Agreement and as of the date of delivery of each Series of Bonds to the initial purchaser(s) thereof (such representations and warranties to remain operative and in full force and effect regardless of delivery of the Bonds or any investigations by or on behalf of the Authority or the results thereof):

(a) The City is a municipal corporation duly organized and existing under and by virtue of the laws of the State, has full legal right, power and authority to enter into this Installment Purchase Agreement and to carry out and consummate all transactions contemplated by this Installment Purchase Agreement, and by proper official action has duly authorized the execution and delivery of this Installment Purchase Agreement.

(b) The officers of the City executing this Installment Purchase Agreement are duly and properly in office and fully authorized to execute the same.

(c) This Installment Purchase Agreement has been duly authorized, executed and delivered by the City, and (i) this Installment Purchase Agreement, when assigned to the Trustee pursuant to the Trust Agreement, will constitute the legal, valid and binding agreement of the City with the Trustee, enforceable against the City in accordance with its terms for the benefit of the Holders of the Bonds, and (ii) any rights of the Authority and obligations of the City hereunder not so assigned to the Trustee constitute the legal, valid, and binding agreement of the City with the Authority, enforceable against the City in accordance with its terms; except as enforcement of the above-named documents may be limited by bankruptcy, insolvency, or other laws affecting the enforcement of creditors' rights generally, by the exercise of judicial discretion and by the application of equitable principles.

(d) The execution and delivery of this Installment Purchase Agreement, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof and thereof, will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under the Medical Center Act, the Medical Center Ordinance, any other applicable law, administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, note, loan agreement, lease, contract or other agreement or instrument to which the City 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 City, which conflict, violation, breach, default, lien, charge or encumbrance might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Installment Purchase Agreement, or the financial condition, assets, properties, or operations of the Medical Center.

(e) No consent or approval of any trustee or holder of any indebtedness of the City, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of this Installment Purchase Agreement or the consummation of any transaction herein or therein contemplated, except as have been obtained or made and as are in full force and effect.

(f) The City is a "local agency" and the Series 2015 Medical Center Project constitutes, and any Additional Medical Center Project, will constitute, a "public capital improvement," the financing and/or refinancing of which will result in "significant public benefits," as such terms are defined in the Act.

(g) 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 City, after reasonable inquiry and investigation, threatened against or affecting the City or the assets, properties or operations of the City which, if determined adversely to the City or its interests, could have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of this Installment Purchase Agreement, and the City 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, could constitute a default) with respect to any order or decree of any court or any order, regulation or 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 Installment Purchase Agreement, or the financial condition, assets, properties or operations of the Medical Center or its properties. All tax returns (federal, state and local) required to be filed by or on behalf of the City with respect to the Medical Center have been filed, and all taxes shown thereon to be due, including interest and penalties, except such, if any, as are being actively contested 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 Section 5.06. The City enjoys the peaceful and undisturbed possession of all the premises upon which the Medical Center is operating as a health facility.

(h) The City has good and marketable title to the Facilities free and clear from all material encumbrances other than Permitted Encumbrances.

(i) The City does not restrict admissions of patients to the Facilities on racial or religious grounds.

(j) Except as disclosed in writing to the Authority:

(i) to the knowledge of the City, there have been no notices, directives, violations, reports or actions by any local, state or federal department or agency concerning environmental laws or regulations applicable to the Facilities, and the City is in compliance with all applicable state and federal environmental laws in all respects material to its ability to perform its obligations under this Installment Purchase Agreement;

(ii) to the knowledge of the City, the business and operations of the Medical Center have at all times been conducted in compliance with all applicable federal, state, local or foreign laws, ordinances, regulations, orders and other requirements of governmental authorities concerning matters relating to the environment in all respects material to the ability of the City to perform its obligations under this Installment Purchase Agreement;

(iii) to the knowledge of the City, there has been no spill, discharge, release, cleanup, contamination of or by any Hazardous Material or toxic waste or substances used, generated, treated, stored, disposed or handled by the City at the Facilities or the Medical Center Project which spill, discharge, release, cleanup or contamination is material to the ability of the City to perform its obligations under this Installment Purchase Agreement;

(iv) to the knowledge of the City, there are not now, nor have there ever been any underground storage tanks located at, on, or under the Facilities or the Medical Center Project; and

(v) except for such Hazardous Materials or toxic substances or wastes as occur, are produced, used or handled, and are disposed of in the ordinary course of business of the Medical Center, to the knowledge of the City, no Hazardous Materials or toxic substances or wastes are located at, or have been removed from the Facilities or the Medical Center Project.

SECTION 2.03. Representations and Warranties of the Medical Center. The Medical Center makes the following representations and warranties to the Authority as of the date of the execution of this Installment Purchase Agreement and as of the date of delivery of each Series of Bonds to the initial purchaser(s) thereof (such representations and warranties to remain operative and in full force and effect regardless of delivery of the Bonds or any investigations by or on behalf of the Authority or the results thereof):

(a) The Medical Center is a municipal hospital and agency of the City duly organized and existing under and by virtue of the laws of the State, and with the consent of the City Council of the City, which consent has been obtained and is in full force and effect, has full legal right, power and authority to enter into this Installment Purchase Agreement and to carry out and consummate all transactions contemplated by this Installment Purchase Agreement and by proper official action has duly authorized the execution and delivery of this Installment Purchase Agreement.

(b) The officers of the Medical Center executing this Installment Purchase Agreement are duly and properly in office and fully authorized to execute the same.

(c) This Installment Purchase Agreement has been duly authorized, executed and delivered by the Medical Center, and (i) this Installment Purchase Agreement when assigned to the Trustee pursuant to the Trust Agreement, will constitute the legal, valid and binding agreement of the Medical Center with the Trustee enforceable against the Medical Center in accordance with its terms for the benefit of the Holders of the Bonds, and (ii) any rights of the Authority and obligations of the Medical Center hereunder not so assigned to the Trustee constitute the legal, valid, and binding agreement of the Medical Center with the Authority enforceable against the Medical Center in accordance with its terms; except as enforcement of each of the above documents may be limited by bankruptcy, insolvency, or other laws affecting the enforcement of creditors' rights generally, by the exercise of judicial discretion and by the application of equitable principles.

(d) The execution and delivery of this Installment Purchase Agreement, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof and thereof will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under the Medical Center Act, the Medical Center Ordinance, any other applicable law, administrative rule or regulation, or any applicable court or administrative decree or order, the bylaws of the Medical Center, or any indenture, mortgage, deed of trust, note, loan agreement, lease, contract or other agreement or instrument to which the Medical Center 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 Medical Center, which conflict, violation, breach, default, lien, charge or encumbrance might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Installment Purchase Agreement or the financial condition, assets, properties, or operations of the Medical Center.

(e) No consent or approval of any trustee or holder of any indebtedness of the Medical Center, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of this Installment Purchase Agreement or the consummation of any transaction herein or therein contemplated, except as have been obtained or made and as are in full force and effect.

(f) There is no action, suit, proceeding, inquiry or investigation, before or by any court or federal, state, municipal or other governmental authority, pending or, to the knowledge of the Medical Center, after reasonable inquiry and investigation, threatened against or affecting the Medical Center or the assets, properties or operations of the Medical Center which is reasonably likely to be determined adversely to the Medical Center or its interests and, if determined adversely to the Medical Center or its interests, would reasonably be expected to have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of this Installment Purchase Agreement or upon the financial condition, assets, properties or operations of the Medical Center, and the Medical Center 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, could constitute a default) with respect to any order or decree of any court or any order, regulation or 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 Installment Purchase Agreement or the financial condition, assets, properties or operations of the Medical Center or its properties. All tax returns (federal, state and local) required to be filed by the Medical Center have been filed, and all taxes shown thereon to be due, including interest and penalties, except such, if any, as are being actively contested 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 Section 5.06. The Medical Center enjoys the peaceful and undisturbed possession of all the premises upon which the Medical Center is operating as a health facility.

(g) The audited balance sheet of the Medical Center for the year ended June 30, 2014 and the related statement of income and change in fund balance have been furnished to the Authority), fairly state the financial position of the Medical Center at June 30, 2014, and the results of operations for the fiscal year ended on such date, with such exceptions, as may be disclosed in such accountant's certificate, and since June 30, 2014, there has been no material adverse change in the financial condition or results of operation of the Medical Center.

(h) No written information, exhibit or certificate furnished to the Authority by the Medical Center pursuant to this Installment Purchase Agreement 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.

(i) The Medical Center does not restrict admissions of patients to the Facilities on racial or religious grounds.

(j) The Medical Center further represents as follows:

(i) to the knowledge of the Medical Center, there have been no notices, directives, violations, reports or actions by any local, state or federal department or agency concerning environmental laws or regulations applicable to the Facilities, and the Medical Center is in compliance with all applicable state and federal environmental laws in all respects material to its ability to perform its obligations under this Installment Purchase Agreement;

(ii) to the knowledge of the Medical Center, the business and operations of the Medical Center have at all times been conducted in compliance with all applicable federal, state, local or foreign laws, ordinances, regulations, orders and other requirements of governmental authorities concerning matters relating to the environment in all respects material to the ability of the Medical Center to perform its obligations under this Installment Purchase Agreement;

(iii) to the knowledge of the Medical Center, there has been no spill, discharge, release, cleanup, contamination of or by any Hazardous Material or toxic waste or substances used, generated, treated, stored, disposed or handled by the Medical Center at the Facilities or the Medical Center Project which spill, discharge, release, cleanup or contamination is material to the ability of the Medical Center to perform its obligations under this Installment Purchase Agreement;

(iv) to the knowledge of the Medical Center, there are not now, nor have there ever been any underground storage tanks located at, on, or under the Facilities or the Medical Center Project; and

(v) except for such Hazardous Materials or toxic substances or wastes as occur, are produced, used or handled, and are disposed of in the ordinary course of business of the Medical Center, to the knowledge of the Medical Center, no Hazardous Materials or toxic substances or wastes are located at, or have been removed from the Facilities or the Medical Center Project.

(k) All financial and other factual information supplied by the Medical Center in writing to the Initial Owners pursuant to or in connection with this Installment Purchase Agreement and the Trust Agreement is accurate in all material respects; provided, however, that, while the assumptions the Medical Center's management used as a basis for the financial projections supplied by the Medical

Center to the Initial Owners were reasonable at the time such financial projections were prepared, such financial projections: (i) necessarily make numerous assumptions, many of which are beyond the control of the Medical Center and may not prove to have been , or may no longer be, accurate; (ii) necessarily do not reflect changes in general business or economic conditions or any other transaction or event that has occurred or that may occur and that were not anticipated at the time such financial projections were prepared; (iii) are not necessarily indicative of future performance, which may be significantly less favorable to the Medical Center than set forth in such financial projections; and (iv) should not be regarded as a representation that such financial projections will be achieved.

ARTICLE III

SERIES 2015 MEDICAL CENTER PROJECT; PURCHASE PRICE; APPROVAL OF TRUST AGREEMENT; INVESTMENT OF MONEYS

SECTION 3.01. Design, Acquisition, Construction and Sale of the Series 2015 Medical Center Project. The Authority hereby agrees to design, acquire and construct the Series 2015 Medical Center Project for, and to sell the Series 2015 Medical Center Project to, the Purchaser. To implement this provision, the Authority hereby appoints the Purchaser as its agent for the purpose of such design, acquisition and construction, and the Purchaser hereby agrees to enter into such design, architectural and construction contracts and purchase orders as may be necessary, as agent for the Authority, to provide for the complete design, acquisition and construction of the Series 2015 Medical Center Project. The Purchaser hereby agrees that as such agent it will cause the acquisition and construction of the Series 2015 Medical Center Project to be diligently completed after the deposit of funds in the Series 2015 Acquisition Account of the Acquisition Fund for such purpose pursuant to Section 3.02 of the Trust Agreement.

In consideration of the Purchase Price set forth in Section 3.02 hereof the Authority hereby agrees to sell, and hereby sells, the Series 2015 Medical Center Project to the Purchaser. The Purchaser hereby agrees to purchase, and hereby purchases, the Series 2015 Medical Center Project from the Authority. Notwithstanding the foregoing, it is hereby expressly understood and agreed that the Authority shall be under no liability of any kind or character whatsoever for the payment of any costs or expenses incurred by the Purchaser (whether as agent for the Authority or otherwise) for the acquisition and construction of the Series 2015 Medical Center Project and that all such costs and expenses shall be paid by the Purchaser, regardless of whether the funds deposited in the Series 2015 Acquisition Account of the Acquisition Fund are sufficient to cover all such costs.

SECTION 3.02. Purchase Price.

(a) The Series 2015 Purchase Price to be paid by the Purchaser to the Authority hereunder is the sum of the principal amount of the Purchaser's obligation hereunder in connection with the Series 2015 Medical Center Project, plus the interest to accrue on the unpaid balance of such principal amount from the date hereof over the term hereof, in accordance with the installment purchase payment schedules set forth in Exhibit A-1 and Exhibit A-2 hereto, subject to prepayment as provided in Section 4.06, plus such other amount as shall be necessary to produce an amount sufficient for the payment in full of all obligations to the Holders of the Series 2015 Bonds from time to time Outstanding under the Trust Agreement, including total interest due on the Series 2015 Bonds, total principal due on the Series 2015 Bonds, including principal due in connection with redemption of Series 2015 Bonds, and the redemption premium, if any, that shall be payable in connection with any redemption of Series 2015 Bonds pursuant to Section 4.01(b) of the Trust Agreement, less the amount of other funds available for such payment as provided in the Trust Agreement. The Medical Center, acting on behalf of the Purchaser, agrees to pay the

Series 2015 Purchase Price by paying the Series 2015 Installment Purchase Payments as provided in Section 4.01 hereof.

(b) The principal amount of the Series 2015 Purchase Price is fifty million dollars ($50,000,000).

(c) The interest to accrue on the unpaid balance of such principal amount shall be paid by the Purchaser as and shall constitute interest paid on the principal amount of the Series 2015 Purchase Price obligation hereunder.

(d) The Purchaser shall pay the Authority the Purchase Price for any Additional Medical Center Project in accordance with the terms and provisions of the Supplemental Installment Purchase Agreement executed and delivered in connection with the acquisition of such Additional Medical Center Project.

SECTION 3.03. Title to the Series 2015 Medical Center Project. Upon acquisition or construction of each portion of the Series 2015 Medical Center Project designated as such by the Purchaser as agent for the Authority, all right, title and interest therein shall automatically vest in the City, which automatic vesting shall occur without further action by the Authority, and the Authority shall, if requested by the Purchaser or if necessary to assure such automatic vesting of such right, title or interest, execute and deliver any and all documents required to assure such vesting.

SECTION 3.04. Medical Center Ingress and Egress by Authority. The Authority shall have the right of ingress and egress to and from all such land and easements of Purchaser for the purpose of fulfilling its obligations with respect to the Series 2015 Medical Center Project without the necessity of any party hereto executing further documentation relevant or appertaining thereto.

SECTION 3.05. Approval of Trust Agreement. The City and the Medical Center hereby approve the Trust Agreement, including the assignment under the Trust Agreement to the Trustee of the right, title and interest of the Authority (except for the right to receive any Administrative Fees and Expenses to the extent payable to the Authority, the right to receive any amounts paid by the Medical Center, acting on behalf of the Purchaser, pursuant to Sections 6.02 and 7.04 hereof, and the right to receive the Certificate of the Medical Center required by Section 5.9 hereof) in this Installment Purchase Agreement. The City and the Medical Center shall have the rights granted to the City and Medical Center under the Trust Agreement, including, without limitation, the right to cause the conversion of the interest rate on the Series 2015B Bonds under Section 2.02(d) of the Trust Agreement, the right to request that the Authority issue additional Series of Bonds under Section 3.05 of the Trust Agreement, and the right to redeem the Bonds pursuant to Article IV of the Trust Agreement.

SECTION 3.06. Investment of Moneys. Upon written direction of the Medical Center, any moneys in any fund or account held by the Trustee under the Trust Agreement shall be invested or reinvested by the Trustee in Investment Securities as provided in the Trust Agreement, and the City and the Medical Center hereby approve such provisions of the Trust Agreement and direct the Trustee to make such investments, subject to the covenants of Section 5.10 hereof.

ARTICLE IV

PAYMENT PROVISIONS

SECTION 4.01. Payment of Series 2015 Installment Purchase Payments.

(a) The Purchaser shall, subject to prepayment as provided in Section 4.06, pay the Authority the Series 2015 Purchase Price, without offset or deduction of any kind. The Series 2015 Installment Purchase Payments shall be due and payable in monthly installments on or before the first (1^{st}) day of each month. Each Series 2015 Installment Purchase Payment shall be in an amount equal to the amount required by the Trustee to make the transfer and deposits required on or before the twenty-fifth (25^{th}) day of such month by Section 5.02 of the Trust Agreement. Notwithstanding the foregoing, if five (5) Business Days prior to any interest or principal payment date on the Series 2015 Bonds, the aggregate amount in the Revenue Fund is for any reason insufficient or unavailable to make required payments of principal (or Redemption Price) of or interest on the Series 2015 Bonds then becoming due (whether by maturity, redemption or acceleration), the Medical Center, acting on behalf of the Purchaser, shall forthwith pay the amount of any such deficiency to the Trustee. Each payment made hereunder by the Medical Center, acting on behalf of the Purchaser, shall be made in lawful money of the United States of America, shall be made to the Trustee at its Principal Corporate Trust Office and shall be held, invested, disbursed and applied as provided in the Trust Agreement.

(b) The Purchaser shall pay the Authority the Purchase Price for any Additional Medical Center Project, without offset or deduction of any kind, by paying the Installment Purchase Payments due in connection with the acquisition of such Additional Medical Center Project in accordance with the terms and provisions of the Supplemental Installment Purchase Agreement executed and delivered in connection with the acquisition of such Additional Medical Center Project.

(c) The Purchaser shall pay the Installment Purchase Payments required hereunder directly to the Trustee, as assignee of the Authority, for deposit in the Revenue Fund held by the Trustee. The Installment Purchase Payments, in the aggregate, shall be in an amount sufficient for the payment in full of all obligations to the Holders of the Bonds from time to time Outstanding under the Trust Agreement, including total interest due on the Bonds, total principal due on the Bonds, including principal due in connection with acceleration or redemption of Bonds, and the redemption premium, if any, that shall be payable in connection with any redemption of Bonds pursuant to Section 4.01(b) and Section 4.01(c) of the Trust Agreement.

(d) The obligation of the Purchaser to pay the Series 2015 Purchase Price due in connection with the Series 2015 Medical Center Project by paying the Series 2015 Installment Purchase Payments and the Purchase Price due in connection with any Additional Medical Center Project by paying the Installment Purchase Payments due in connection with the acquisition of such Additional Medical Center Project is, subject to Section 7.02, absolute and unconditional, and until such time as the Series 2015 Installment Purchase Payments and such other Installment Purchase Payments shall have been paid in full (or provision for the payment thereof shall have been made pursuant to Section 9.01), the Purchaser will not discontinue or suspend any Installment Purchase Payments, including, without limitation, the Series 2015 Installment Purchase Payments, required to be paid by it under this Section when due, whether or not the Series 2015 Medical Center Project or any Additional Medical Center Project is completed, the Medical Center or any part thereof is operating or operable, or the use of the Medical Center is suspended, interfered with, reduced, curtailed or terminated in whole or in part, and such payments shall not be subject to reduction whether by offset or otherwise and shall not be conditional upon the performance or nonperformance by any party to any agreement for any cause whatsoever.

(e) Except as otherwise expressly provided herein, all amounts payable hereunder by the Purchaser to the Authority shall be paid to the Trustee as assignee of the Authority and this Installment Purchase Agreement and all right, title and interest of the Authority in any such payments are hereby assigned and pledged to the Trustee so long as any Bond shall remain Outstanding.

SECTION 4.02. Supplemental Payments. In addition to the Installment Purchase Payments provided for in Section 4.01, the Medical Center, acting on behalf of the Purchaser, shall also pay to the Authority or the Trustee, as applicable, "Supplemental Payments," as follows:

(a) All taxes and assessments of any type or character charged to the Authority or to the Trustee affecting the amount available to the Authority or the Trustee from payments to be received hereunder or in any way arising due to the transactions contemplated hereby (including taxes and assessments assessed or levied by any public agency or governmental authority of whatsoever character having power to levy taxes or assessments) but excluding franchise taxes based upon the capital and/or income of the Trustee and taxes based upon or measured by the net income of the Trustee; provided, however, that (i) the Medical Center, acting on behalf of the Purchaser, shall have the right to protest and contest any such taxes or assessments and to require the Authority or the Trustee, at the Medical Center's expense, to protest and contest any such taxes or assessments levied upon the Authority or the Trustee; and (ii) that the Medical Center, acting on behalf of the Purchaser, shall have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest, unless such withholding, protest or contest would adversely affect the rights or interests of the Holders, the Authority or the Trustee;

(b) All reasonable fees, charges and expenses of the Trustee for services rendered under the Trust Agreement, as and when the same become due and payable, in accordance with Section 8.06 of the Trust Agreement;

(c) The reasonable fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Authority or the Trustee to prepare audits, financial statements, reports or opinions or to provide such other services required under this Installment Purchase Agreement;

(d) The reasonable fees and expenses of the Authority in connection with this Installment Purchase Agreement, the Bonds or the Trust Agreement, including, without limitation, any and all expenses incurred in connection with the authorization, issuance, sale and delivery of any Series of Bonds or in connection with any litigation which may at any time be instituted involving this Installment Purchase Agreement, the Bonds or the Trust Agreement or any of the other documents contemplated hereby or thereby or in connection with the supervision or inspection of the Medical Center, its properties, assets or operations or otherwise in connection with the administration of this Installment Purchase Agreement, the Bonds or the Trust Agreement;

(e) Any fees and other costs required to be incurred by the Authority and/or the Trustee to comply with the provisions of Section 6.07 of the Trust Agreement, including but not limited to any expenses related to computations to determine if moneys are required to be rebated to the United States and any amount required to be rebated to the United States pursuant to Section 6.07 of the Trust Agreement, any such payment to be made immediately upon written demand therefor; and

(f) All additional amounts required to be paid pursuant to Section 6.11 or Section 6.12 of the Trust Agreement.

(g) All other reasonable and necessary fees and expenses of the Authority attributable to this Installment Purchase Agreement.

Such Supplemental Payments shall be billed to the Authorized Medical Center Representative by the Authority or the Trustee from time to time. After such a demand, amounts so billed shall be paid by the Medical Center within thirty (30) days after receipt of such bill by the Medical Center. The provisions of this Section 4.02 shall survive the termination of this Installment Purchase Agreement.

SECTION 4.03. Gross Revenue Fund.

(a) To carry out and effectuate the obligation of the Purchaser contained herein to pay the Series 2015 Purchase Price with respect to the Series 2015 Medical Center Project through the payment of the Series 2015 Installment Purchase Payments and to pay the Purchase Price with respect to any Additional Medical Center Project through the payment of the Installment Purchase Payments, the Purchaser hereby covenants and agrees to establish and maintain a fund designated as the "Gross Revenue Fund." The Purchaser hereby further covenants and agrees that so long as any Installment Purchase Payments or Supplemental Payments remain unpaid, all of the Gross Revenues of the Medical Center shall be deposited as soon as practicable upon receipt in the Gross Revenue Fund which the Medical Center, acting on behalf of the Purchaser, shall establish and maintain, subject to the provisions of Section 4.03(b), in an account or accounts at such trust company, banking corporation, national banking association or bank having trust powers, as the Medical Center shall from time to time designate in writing to the Trustee for such purpose (the "Depository Bank(s)"). Subject only to the provisions of this Installment Purchase Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein, the Purchaser hereby pledges and, to the extent permitted by law, grants a security interest to the Trustee in, the Gross Revenue Fund and all of the Gross Revenues of the Medical Center to secure the payment of the Installment Purchase Payments and the Supplemental Payments and the performance by the Purchaser of their other obligations under this Installment Purchase Agreement and any payment with respect to Parity Debt.

(b) Amounts in the Gross Revenue Fund may be used and withdrawn by the Medical Center, acting on behalf of the Purchaser, at any time for any lawful purpose, except as hereinafter provided. If the Medical Center, acting on behalf of the Purchaser, is delinquent for more than one (1) Business Day in the payment of any Installment Purchase Payment or any payment required with respect to Parity Debt, the Authority or the Trustee shall notify the Purchaser and the Depository Bank(s) of such delinquency, and, unless such Installment Purchase Payment or payment with respect to Parity Debt is paid within ten (10) days after receipt of such notice, upon request of the Trustee, the Medical Center, acting on behalf of the Purchaser, shall cause the Depository Bank(s) to transfer the Gross Revenue Fund to the name and credit of the Trustee. All Gross Revenues of the Medical Center shall continue to be deposited in the Gross Revenue Fund as provided in subsection (a) of this Section 4.03 but to the name and credit of the Trustee until the amounts on deposit in said fund are sufficient to pay in full, or have been used to pay in full, all Installment Purchase Payments and payments with respect to Parity Debt in default and all other Purchase Agreement Defaults and events of default with respect to Parity Debt known to the Trustee shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, whereupon the Gross Revenue Fund (except for the Gross Revenues required to make such payments or cure such defaults) shall be returned to the name and credit of the Medical Center. During any period that the Gross Revenue Fund is held in the name and to the credit of the Trustee, the Trustee shall use the withdrawn amounts in said fund from time to time to make Installment Purchase Payments, Supplemental Payments, and the other payments required of the Medical Center under this Installment Purchase Agreement or with respect to any Parity Debt as such payments become due (whether by maturity, redemption, acceleration or otherwise), and, if such amounts shall not be sufficient to pay in full all such payments due on any date, then to the payment of Installment Purchase Payments, Supplemental Payments and debt service on such Parity Debt ratably, according to the amounts due respectively for Installment Purchase Payments and such debt service, without any discrimination or preference, and to such other payments in the order which the Trustee, in its discretion, shall determine to be in the best interests of the holders of the Bonds and such Parity Debt, without discrimination or preference. During any period that the Gross Revenue Fund is held in the name and to the credit of the Trustee, the Purchaser shall not be entitled to use or withdraw any of the Gross Revenues of the Medical Center unless and to the extent that the Trustee, at its sole discretion, so directs for the payment of current or past due operating expenses of the Medical Center; provided, however, that the Medical Center, acting on behalf of the Purchaser, shall be entitled to use or withdraw any amounts in the Gross Revenue Fund which do not constitute Gross Revenues of the Medical Center. The Purchaser agrees to execute and deliver all instruments as may be required to implement this Section 4.03. The Purchaser further agrees that a failure to comply with the terms of this Section 4.03 shall cause irreparable harm to the holders from time to time of the Bonds and of Parity Debt, and shall entitle the Trustee, with or without notice to the Purchaser, to take immediate action to compel the specific performance of the obligations of the Purchaser as provided in this Section 4.03.

(c) Notwithstanding the foregoing, the Medical Center, acting on behalf of the Purchaser, may pledge or grant security interests in accounts receivable of the Medical Center, which interests may be superior to the interest granted the Trustee in subsection (b) above to secure Short-Term Indebtedness described in Section 5.05(c) hereof, provided that the aggregate principal amount of such Short-Term Indebtedness shall not exceed fifty percent (50%) of the accounts receivable of the Medical Center (net of any allowance for bad debts or uncollectible accounts). The Trustee (as assignee of the Authority) shall, from time to time, execute and deliver such documents as may be necessary or reasonably requested by the Medical Center to effectuate the provisions of this subsection. Notwithstanding the provisions of this paragraph (c), so long as Comerica Bank is an Owner of the Series 2015B Bonds, the Medical Center may not pledge or grant security interests in accounts receivable of the Medical Center without the prior written consent of Comerica Bank. Notwithstanding the provisions of this paragraph (c), so long as Key Government Finance, Inc. is an Owner of the Series 2015A Bonds, the Medical Center may not pledge or grant security interests in accounts receivable of the Medical Center without the prior written consent of Key Government Finance, Inc.

(d) The Gross Revenue Fund shall be maintained for so long as any Installment Purchase Payments, Supplemental Payments, any other payments due hereunder and payments with respect to Parity Indebtedness remain unpaid.

SECTION 4.04. Reserved.

SECTION 4.05. Obligations of the Purchaser Unconditional; Net Contract. The obligations of the Purchaser to make the Installment Purchase Payments and Supplemental Payments required hereunder and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional, and shall not be abated, rebated, setoff, reduced, abrogated, terminated, waived, diminished, postponed or otherwise modified in any manner or to any extent whatsoever, while any Bonds remain Outstanding or any Supplemental Payments remain unpaid, regardless of any contingency, act of God, event or cause whatsoever, including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, the taking by eminent domain or destruction of or damage to the Facilities, commercial frustration of purpose, any changes in the laws of the United States of America or of the State or any political subdivision of either or in the rules or regulations of any governmental authority, or any failure of the Authority or 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 Installment Purchase Agreement or the Trust Agreement. This Installment Purchase Agreement shall be deemed and constructed to be a “net contract,” and the Medical Center, acting on behalf of the Purchaser, shall pay absolutely net the Installment Purchase Payments, Supplemental Payments and all other payments required hereunder, regardless of any rights of setoff, recoupment, abatement or counterclaim that the Purchaser might otherwise have against the Authority or the Trustee or any other party or parties.

SECTION 4.06. Prepayment of 2015 Installment Purchase Payments.

(a) The Purchaser may prepay from any source of available funds all of the principal amount of the unpaid Series 2015A Installment Purchase Payments at a prepayment price equal to the prepayment price set forth for the Series 2015A Bonds in the Trust Agreement. The Purchaser may prepay from any source of available funds all or any part of the principal amount of the unpaid Series 2015B Installment Purchase Payments on any date, at a prepayment price equal to the prepayment price set forth for the Series 2015B Bonds in the Trust Agreement.

(b) The Purchaser may prepay from any source of available funds the Installment Purchase Payments due in connection with any Additional Medical Center Project in accordance with the terms and provisions of the Supplemental Installment Purchase Agreement executed and delivered in connection with the acquisition of such Additional Medical Center Project.

(c) All such prepayments (including the additional amount necessary to pay the applicable premium, if any, payable upon redemption of the Bonds being redeemed) shall be deposited upon receipt by the Trustee in the Redemption Fund established pursuant to Section 5.01 of the Trust Agreement and used for the redemption or purchase of Outstanding Bonds in the manner and subject to the terms and conditions set forth in the Trust Agreement. Notice of such prepayment shall be in accordance with the terms of the Trust Agreement.

ARTICLE V

PARTICULAR COVENANTS

SECTION 5.01. Maintenance of Existence; Affiliation, Merger, Consolidation, Sale or Transfer Under Certain Conditions.

(a) The City shall maintain its existence as a municipal corporation duly organized and existing under and by virtue of the laws of the State and the Medical Center shall maintain its existence as a municipal hospital and agency of the City duly organized and existing under and by virtue of the laws of the State, operating a health facility. The City and the Medical Center covenant and agree that the City and the Medical Center shall not dissolve, sell or otherwise dispose of all or substantially all of the assets of the Medical Center nor affiliate the operations of the Medical Center with, consolidate the operations of the Medical Center with or merge the operations of the Medical Center into another Person or permit one or more other Persons to affiliate with, consolidate with or merge into the operations of the Medical Center; provided, that, the City and the Medical Center may, without violating the covenants contained in this Section 5.01, affiliate the operations of the Medical Center with, consolidate the operations of the Medical Center with or merge the operations of the Medical Center into another Person, or permit one or more other Persons to affiliate with, consolidate with or merge into the operations of the Medical Center, or sell or otherwise transfer to another Person such assets, if:

(i) The Authority and the Trustee shall have received an Opinion of Bond Counsel to the effect that such affiliation, merger, consolidation, sale or other transfer will not cause the interest on the Bonds to be included in gross income for federal income tax purposes under Section 103 of the Code;

(ii) The surviving, resulting or transferee Person:

(A) assumes in writing all of the obligations of the Purchaser under this Installment Purchase Agreement and the Trust Agreement and agrees to fulfill and comply with the terms, covenants and conditions thereof;

(B) is not, after such transaction, otherwise in default under any provision of this Installment Purchase Agreement or the Trust Agreement;

(C) is a municipal hospital or hospital district or an organization meeting the requirements of Section 501(c)(3) of the Code, or a corresponding provision of the federal income tax laws then in effect; and

(D) shall have fund balances at least equal to the fund balances of the Medical Center prior to such transaction;

(iii) The Trustee and the Authority shall have received the report of a Management Consultant to the effect that Net Income Available for Debt Service of the surviving, resulting or transferee Person (after giving effect to such merger, consolidation, sale or other transfer) for each of the first two full Fiscal Years following such merger, consolidation, sale or other transfer is forecasted to be not less than the Net Income Available for Debt Service of the Medical Center for each of the two most recent Fiscal Years of the Medical Center for which audited financial statements are available, as certified by an Accountant;

(iv) The Trustee and the Authority shall have received a report of an Accountant to the effect that the net worth of the surviving, resulting or transferee Person, after giving effect to such merger, consolidation, sale or other transfer, is at least equal to 100 percent of the net worth of the Medical Center immediately prior to such merger, consolidation, sale or other transfer;

(v) The Trustee and the Authority shall have received an Opinion of Counsel to the effect that this Installment Purchase Agreement constitutes the legal, valid and binding obligations of the surviving, resulting or transferee Person, as the case may be, enforceable against such Person in accordance with their respective terms; and

(vi) Written consents to such actions shall have been provided by Owners of a majority of the then-Outstanding Series 2015A Bonds and Owners of a majority of the then-Outstanding Series 2015B Bonds.

(b) Notwithstanding the foregoing, the City and the Medical Center may, without complying with the provisions of subsection (a) of this Section 5.01, transfer substantially all of their assets to an Affiliate provided that:

(i) The Authority and the Trustee shall have received an Opinion of Bond Counsel to the effect that such proposed transfer(s) will not cause the interest on the Bonds to be included in the gross income for federal income tax purposes under Section 103 of the Code;

(ii) Such Affiliate agrees to become a co-obligor and jointly and severally liable with the City and the Medical Center under this Installment Purchase Agreement;

(iii) After such transaction, the City, the Medical Center and the Affiliate are in compliance with the provisions of this Installment Purchase Agreement; and

(iv) Written consents to such actions shall have been provided by Owners of a majority of the then-Outstanding Series 2015A Bonds and Owners of a majority of the then-Outstanding Series 2015B Bonds.

In the event of such a transfer to an Affiliate, references in this Installment Purchase Agreement to indebtedness of the Medical Center shall apply to the combined indebtedness of the Medical Center and the Affiliate, and references to the financial condition or forecasted results of operations of the Medical Center shall apply to the consolidated financial condition or results of operations of the Medical Center and the Affiliate.

(c) If an affiliation, merger, consolidation, sale or other transfer is effected, as provided in this Section 5.01, the provisions of this Section 5.01 shall continue in full force and effect, and no further affiliation, merger, consolidation, sale or transfer shall be effected except in accordance with the provisions of this Section 5.01.

Notwithstanding anything to the contrary herein, no such affiliation, merger, consolidation, sale or transfer shall occur without the prior written consent of the Initial Owners while any Series 2015 Bonds remain Outstanding under the Trust Agreement and are held by the Initial Owners. The Initial Owners shall respond to a request for consent in connection with an affiliation, merger, consolidation, sale or transfer within thirty (30) days of receipt of such request; provided, that if the Initial Owners fail to respond to such request prior to the end of such 30-day period, the request shall be deemed denied by the Initial Owners.

SECTION 5.02. Licensing. The Medical Center shall maintain all permits, licenses, and other governmental approvals necessary for the operation of the Facilities.

SECTION 5.03. Rates and Charges; Debt Coverage.

(a) The Medical Center shall operate the Facilities as revenue producing health care facilities. The Medical Center shall fix, charge and collect, or cause to be fixed, charged and collected, subject to applicable requirements or restrictions imposed by law, such rates, fees and charges which, together with all other receipts and revenues of the Medical Center and any other funds available therefor, are reasonably projected to be sufficient in each Fiscal Year to produce Net Income Available for Debt Service equal to at least 1.35 times Maximum Aggregate Annual Debt Service for such Fiscal Year.

(b) Within one hundred twenty (120) days after the end of each Fiscal Year (commencing with the Fiscal Year beginning on July 1, 2015) the Medical Center shall compute the Net Income Available for Debt Service and Maximum Aggregate Annual Debt Service for such Fiscal Year and promptly furnish to the Trustee a Statement setting forth the results of such computation. The Medical Center further covenants and agrees that if at the end of such Fiscal Year the Net Income Available for Debt Service shall have been less than 1.35 times Maximum Aggregate Annual Debt Service for such Fiscal Year, it will promptly employ a Management Consultant to make recommendations as to a revision of the rates, fees and charges of the Medical Center or the methods of operation of the Medical Center which will result in producing Net Income Available for Debt Service in the amount required by subsection (a) of this Section in the current Fiscal Year. Copies of the recommendations of the Management Consultant shall be filed with the Trustee. The Medical Center shall to the extent feasible, promptly upon its receipt of such recommendations, subject to applicable requirements or restrictions imposed by law, revise its rates, fees and charges or its methods of operation or collections and shall take such other action as shall be in conformity with such recommendations.

If the Medical Center complies in all material respects with the reasonable recommendations of the Management Consultant in respect to said rates, fees, charges and methods of operation or collection, the Medical Center will be deemed to have complied with the covenants contained in this Section 5.03 for such Fiscal Year notwithstanding that Net Income Available for Debt Service shall be less than the amount required under subsection (a) of this Section; provided, that (1) this sentence shall not be construed as in any way excusing the Medical Center from taking any action or performing any duty required under this Installment Purchase Agreement or be construed as constituting a waiver of any other Purchase Agreement Default and (2) Net Income Available for Debt Service shall be at least equal to 1.00 times Aggregate Debt Service for such Fiscal Year.

(c) Notwithstanding the foregoing, the Medical Center may permit the rendering of service at, or the use of the Facilities without charge or at reduced charges, at the discretion of the Board, to the extent necessary for maintaining its tax exempt status or to establish or maintain its eligibility for grants, loans, subsidies or payments from the United States of America, any instrumentality thereof, or the State or any political subdivision or instrumentality thereof, or in compliance with any recommendation for free services that may be made by the Management Consultant.

SECTION 5.04. Limitations on Encumbrances. The City and the Medical Center shall not create, assume or suffer to exist any mortgage, deed of trust, pledge, security interest, encumbrance, lien, attachment or charge of any kind (including the charge upon property purchased under conditional sales or other title retention agreements) (a "security interest") upon the Facilities, the Gross Revenues or any other assets of the Medical Center; provided, however, that notwithstanding the foregoing provision, the Medical Center may create, assume or suffer to exist Permitted Encumbrances.

SECTION 5.05. Limitations on Indebtedness. The Medical Center shall not incur any indebtedness or financial obligations, including without limitation, by borrowing money, by assuming or guaranteeing the obligations of others, and by entering into installment purchase contracts or leases required to be capitalized in accordance with GAAP, except the Medical Center may incur the following:

(a) Obligations and liabilities under this Installment Purchase Agreement or the Trust Agreement, including any supplements or amendments thereto or hereto, including supplements or amendments entered into in connection with the issuance of any additional series of Bonds; provided, that any additional Indebtedness other than the Series 2015 Bonds complies with one of the other clauses in this Section 5.05;

(b) Contractual liabilities (other than liabilities for borrowed money or liabilities which would otherwise be considered indebtedness under GAAP) for which moneys are available in the Acquisition Fund;

(c) Short-Term Indebtedness; provided, that no amount of Short-Term Indebtedness shall be outstanding for a period of thirty (30) consecutive days during each Fiscal Year. The aggregate amount incurred by the Medical Center under this subsection shall not exceed $5,000,000 at any time outstanding (So long as Comerica Bank is an Owner of the Series 2015B Bonds, Short Term Indebtedness incurred under this paragraph (c) shall be unsecured unless (i) if Comerica Bank is an owner of the Series 2015B Bonds, Comerica Bank approves in writing, and (ii) if Key Government Finance, Inc., is an owner of the Series 2015A Bonds, Key Government Finance, Inc., approves in writing, the granting of a lien on accounts receivables pursuant to Section 4.03(c));

(d) Liabilities for contributions to self-insurance programs;

(e) Long-Term Indebtedness (which may be Parity Debt) incurred for the purpose of refinancing Long-Term Indebtedness outstanding on the date hereof or otherwise permitted hereunder or in writing by Owners of a majority of the then-Outstanding Series 2015A Bonds and Owners of a majority of the then-Outstanding Series 2015B Bonds; provided, that the issuance of such Long-Term Indebtedness does not increase Maximum Aggregate Annual Debt Service by more than five percent (5%), as certified by a written report of an Accountant which shall be filed with the Trustee; provided, further, that such incurrence will not otherwise result in a Purchase Agreement Default;

(f) Long-Term Indebtedness (which may be Parity Debt), provided that (A) Net Income Available for Debt Service, as certified by a written report of an Accountant which shall be filed with the Authority and the Trustee for the most recent Fiscal Year for which audited financial statements are available immediately preceding the date of incurrence of such Long-Term Indebtedness was at least equal to 1.35 times Maximum Aggregate Annual Debt Service on all outstanding Long-Term Indebtedness and the Long-Term Indebtedness proposed to be incurred or (B) (1) Net Income Available for Debt Service, as certified by a written report of an Accountant which shall be filed with the Trustee, for the most recent Fiscal Year for which audited financial statements are available immediately preceding the date of incurrence of such Long-Term Indebtedness was at least equal to 1.35 times Maximum Aggregate Annual Debt Service on all Long-Term Indebtedness then outstanding; and (2) Net Income Available for Debt Service, as shown in a written feasibility report prepared by a Management Consultant and filed with the Trustee, for each of the first two Fiscal Years following the incurrence of such Long-Term Indebtedness (or, if such Long-Term Indebtedness is incurred to finance additional facilities, in each of the first three Fiscal Years following the Fiscal Year when it is proposed that such facilities will be completed and placed in service) is forecasted to be at least 1.35 times Maximum Aggregate Annual Debt Service on all Long-Term Indebtedness proposed to be outstanding at the end of each such Fiscal Year; provided, that such incurrence will not otherwise result in a Purchase Agreement Default;

(g) Long-Term Indebtedness (which may be Parity Debt), incurred to complete the Series 2015 Medical Center Project or any other Medical Center Project if the Board certifies that the Medical Center cannot complete such project unless such Long-Term Indebtedness is incurred, provided that in the case of a Medical Center Project other than the Series 2015 Medical Center Project, the aggregate principal amount of such indebtedness does not exceed ten percent (10%) of the principal amount of Long-Term Indebtedness incurred to finance such project;

(h) Long-Term Indebtedness (excluding Parity Debt); provided, that the aggregate amount incurred by the Medical Center under this subsection, subsection (c) and subsection (i) and outstanding shall not exceed at the time of incurrence ten percent (10%) of the Medical Center's Adjusted Annual Operating Revenues for the most recent. Fiscal Year for which audited financial statements are available; provided, that such incurrence will not otherwise result in a Purchase Agreement Default;

(i) Liabilities under capitalized lease agreements for the lease of, or indebtedness for money borrowed or liabilities under instruments evidencing deferred payment arrangements for the purchase of, equipment, tangible personal property or real property; provided, that the aggregate amount incurred by the Medical Center under this subsection does not in any event exceed $12,000,000 at any one time outstanding;

(j) Nonrecourse Indebtedness; provided, that such indebtedness does not encumber the Facilities; and

(k) Repayment obligations under reimbursement or similar agreements with banks or insurance companies relating to letters or lines of credit or other credit facilities used to secure Long-Term Indebtedness.

Notwithstanding anything herein to the contrary, (i) the Medical Center shall not incur or cause the issuance of any Parity Debt while the Series 2015B Bonds are Outstanding, if Comerica Bank is an Owner of the Series 2015B Bonds, that contains additional or more restrictive financial or operational covenants or events of default with respect to the Medical Center unless the Owner of the Series 2015B Bonds consents in writing prior to the incurrence or issuance of such Parity Debt and (ii) so long as Comerica Bank is an Owner of the Series 2015B Bonds, the prior written consent of Comerica Bank is required for Borrower to incur any the Indebtedness of the types described in Section 5.05(f), (g), (h), (j) and (k). Notwithstanding anything herein to the contrary, (i) the Medical Center shall not incur or cause the issuance of any Parity Debt on a parity with the Series 2015A Bonds while the Series 2015A Bonds are Outstanding, if Key Government Finance, Inc., is the Owner of the Series 2015A Bonds, that contains additional or more restrictive financial or operational covenants or events of default with respect to the Medical Center unless the Owner of the Series 2015A Bonds consents in writing prior to the incurrence or issuance of such Parity Debt and (ii) so long as Key Government Finance, Inc., is an Owner of the Series 2015A Bonds, the prior written consent of Key Government Finance, Inc., is required for Borrower to incur any the Indebtedness of the types described in Section 5.05(f), (g), (h), (j) and (k).

SECTION 5.06. Accounting Records and Financial Statements.

(a) The Medical Center shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with GAAP, in which complete and accurate entries shall be made of all transactions of or in relation to the business, properties and operations of the Medical Center. Such books of record and account shall be available for inspection by the Authority and the Trustee at reasonable hours and under reasonable circumstances.

(b) The Medical Center shall deliver to the Owners and to the Authority and the City (if requested by the Authority or the City) and to the Trustee within thirty (30) days of the receipt by the Medical Center of its audited financial statements, and in any event within one hundred twenty (120) days after the end of each Fiscal Year, two copies (only one copy need be provided to the Trustee) of its audited financial statements as of the end of such year (including a balance sheet, a statement of revenues and expenses, a statement of changes in fund balances, a statement of changes in financial position and such other financial reports and schedules as may have been delivered to the Medical Center in connection with such financial statements), together with (1) the report and opinion of an Accountant stating that the financial statements have been prepared in accordance with GAAP and that such Accountant's examination was performed in accordance with GAAP, and (2) a Certificate of the chief financial officer of the Medical Center stating that no event constitutes a Purchase Agreement Default (as that term is defined in the Trust Agreement) or which with the giving of notice or the passage of time or both would constitute a Purchase Agreement Default has occurred and is continuing as of the end of such Fiscal Year, or specifying the nature of such event and the actions taken and proposed to be taken by the Medical Center to cure such default.

(c) The Medical Center shall deliver to the Owners and to the Authority and the City (if requested by the Authority or the City) quarterly unaudited statements of revenues and expenses, together with statements of changes in fund balances, within forty-five (45) days of the end of each quarter end prepared in accordance with GAAP, together with a Covenant Compliance Certificate in the form of Exhibit D attached hereto from an Authorized Medical Center Representative.

(d) The Medical Center shall deliver to the Owners and to the Authority and the City (if requested by the Authority or the City) its annual budget within thirty (30) days of the Medical Center Board's receipt thereof, but in any event not later than October 31 of each year.

(e) The Medical Center shall deliver to the Owners and to the Authority and the City (if requested by the Authority or the City) such other information, records and documents as may reasonably be requested by the Owners during regular business hours on at least three (3) Business Days' notice to an Authorized Medical Center Representative, with copies to an Authorized Authority Representative and an Authorized City Representative.

SECTION 5.07. Financial Covenants and Limitations on Disposition of Property.

(a) **Days Cash on Hand.** Subject to Section 5.07(g), the Medical Center shall maintain at least fifty-five (55) Days Cash on Hand for each twelve month period ending on each December 31 and June 30; provided, that nothing herein shall require testing of such amount other than on each December 31 and June 30 (for the respective twelve month period ending on each such date).

(b) **Debt to Capitalization Ratio.** Subject to Section 5.07(g), the Medical Center shall maintain, as of the last day of each fiscal quarter, a Debt to Capitalization Ratio of not more than .60 to 1.00.

(c) **Debt Service Coverage Ratio.** Subject to Section 5.07(g), notwithstanding the provisions of Section 5.03(b) hereof, the Medical Center shall maintain, as of the last day of each fiscal quarter, a Debt Service Coverage Ratio of not less than 1.35 to 1.00.

(d) **Disposition of Real Property.** The Purchaser shall not sell, lease, sublease, assign, transfer, encumber or otherwise dispose of all or any substantial part of the real property under the Facilities, including the buildings and structures thereon and fixtures and improvements of such real property, without the prior written consent of both Initial Owners while the Series 2015 Bonds remain Outstanding.

(e) **Disposition of Personal Property.** The Purchaser shall not sell, lease, sublease, assign, transfer, encumber or otherwise dispose of all or any part or parts of the Facilities constituting personal property not included in the preceding subsection (d), other than in the "ordinary course of business," without the prior written consent of both Initial Owners while the Series 2015 Bonds remain Outstanding.

(f) **Execution of Releases**. In connection with a disposal of property, including cash, permitted by this Section 5.07, upon receipt of such consent required by this Section 5.07, the Authority and the Trustee shall execute and deliver releases from security interests or other documents reasonably requested by the Medical Center, acting on behalf of the Purchaser.

(g) **Termination of Certain Provisions**. Subsections (a) (Days Cash on Hand), (b) (Debt to Capitalization Ratio) and (c) (Debt Service Coverage Ratio) of this Section 5.07 shall each terminate and have no further force and effect automatically and immediately once the Series 2015 Bonds no longer remain Outstanding, without any action required on the part of the Purchaser, any Owner, or any other Person.

SECTION 5.08. Limitation on Acquisition of Properties. The Purchaser shall not acquire additional material property, plant and equipment (except (1) in the ordinary course of business, (2) with the proceeds of indebtedness permitted by Section 5.05 of this Installment Purchase Agreement, or (3) as part of a merger or consolidation permitted by Section 5.01 of this Installment Purchase Agreement) by gift (other than unrestricted gifts of cash or unencumbered personal property), purchase, construction, merger or consolidation.

SECTION 5.09. Compliance with United States and California Constitutions. The Medical Center shall not restrict admissions of patients to the Facilities on racial or religious grounds. In each year on the date the Medical Center is required to provide the Medical Center's audited financial statements in accordance with Section 5.06(b) hereof the Medical Center shall furnish to the Authority a Certificate of the Medical Center stating that (i) no facility, place or building financed or refinanced with any portion of the proceeds of any Series of Bonds has been used primarily for sectarian instruction or study or is a place for devotional activities or religious worship; and (ii) the Medical Center does not restrict admissions of residents to the Facilities on racial or religious grounds. The Owners and the Authority and its designees shall have the right to inspect the Facilities at all reasonable times for the purpose of verifying the foregoing Certificate of the Medical Center and due compliance by the Medical Center with the Constitutions of the United States and of the State.

SECTION 5.10. Tax Covenants. The Purchaser and the Authority covenant as follows:

(a) Special Definitions. When used in this Section, the following terms shall have the following meanings.

"*Computation Date*" has the meaning set forth in section 1.148-1(b) of the Tax Regulations.

"*Gross Proceeds*" means any proceeds as defined in section 1.148-1(b) of the Tax Regulations, and any replacement proceeds as defined in section 1.148-1(c) of the Tax Regulations, of this Installment Purchase Agreement. The Purchaser and the Authority acknowledge that this Installment Purchase Agreement is intended to be treated for federal income tax purposes as an obligation the debt service on which comprises the mandatory rental or Installment Purchase Payments, respectively, that undivided interests in the form of certificates of participation were or are to be sold in respect of that obligation, and that the "Gross Proceeds" of that obligation include the proceeds of sale of such certificates of participation and any other amounts that, had such certificates of participation comprised an issue of governmental obligations, would be "proceeds" or "replacements proceeds" of such issue.

"*Investment*" has the meaning set forth in section 1.148-1(b) of the Tax Regulations.

"*Nonpurpose Investment*", with respect to any issue of governmental obligations (including this Installment Purchase Agreement), means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of such obligations are invested and that is not acquired to carry out the governmental purposes of such obligations.

"*Prior Issue*" means either of the $39,300,000 El Centro Financing Authority Insured Hospital Revenue Bonds (El Centro Regional Medical Center Project) Series 2001 or the Term Loan Note, dated June 28, 2013, delivered by the Medical Center to Rabobank, N.A. (but in the case of either of the foregoing executed and delivered for multiple purposes, only to the portion thereof allocable pursuant to section 1.148-9(h)(4) of the Tax Regulations to other than refunding purposes).

"Proceeds," with respect to an issue of governmental obligations, has the meaning set forth in has the meaning set forth in section 1.148-1(b) of the Tax Regulations (referring to sales, investment and transferred proceeds).

"Rebate Amount" has the meaning set forth in section 1.148-1(b) of the Tax Regulations.

"Tax Regulations" means the United States Treasury Regulations promulgated pursuant to sections 103 and 141 through 150 of the Code.

"Yield" of any Investment has the meaning set forth in section 1.148-5 of the Tax Regulations; and of any issue of governmental obligations has the meaning set forth in section 1.148-4 of the Tax Regulations.

(b) Not to Cause Interest Component to Fail to be Excluded. The Purchaser and Authority shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts in respect of this Installment Purchase Agreement (including any amounts derived from the sale or offering of the Authority Bonds), or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with such Gross Proceeds, in a manner that if made or omitted, respectively, would cause any Interest Component of Series 2015 Installment Purchase Payments to fail to be excluded pursuant to section 103(a) of the Code from the gross income of the Authority or its assigns for purposes of federal income taxation. Without limiting the generality of the foregoing, unless and until the Purchaser receives a written opinion of Bond Counsel to the effect that failure to comply with such covenant will not adversely affect the exclusion from gross income for federal income tax purposes of any Interest Component of Series 2015 Installment Purchase Payment, the Purchaser and Authority shall comply with each of the specific covenants in this Section. The Authority shall not assign this Installment Purchase Agreement, or any interest therein, unless the assignee, other than the Trustee, shall have assumed and undertaken the obligations of the Authority under this Section 5.10; provided further, however, that no such assignment permitted unless the Authority shall have undertaken to cooperate with the assignee in its satisfaction of such obligations. Any assignment described in the previous sentence having been completed, each reference to "Authority" in this Section 5.10 thenafter shall be treated as a reference also to the assignee.

(c) No Private Use or Private Payments. Except as would not cause this Installment Purchase Agreement to become a "private activity bond" within the meaning of section 141 of the Code and the Tax Regulations and rulings thereunder, the Purchaser shall at all times prior to the making of the final Series 2015 Installment Payment and termination of this Installment Purchase Agreement:

(1) require that one or more state or local governmental agencies exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of this Installment Purchase Agreement, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds or the Gross Proceeds of any Prior Issue in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(2) not permit the direct or indirect imposition of any charge or other payment on or by any person or entity that is treated as using Gross Proceeds of the any Prior Issues or this Installment Purchase Agreement or any property the acquisition, construction or improvement of

which was or is to be financed or refinanced directly or indirectly with Gross Proceeds of the Series 2015 Bonds or the Prior Issues, other than taxes of general application within the Purchaser.

(d) No Private Loan. Except as would not cause this Installment Purchase Agreement to become a "private activity bond" within the meaning of section 141 of the Code and the Tax Regulations and rulings thereunder, neither the Purchaser nor the Authority has used or permitted the use of, or shall use or permit the use of Gross Proceeds of the Original Agreements or this Installment Purchase Agreement to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction that creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction that is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except as would not cause this Installment Purchase Agreement to become an "arbitrage bond" within the meaning of section 148 of the Code and the Tax Regulations and rulings thereunder, neither the Purchaser nor Authority shall directly or indirectly invest or permit the investment of Gross Proceeds of this Installment Purchase Agreement at any time prior to the final payment of the Series 2015 Installment Purchase Payments and the termination of this Installment Purchase Agreement in any Investment, if as a result of such investment the Yield on Investments acquired with Gross Proceeds, whether then held or previously disposed of, materially exceeds the Yield of this Installment Purchase Agreement within the meaning of said section 148. For purposes of this paragraph, Yield on Investments shall be determined in accordance with the provisions of section 1.148-5 of the Tax Regulations (which, under certain circumstances, requires Yield to be determined separately for each Investment or class of Investments).

(f) Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Tax Regulations and rulings thereunder, neither the Purchaser nor the Authority shall take or omit to take, or permit, any action that would cause this Installment Purchase Agreement to be treated as "federally guaranteed" within the meaning of section 149(b) of the Code and the Tax Regulations and rulings thereunder.

(g) Information Report. The Purchaser shall timely file or cause to be filed any information required by section 149(e) of the Code with respect to this Installment Purchase Agreement with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate. Except to the extent otherwise provided in section 148(f) of the Code and the Tax Regulations and rulings thereunder:

(1) The Purchaser shall account for all Gross Proceeds of this Installment Purchase Agreement (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day of final payment of the Series 2015 Installment Purchase Payments and termination of this Installment Purchase Agreement. However, to the extent permitted by law, the Purchaser may commingle Gross Proceeds of this Installment Purchase Agreement with other money of the Purchaser, provided

that the Purchaser separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(2) Not less frequently than each Computation Date, the Purchaser shall calculate the Rebatable Amount in accordance with rules set forth in section 148(f) of the Code and the Tax Regulations and rulings thereunder, which the Purchaser shall maintain with its official transcript of proceedings relating to the execution and delivery of this Installment Purchase Agreement until six years after the final Computation Date, and to provide promptly to the Authority a copy of each said calculation.

(3) To assure the excludability of the Interest Component of Series 2015 Installment Purchase Payments from the gross income of the owners thereof for federal income tax purposes, the Purchaser shall make or cause to be made rebate payments at the times and in the amounts as are or may be required by section 148(f) of the Code and the Tax Regulations and rulings thereunder, which payments shall be accompanied by Form 8038-T or such other forms and information as is or may be required by section 148(f) of the Code and the Tax Regulations and rulings thereunder.

(4) The Purchaser shall cause the exercise of reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (1) and (2), that if nevertheless an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after the error has been or with the exercise of reasonable diligence would have been discovered), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under section 1.148-3(h) of the Tax Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the Tax Regulations and rulings thereunder, neither the Purchaser nor the Authority shall enter into any transaction that reduces the amount required to be paid to the United States pursuant to section 148(f) of the Code because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and the Yield of this Installment Purchase Agreement had been irrelevant to each party.

(j) Agreement Not Hedge Bond. The Purchaser represents that this Installment Purchase Agreement will not become "hedge bonds" within the meaning of section 149(g) of the Code.

SECTION 5.11. Prohibited Uses. No portion of the proceeds of the Bonds will be used to finance or refinance any facility, place or building used or to be used primarily for sectarian instruction or study or as a place for devotional activities or religious worship or in such manner or to such extent as would result in any of the Bonds being treated as an obligation not described in Section 103(a) of the Code.

SECTION 5.12. Continuing Disclosure. The City and the Medical Center hereby covenant and agree that they will comply with and carry out all of the provisions of any Continuing Disclosure Agreement delivered in connection with any Series of Bonds. Notwithstanding any other provision of this Installment Purchase Agreement, failure of the City and/or the Medical Center to comply with any Continuing Disclosure Agreement shall not constitute a Purchase Agreement Default; however, the Trustee may, and, at the request of any Participating Underwriter or the Holders of at least twenty-five percent (25%) aggregate principal amount in Outstanding Bonds to which such Continuing Disclosure Agreement relates (or, if there are less than three Owners, at the request of any Owner), shall, or any Holder or any Beneficial Owner may, take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the City and/or the Medical Center to comply with their obligations under this Section 5.12.

SECTION 5.13. Visitation Rights. The Medical Center shall permit any of the officers or authorized employees or representatives of the Owners to visit and inspect the Medical Center's facilities and discuss the Medical Center's affairs, finances and accounts with the Medical Center's officers, all in such reasonable detail and at such reasonable times and as often as the Owners may reasonably request, provided the Owners shall provide the Medical Center with reasonable notice prior to any visit or inspection and a reasonable opportunity to participate in such visit or inspection.

SECTION 5.14. Loans and Advances. Except as otherwise permitted pursuant to this Installment Purchase Agreement, the Medical Center shall not make or have outstanding any loans or advances to or otherwise extend credit to any person, firm, corporation or other entity, except in the ordinary course of business.

SECTION 5.15. Negative Pledge. Except as otherwise permitted pursuant to this Installment Purchase Agreement or required by applicable law, the Medical Center shall not directly or indirectly enter into or assume or become bound by, any agreement (other than this Installment Purchase Agreement and the terms of any gift, pledge, bequest, grant, donation, contribution or endowment), or any provision of any certificate of incorporation, bylaws, partnership agreement, operating agreement or other organizational formation or governing document prohibiting the creation or assumption of any lien, security interest or encumbrance upon the Medical Center's properties, whether now owned or hereafter created or acquired, or otherwise prohibiting or restricting any transaction contemplated hereby.

SECTION 5.16. Patriot Act. Each Initial Owner, to the extent that it is subject to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act"), hereby notifies the City and the Medical Center that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the City and the Medical Center, which information includes the name and address of the City and the Medical Center and other information that will allow such Owner to identify the City and the Medical Center in accordance with the Patriot Act.

ARTICLE VI

MAINTENANCE, TAXES, INSURANCE AND CONDEMNATION

SECTION 6.01. Maintenance and Operation of Facilities. The Medical Center shall operate and maintain the Facilities in accordance with all applicable governmental laws including Environmental Laws, ERISA (if applicable), ordinances, approvals, rules, regulations and requirements including, without limitation, such zoning, sanitary, pollution and safety ordinances and laws and such rules and regulations thereunder as may be binding upon the Medical Center. The Medical Center shall maintain and operate the Facilities and all engines, boilers, pumps, machinery, apparatus, fixtures, fittings and equipment of any kind in or that shall be placed in any building or structure now or hereafter at any time constituting part of the Facilities, in good repair, working order and condition, and the Medical Center shall from time to time make or cause to be made all needful and proper replacements, repairs, renewals and improvements; in each case to the extent necessary so that the efficiency and value of the Facilities shall not be impaired.

SECTION 6.02. Taxes, Assessments, Other Governmental Charges and Utility Charges. The Medical Center shall pay and discharge all taxes, assessments, governmental charges of any kind whatsoever, water rates, meter charges and other utility charges which may be or have been assessed or which may have become liens upon the Facilities, the Gross Revenues or the interests therein of the Trustee (as assignee of the Authority) or of the Holders of the Bonds, and will make such payments or cause such payments to be made, respectively, in due time to prevent any delinquency thereon or any forfeiture or sale of the Facilities or any part thereof and, upon request, will furnish to the Trustee receipts for all such payments, or other evidences satisfactory to the Trustee; provided, however, that the Medical Center shall not be required to pay any tax, assessment, rate or charge as herein provided as long as it shall in good faith contest the validity thereof, provided that the Medical Center shall have set aside adequate reserves with respect thereto.

SECTION 6.03. Insurance Required.

(a) **Maintain Insurance.** The Medical Center shall keep the Facilities and its operations adequately insured at all times, and, shall carry and maintain, or cause to be carried and maintained, and will pay, or cause to be paid, in timely fashion the premiums for, at least the following coverages with the limits as stated.

(i) **Property Insurance.**

(A) **Buildings and Structures.** All buildings and structures constituting part of the Facilities shall, at a minimum, be insured, subject to a reasonable deductible per occurrence, and in an amount equal to at least the lesser of the full replacement value of the property insured, or the aggregate principal amount of the Outstanding Bonds and Parity Debt The replacement value of the Facilities shall be determined from time to time at the request of the Medical Center or the Trustee (but not less frequently than once in every twenty-four months) by an architect, contractor, appraiser or appraisal company selected by the Medical Center. The policy form shall also include a Joint Loss Endorsement as respects Boiler & Machinery insurance.

(B) **Business Personal Property.** All business personal property, including computers and electronic data processing equipment, at any location forming part of the Facilities shall be insured, subject to a reasonable deductible per occurrence and in an amount equal to at least the lesser of the full replacement value of the property insured or the aggregate principal amount of the Outstanding Bonds and Parity Debt.

(C) **Earthquake.** All buildings, structures, and the contents thereof, shall be insured against damage resulting from earthquake and related perils in an amount equal to at least the lesser of the full replacement value of the Facilities or the aggregate principal amount of Outstanding Bonds and Parity Debt, subject to reasonable deductibles; provided, that such insurance is available from reputable companies at commercially reasonable rates.

(ii) **Builders Risk.** During the course of any substantial addition, extension, alteration, or improvement to the Facilities, the Medical Center shall maintain or cause to be maintained builder's risk insurance in the amount of the full completed value of such construction work, subject to reasonable deductibles per occurrence, covering all risk of physical loss or damage.

(iii) **Boiler and Machinery Insurance.** The Medical Center shall maintain boiler and machinery insurance providing coverage against loss of property and liability for damage to persons or property from explosion of, or accident to, boilers, tanks, pipes, pressure vessels, engines, wheels, electrical machinery, or apparatus connected therewith or operating thereby in an amount not less than $1,000,000, subject to deductibles not exceeding $10,000 per occurrence.

(iv) **Commercial General Liability Insurance.** The Medical Center shall maintain Commercial General Liability Insurance for bodily injury and property damage, including non-owned and hired automobile coverage, with limits no less than $1,000,000 per occurrence, and $1,000,000 annual aggregate.

(v) **Automobile Insurance.** The Medical Center shall maintain insurance for vehicles owned, non-owned or hired by the Medical Center with at least a $1,000,000 per accident limit.

(vi) **Professional Liability.** The Medical Center shall maintain professional liability insurance with per occurrence and aggregate limits equal to $10,000,000, subject to reasonable deductibles or self-insured retention.

(vii) **Fidelity Bonds.** The Medical Center shall maintain fidelity bonds or other insurance covering dishonesty, including computer fraud, covering all Medical Center officers and employees who collect or have custody of or access to revenues, receipts or income of the Medical Center, with limits equal to $5,000,000.

(viii) **Business Interruption.** The Medical Center shall maintain business interruption insurance covering actual losses to the Medical Center of gross operating earnings which result directly from the necessary interruption of business caused by damage to or destruction of any real or personal property constituting part of the Facilities from risks covered by the insurance required above under subsection (i) Property Insurance, less charges and expenses which do not necessarily continue during such interruption of business, for such period of time as may be required, with exercise of due diligence and dispatch, to reconstruct, repair or replace such damages or destroyed property, with limits equal to at least Maximum Aggregate Annual Debt Service.

(ix) **Extra Expense.** The Medical Center shall maintain extra expense insurance covering additional expenses for continuing operations or to resume normal business incurred by the Medical Center which result directly from damage to or destruction of any real or personal property constituting part of the Facilities from the risks covered by the insurance required above under subsection (i) Property Insurance, with limits equal to at least Maximum Aggregate Annual Debt Service.

(x) **Directors and Officers.** The Medical Center shall maintain insurance to cover wrongful acts of the directors and officers, including entity coverage, to the extent available in such policy form as is available to directors and officers of a municipal hospital in an amount not less than $10,000,000.

(b) **Risk Management Consultant.** The Medical Center shall employ a Risk Management Consultant to review the insurance requirements of the Medical Center from time to time (but not less frequently than once every twenty-four (24) months). If the Risk Management Consultant makes recommendations for the increase of any of the coverage required by subsection (a) of this Section, the Medical Center shall increase such coverage in accordance with such recommendations, subject to a good faith determination of the Board that such recommendations, in whole or in part, are in the best interests of the Medical Center. Notwithstanding anything in this Section to the contrary, the Medical

Center shall have the right, without the giving rise to an event of default under this Installment Purchase Agreement solely on such account,

(i) to maintain insurance coverage below that required by subsection (a) of this Section, provided further that the Medical Center shall furnish to the Trustee a Statement of the Risk Management Consultant or other evidence that the insurance so provided affords the greatest amount of coverage available for the risk being insured against at rates which in the judgment of the Risk Management Consultant are reasonable in connection with reasonable and appropriate risk management, or

(ii) to adopt alternative risk management programs which the Board determines to be reasonable and which shall not have a material adverse impact on the Medical Center's reimbursement from third party payers, including, without limitation, to self-insure in whole or in part, to participate in programs of captive insurance companies, to participate with other health care institutions in mutual or other cooperative insurance or other risk management programs, to participate in state or federal insurance programs, to take advantage of state or federal laws now or hereafter in existence limiting medical and malpractice liability, or to establish or participate in other alternative risk management programs;

all as may be approved in writing as reasonable and appropriate risk management by the Risk Management Consultant. A copy of any such approval shall be furnished to the Trustee.

SECTION 6.04. Workers' Compensation. In connection with the operation of the Facilities, the City and the Medical Center shall at all times comply with California's Workers' Compensation, Insurance and Safety Act, including the Workers' Compensation and Insurance law at Division 4 of the California Labor Code, or any successor statute or statutes, and shall maintain insurance or self-insurance for workers' compensation claims as required by California Labor Code section 3700.

SECTION 6.05. Insurers; Policy Forms and Loss Payees. To the extent that insurance or risk management provided in accordance with Section 6.03 hereof is provided by a commercial insurance policy or policies, such policy or policies shall be issued by stock, reciprocal or mutual insurance companies authorized to do business (or subject to service of process) in the State which are financially responsible and capable of fulfilling the requirements of such policies. All policies shall name the Medical Center, the Authority, and the Trustee, as insured parties, beneficiaries or loss payees as their interest may appear. Each policy shall be in such form and contain such provisions as are generally considered standard for the type of insurance involved and shall contain (a) a provision to the effect that the insurer shall not cancel or substantially modify the policy provisions without first giving at least thirty (30) days written notice thereof to the Medical Center and the Trustee and (b) a severability of interests (cross liability) provision. In lieu of separate policies, the Medical Center may maintain blanket policies which cover any one or more risks required to be insured against so long as the minimum coverages required herein are met. The Medical Center shall file at least annually on or before April 1 of each year with the Trustee, a Certificate setting forth the policies of insurance maintained pursuant to this Installment Purchase Agreement, the names of the insurers and insured parties, the amounts of such insurance and applicable deductibles, the risks covered thereby and the expiration dates thereof and a similar description of any self-insurance or alternative risk management program adopted by the Medical Center, and stating whether the insurance described therein satisfies the requirements of this Installment Purchase Agreement. The Trustee shall be protected in relying upon such Certificate without independent investigation into the matters covered therein. The Medical Center also shall file with the Trustee a copy of any insurance review or recommendations received by the Medical Center from the Risk Management Consultant pursuant to Section 6.03 of this Installment Purchase Agreement.

SECTION 6.06. Reserved.

SECTION 6.07. Disposition of Insurance and Condemnation Proceeds.

(a) The proceeds of insurance maintained by the Medical Center against loss or damage by fire, lightning, vandalism, malicious mischief and all other risks covered by the extended coverage insurance endorsement then in use in the State or against loss or damage by risks covered by builders' risk insurance, and the proceeds of any condemnation awards with respect to the Facilities, shall be paid immediately upon receipt by the Medical Center or other named insured parties to the Trustee, as assignee of the Authority, for deposit in a special fund which the Trustee shall establish and maintain and hold in trust, to be known as the "Insurance and Condemnation Proceeds Fund." If the Medical Center elects to repair or replace the property damaged, destroyed or taken, it shall furnish to the Trustee plans of the contemplated repair or replacement, accompanied by a statement of an architect or other qualified expert estimating the reasonable cost of such repair or replacement and a Statement of the Medical Center stating that amounts in the Insurance and Condemnation Proceeds Fund, together with investment income reasonably expected to be received with respect thereto and any other funds available or reasonably expected to become available therefor (and which the Medical Center shall agree to deposit in said fund when so available), shall be sufficient to repair or replace the property damaged, destroyed or taken in accordance with said plans. After deducting therefrom the reasonable charges and expenses of the Trustee in connection with the collection and disbursement of such moneys, moneys in the Insurance and Condemnation Proceeds Fund shall be disbursed by the Trustee for the purpose of repairing or replacing the property damaged, destroyed or taken in the manner and subject to the conditions set forth in the Trust Agreement with respect to disbursements from the Acquisition Fund to the extent the provisions thereof may reasonably be made applicable. If the proceeds of any loss or damage to or condemnation of the Facilities shall be less than one and one-half percent (1-1/2%) of the Medical Center's Adjusted Annual Operating Revenues (as shown on the Medical Center's most recent audited financial statements), the Trustee shall pay over such proceeds to the Medical Center without requiring any of the documents referred to in this subsection (a) and without any formality whatsoever.

(b) If the Medical Center shall elect not to repair or replace the property damaged, destroyed or taken, as provided in subsection (a) of this Section 6.07, the Trustee shall transfer all amounts in the Insurance and Condemnation Proceeds Fund on account of such damage, destruction or condemnation to the Special Redemption Account to prepay the Installment Purchase Payments and redeem Bonds; provided that if any Parity Debt is then outstanding, any such transfer from the Insurance and Condemnation Proceeds Fund shall be deposited in part in the Special Redemption Account and in part in such other fund or account as may be appropriate (and used for the retirement of such Parity Debt) in the same proportion which the aggregate principal amount of Outstanding Bonds then bears to the aggregate unpaid principal amount of such Parity Debt.

(c) If all amounts in the Insurance and Condemnation Proceeds Fund and any special redemption account for the retirement of Parity Debt exceed one and one-half percent (1-1/2%) of the Medical Center's Adjusted Annual Operating Revenues (as shown on the Medical Center's most recent audited financial statements) but are not sufficient to retire all Bonds and Parity Debt then outstanding, the Trustee shall not transfer said amounts to the Special Redemption Account unless the Medical Center shall file with the Trustee a report of a Management Consultant showing that projected Net Income Available for Debt Service will be sufficient to pay Aggregate Debt Service for the three full Fiscal Years immediately following such transfer after giving effect to the retirement of such Bonds and Parity Debt if such report of a Management Consultant shows that projected Net Income Available for Debt Service will not be sufficient to pay Aggregate Debt Service for the three full Fiscal Years immediately following such transfer after giving effect to the retirement of such Bonds and Parity Debt, the Medical Center shall apply all amounts in the Insurance and Condemnation Proceeds Fund to the repair or replacement of the property damaged, destroyed or taken, as provided in subsection (a) of this Section, unless the Medical Center shall file a further report of a Management Consultant showing that even after making such repair and replacement, projected Net Income Available for Debt Service will not be sufficient to pay Aggregate Debt Service for the three Fiscal Years immediately following such repair and replacement, in which event the Trustee shall transfer all moneys in the Insurance and Condemnation Proceeds Fund to the Special Redemption Account and/or such other trust account for the retirement of Bonds and Parity Debt, as provided in subsection (b) of this Section 6.07.

(d) Earnings on funds held in the Insurance and Condemnation fund shall be retained therein.

ARTICLE VII

NON-LIABILITY OF AUTHORITY; LIMITED LIABILITY OF CITY; EXPENSES; INDEMNIFICATION

SECTION 7.01. Non-Liability of Authority. The Authority shall not be obligated to pay the principal of Redemption Price and interest on the Bonds, except from Revenues and other moneys and assets received by the Trustee on behalf of the Authority pursuant to this Installment Purchase Agreement. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof, nor the faith and credit nor the taxing power of the City nor the faith and credit of the Authority is pledged to the payment of the principal of, Redemption Price, or interest on the Bonds. The Authority shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Installment Purchase Agreement, the Bonds or the Trust Agreement, except only to the extent amounts are received for the payment thereof from the Medical Center, acting on behalf of the Purchaser, under this Installment Purchase Agreement.

The City and the Medical Center hereby acknowledge that the Authority's sole source of moneys to repay the Bonds will be provided by the payments made by the Medical Center, acting on behalf of the Purchaser, pursuant to this Installment Purchase Agreement, together with investment income on certain funds and accounts held by the Trustee under the Trust Agreement, and hereby agrees that if the payments to be made hereunder shall ever prove insufficient to pay all principal of, Redemption Price, or interest on the Bonds as the same shall become due (whether by maturity, redemption, acceleration or otherwise), then upon notice from the Trustee, the Medical Center, acting on behalf of the Purchaser, shall pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal, Redemption Price or interest, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Trustee, the City, the Medical Center, the Authority or any third party, subject to any right of reimbursement from the Trustee or any such third party therefor.

SECTION 7.02. Liability of City Limited to Gross Revenues. Notwithstanding any provision of this Installment Purchase Agreement, the City shall not be required to advance any moneys derived from any source of income other than the Gross Revenues for the payment of the Installment Purchase Payments, the Supplemental Payments and any other payments required hereunder or for the performance of any agreements or covenants required to be performed by it contained herein. The City may, however, but is not obligated to, advance moneys for any such purpose so long as such moneys are derived from a source legally available for such purpose and may be legally used by the City for such purpose.

The obligation of the City, acting through the Medical Center, to make the Installment Purchase Payments, the Supplemental Payments and any other payments required hereunder is a special limited obligation of the City payable solely from the Gross Revenues as provided herein, and does not constitute a debt of the City or of the State or of any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

No payments of Installment Purchase Payments, Supplemental Payments or principal, interest, insurance premium, inspection fees or any other costs incurred in connection with the issuance of Bonds shall be made from the City's power to tax.

SECTION 7.03. Expenses. To the extent permitted by law, the Medical Center, acting on behalf of the Purchaser, agrees to pay and to indemnify the Owners, the Authority and the Trustee against all costs, fees and charges, including reasonable fees and expenses of attorneys, accountants, consultants and other experts, incurred in good faith or arising out of or in connection with this Installment Purchase Agreement or the Trust Agreement. These obligations and the obligations set forth in Section 7.04 hereof shall remain valid and in effect notwithstanding payment of all the Bonds, the Installment Purchase Payments or the termination of this Installment Purchase Agreement or the Trust Agreement.

SECTION 7.04. Indemnification.

(a) To the fullest extent then permitted by law, the Medical Center, acting on behalf of the Purchaser, shall indemnify, hold harmless, and defend the Owners, the Authority and the Trustee and each of their respective officers, governing body members, directors, officials and employees (collectively, the "Indemnified Parties") from and against any and all losses, damages, claims, liabilities, costs and expenses of any conceivable nature, kind or character (including, without limitation, reasonable attorneys' fees, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) to which the Indemnified Parties or any of them, may become subject under or any statutory law (including federal or state securities laws) or at common law or otherwise, arising out of or based upon or in any way relating to:

(i) the Bonds, the Trust Agreement, this Installment Purchase Agreement, or the execution or amendment hereof or thereof or in connection with transactions contemplated hereby or thereby, including the issuance, sale or resale of the Bonds;

(ii) any act or omission of the Purchaser or any of its agents, contractors, servants, employees or licensees in connection with the Medical Center Project or the Facilities, the operation of the Medical Center Project or the Facilities, or the condition, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, installation or construction of, the Medical Center Project or the Facilities or any part thereof;

(iii) the acquisition, construction, installation and use of the Medical Center Project, including the Series 2015 Medical Center Project, and each portion thereof or any accident in connection with the operation, use, condition or possession of the Medical Center Facilities or the Medical Center Project, including the Series 2015 Medical Center Project, or any portion thereof resulting in damage to property or injury to or death to any person including, without limitation, any claim alleging latent and other defects, whether or not discoverable by the City, the Medical Center or the Authority or the Trustee;

(iv) any lien or charge upon payments by the Medical Center, acting on behalf of the Purchaser, to the Authority and the Trustee hereunder, or any taxes (including, without limitation, all *ad valorem* taxes and sales taxes), assessments, impositions and other charges imposed on the Authority or the Trustee in respect of any portion of the Medical Center Project or the Facilities;

(v) any violation of any Environmental Law, rule or regulation with respect to, or the release of any Hazardous Materials from, the Medical Center Project or the Facilities or any part thereof;

(vi) the defeasance and/or redemption, in whole or in part, of the Bonds;

(vii) any untrue statement or alleged untrue statement of any material fact contained in any offering statement or disclosure document delivered in connection with any Series of Bond or any omission to state a material fact, necessary to be stated therein to make the statements made therein, in the light of the circumstances under which such statements were made, not misleading, in any offering statement or disclosure document delivered in connection with any Series of Bonds; and

(viii) the Trustee's acceptance or administration of the trust of the Trust Agreement or the exercise or performance of any of its powers or duties thereunder or under any of the documents relating to the Bonds to which the Trustee is a party;

except (A) in the case of the foregoing indemnification of the Trustee or any of its respective officers, members, directors, officials, employees, attorneys and agents, to the extent such damages are caused by the negligence or willful misconduct of such Indemnified Party; or (B) in the case of the foregoing indemnification of the Authority or any of its officers, members, directors, officials, employees, attorneys and agents, to the extent such damages are caused by the willful misconduct of such Indemnified Party. If any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought hereunder, the Medical Center, acting on behalf of the Purchaser, upon written notice from the Indemnified Party, shall assume the investigation and defense thereof; including the employment of counsel selected by the Indemnified Party, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion; provided that the Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement. Each Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof, and the Medical Center, acting on behalf of the Purchaser, shall pay the reasonable fees and expenses of such separate counsel; provided, however, that such Indemnified Party may only employ separate counsel at the expense of the Medical Center if in the judgment of such Indemnified Party a conflict of interest exists by reason of common representation or if all parties commonly represented do not agree as to the action (or inaction) of counsel.

(b) The rights of any persons to indemnity hereunder and rights to payment of fees and reimbursement of expenses pursuant to Section 7.03, this Section 7.04 and Section 8.04 shall survive the final payment of the Installment Purchase Payments and the final payment or defeasance of the Bonds.

ARTICLE VIII

PURCHASE AGREEMENT DEFAULTS AND REMEDIES

SECTION 8.01. Purchase Agreement Defaults. The following events shall be "Purchase Agreement Defaults:"

(a) Failure by the Medical Center to pay in full any Installment Purchase Payment required to be made hereunder when due pursuant to the terms hereof;

(b) If any representation or warranty made by the Purchaser herein or in any document, instrument or certificate furnished to the Owners, the Authority or the Trustee in connection with the issuance of the Bonds shall at any time prove to have been incorrect in any material respect as of the time made;

(c) If the City or the Medical Center shall fail to observe or perform any covenant, condition, agreement or provision set forth in Sections 5.01, 5.03, 5.04, 5.05, 5.07(a), 5.07(b), 5.07(c), 5.07(d), 5.07(e), 5.08, 5.11, 5.13 or 5.15 of this Installment Purchase Agreement;

(d) If the City or the Medical Center shall fail to observe or perform any covenant, condition, agreement or provision in this Installment Purchase Agreement on its part to be observed or performed, other than as referred to in either subsection (a), (b) or (c) of this Section 8.01 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 City and the Medical Center by the Authority or the Trustee or the Owners of a majority of the Series 2015A Bonds Outstanding or the Owners of a majority of the Series 2015B Bonds Outstanding;

(e) If the Purchaser shall abandon the Facilities, or any substantial part thereof and such abandonment shall continue for a period of thirty (30) days after written notice thereof shall have been given to the City and the Medical Center by the Authority or the Trustee or the Owners of a majority of the Series 2015A Bonds Outstanding or the Owners of a majority of the Series 2015B Bonds Outstanding;

(f) If any default shall exist under any agreement respecting Long-Term Indebtedness (other than Parity Debt) and as a result thereof, Long-Term Indebtedness in an aggregate principal amount in excess of ten percent (10%) of the Medical Center's Adjusted Annual Operating Revenues shall be declared immediately due and payable or a proceeding is brought for enforcement thereof;

(g) If any default shall exist under any instrument pursuant to which Parity Debt was issued and is outstanding, and such default shall continue after the applicable grace period;

(h) If there shall occur an Act of Bankruptcy with respect to the City or the Medical Center;

(i) If a court of competent jurisdiction shall enter an order, judgment or decree declaring either the Medical Center or the City an insolvent, or adjudging it bankrupt, or appointing a trustee or receiver of the Medical Center or of the whole or any substantial part of the Facilities, or approving a petition filed against either the Medical Center or the City seeking reorganization of the Medical Center under any applicable 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;

(j) If, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Medical Center 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;

(k) If any Event of Default under the Trust Agreement shall occur;

(l) A default by the Medical Center in any payment of principal of or interest on any Indebtedness in excess of $500,000 in principal amount beyond any period of grace with respect to such payment or a default in the observance of any other covenant, term or condition contained in any agreement or instrument pursuant to which such Indebtedness is created, secured or evidenced, if the effect of such default is to cause the acceleration of any such Indebtedness (whether or not such right shall have been waived);

(m) The Medical Center is permanently, or temporarily for a period exceeding thirty (30) days, enjoined, restrained or in any way prevented by any court order from operating the Facilities; or

(n) The Trustee's lien in any of the collateral in which it has been granted a security interest ceases to be a first priority lien for any reason.

Any Owner may furnish the Trustee with written notice of the occurrence of a Purchase Agreement Default. Upon having actual knowledge (as defined in the Trust Agreement) of a Purchase Agreement Default, the Trustee shall give written notice thereof to the Medical Center and the City, unless each of the Medical Center and the City has expressly acknowledged the existence of such Purchase Agreement Default in a writing delivered by each of the Medical Center and the City to the Trustee or filed by each of the Medical Center and the City in any court. In addition, the Trustee shall provide written notice of any Purchase Agreement Default to the Owners. Receipt by the Trustee of written notice of a Purchase Agreement Default shall constitute actual knowledge thereof.

SECTION 8.02. Remedies on Default. If a Purchase Agreement Default shall occur, then and in each and every such case during the continuance of such Purchase Agreement Default, the Authority or the Trustee, to the extent the Trustee has actual knowledge (as defined in the Trust Agreement) of such Purchase Agreement Default, may (and shall if directed by both the Owners of a majority of the Series 2015A Bonds Outstanding and the Owners of a majority of the Series 2015B Bonds Outstanding), if any Series of Bonds has been accelerated pursuant to Section 7.02 of the Trust Agreement, take any one or more of the following remedial steps:

(a) The Authority or the Trustee may (and shall if directed by both a the Owners of a majority of the Series 2015A Bonds Outstanding and the Owners of a majority of the Series 2015B Bonds Outstanding), upon notice in writing to the Medical Center and the City, declare all installments of the Installment Purchase Payments and all Supplemental Payments payable for the remainder of the term of this Installment Purchase Agreement to be immediately due and payable, whereupon the same shall be immediately due and payable, anything in this Installment Purchase Agreement to the contrary notwithstanding; "all installments" as used in this subsection shall mean an amount equal to the entire unpaid principal installments of the Installment Purchase Payments, together with any applicable premium and all interest accrued or to accrue on such principal installments on and prior to the next succeeding date or dates on which Bonds can be redeemed after giving notice to the Holders as required by the Trust Agreement, which amount shall be equal to the entire principal amount of the then Outstanding Bonds, together with any applicable redemption premium and all interest accrued or to accrue on and prior to the next succeeding redemption date or dates on which the Bonds can be redeemed after giving notice to the Holders thereof as required by the Trust Agreement, plus all other payments due or to become due under this Installment Purchase Agreement.

(b) The Authority or the Trustee may (and shall if directed by both the Owners of a majority of the Series 2015A Bonds Outstanding and the Owners of a majority of the Series 2015B Bonds Outstanding) take whatever action, at law or in equity, as may appear necessary or desirable to collect the Installment Purchase Payments, Supplemental Payments and any other payments then due and thereafter to become due under this Installment Purchase Agreement or to enforce the performance and observance of any obligation, covenant, agreement or provision contained in this Installment Purchase Agreement to be observed or performed by the Medical Center or the City.

(c) The Authority or the Trustee shall have all the rights and remedies of a secured party or creditor under the Uniform Commercial Code of the State, and the general laws of the State, with respect to the enforcement of the security interests granted or reserved hereunder, including without limitation to the extent permitted by law the right to require that all or a portion of the personal property portion of the Facilities be assembled and delivered to the Trustee and the Trustee may, to the extent permitted by law, impound books and records evidencing the Medical Center's accounts, accounts receivable and other similar claims for the payment of money and take possession of all notes and other documents which evidence such accounts, accounts receivable and claims for money and give notice to obligors thereunder of its interest therein and make direct collections on such accounts, accounts receivable and claims for money.

(d) The Authority or the Trustee may take whatever legal action may appear necessary or desirable to enforce their rights and the rights of the Holders of the Bonds.

SECTION 8.03. Remedies Not Exclusive; No Waiver of Rights. No remedy herein conferred upon or reserved to the Authority or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy, to the extent permitted by law, shall be cumulative and shall be in addition to every other remedy given under this Installment Purchase Agreement or now or hereafter existing at law or in equity or otherwise. To entitle the Authority or the Trustee to exercise any remedy, to the extent permitted by law, reserved to it contained in this Installment Purchase Agreement, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. Such rights and remedies as are given to the Authority hereunder shall also extend to the Trustee, and the Trustee may exercise any rights of the Authority under this Installment Purchase Agreement, and the Trustee and the Holders of the Bonds shall be deemed third party beneficiaries of all covenants and conditions herein contained.

No delay in exercising or omitting to exercise any right or power accruing upon 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 such right and power may be exercised from time to time and as often as may be deemed expedient.

SECTION 8.04. Expenses on Default. If the Purchaser should default under any of the provisions of this Installment Purchase Agreement and the Authority or the Trustee should employ attorneys or incur other expenses for the collection of the payments due hereunder, the Medical Center, acting on behalf of the Purchaser, agrees that it will on demand therefor pay to the Authority or the Trustee the reasonable fees of such attorneys and such other reasonable expenses so incurred by the Authority or the Trustee.

SECTION 8.05. Notice of Default. The Medical Center agrees that, as soon as is practicable, and in any event within ten (10) days of a Purchase Agreement Default, the Medical Center will furnish the Trustee notice of any event which is a Purchase Agreement Default pursuant to Section 8.01 hereof which has occurred and is continuing on the date of such notice, which notice shall set forth the nature of such event and the action which the Medical Center proposes to take with respect thereto.

SECTION 8.06. Assignment by Authority or Trustee. This Installment Purchase Agreement, including the right to receive payments required to be made by the Medical Center, acting on behalf of the Purchaser, hereunder and to compel or otherwise enforce performance by the Purchaser of its other obligations hereunder and thereunder, may be assigned and reassigned in whole or in part to one or more assignees or subassignees by the Authority or the Trustee at any time subsequent to its execution without the necessity of obtaining the consent of either the Medical Center or the City. The Authority expressly acknowledges that all right, title and interest of the Authority in and to this Installment Purchase Agreement (excluding the Authority's right to indemnification, fees and expenses) has been assigned to the Trustee, as security for the Bonds under and as provided in the Trust Agreement, and that if any Purchase Agreement Default shall occur, the Trustee shall be entitled to act hereunder in the place and stead of the Authority.

ARTICLE IX

DISCHARGE OF OBLIGATIONS

SECTION 9.01. Discharge of Obligations.

(a) If the Purchaser shall pay or cause to be paid all the Installment Purchase Payments, all the Supplemental Payments and all other payments required hereunder at the times and in the manner provided herein, the right, title and interest of the Authority herein and the obligations of the Purchaser hereunder shall thereupon cease, terminate, become void and be completely discharged and satisfied.

(b) Any unpaid principal installment of the Installment Purchase Payments shall on its payment date or date of prepayment be deemed to have been paid within the meaning of and with the effect expressed in Section 9.01(a) hereof if the Purchaser makes payment of such Installment Purchase Payments and the prepayment premium, if applicable, in the manner provided herein.

(c) All or any portion of unpaid principal installments of the Installment Purchase Payments shall, prior to their payment dates or dates of prepayment, be deemed to have been paid within the meaning of and with the effect expressed in Section 9.01(a): if (i) notice or direction to redeem Bonds is provided to the Trustee as required by the Trust Agreement; and (A) there shall have been deposited with the Trustee either (A) cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in clause (B) below or (B) direct obligations including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America, the interest on and principal of which when paid will provide cash which, together with cash, if any, deposited with the Trustee, shall be sufficient, in the opinion of an Accountant, to pay when due the principal and interest installments of such Installment Purchase Payments or such portions thereof on and prior to their payment dates or their dates of prepayment, as the case may be, and the prepayment premiums, if any, applicable thereto.

(d) After the payment of all Installment Purchase Payments and prepayment premiums, if any, as provided in this Section, payment of all Supplemental Payments, and payment of all fees and expenses of the Trustee, upon the Written Request of the Authority and the Medical Center and at the expense of the Medical Center, the Trustee shall cause an accounting for such period or periods as shall be requested by the Authority and the Medical Center to be prepared and filed with the Authority, the Medical Center and shall execute and deliver to the Authority, the City and the Medical Center all such instruments as may be necessary or desirable to evidence such total discharge and satisfaction of this Installment Purchase Agreement, and the Trustee shall pay over and deliver to the Medical Center, all such money or investments held by it pursuant hereto other than such money and such investments as are required for the payment or prepayment of the Installment Purchase Payments, and prepayment premiums, if any, which money and investments shall continue to be held uninvested by the Trustee in trust for the payment of the Installment Purchase Payments and prepayment premiums, if any, and shall be applied by the Trustee pursuant to the provisions set forth in Article X of the Trust Agreement.

ARTICLE X

MISCELLANEOUS

SECTION 10.01. Further Assurances. Each of the Medical Center and the City agrees that it will execute and deliver any and all such further agreements, instruments, financing statements or other assurances as may be reasonably necessary or requested by the Authority or the Trustee to carry out the intention or to facilitate the performance of this Installment Purchase Agreement, including, without limitation, to perfect and continue the security interests herein intended to be created.

SECTION 10.02. Notices. Any notice to or demand upon the Authority, the City, the Medical Center or the Trustee given hereunder shall be deemed to have been sufficiently given or served for all purposes by Electronic Notice or by being deposited, postage prepaid, in a post office letter box, addressed, as the case may be as follows:

If to the Authority:	El Centro Financing Authority 1275 Main Street El Centro, California 92243 Attention: Executive Director (760) 337-4540 Email: rduran@ci.el-centro.ca.us
If to the City:	City of El Centro 1275 Main Street El Centro, California 92243 Attention: City Manager (760) 337-4540 Email: rduran@ci.el-centro.ca.us
If to the Trustee:	MUFG Union Bank 120 South San Pedro Street, Suite 400 Los Angeles, California 90012 Attention: Timothy P. Miller Facsimile: 213-972-5694 Email: timothy.miller@unionbank.com with a copy to AccountAdministration-CorporateTrust@unionbank.com

If to the Medical Center: El Centro Regional Medical Center
1415 Ross Avenue
El Centro, California 92243
Attention: Chief Financial Officer
(760) 370-3774
Email: Alex.Wells@ecrmc.org

SECTION 10.03. Governing Law. This Installment Purchase Agreement shall be construed in accordance with and governed by the Constitution and laws of the State applicable to contracts made and performed in the State.

SECTION 10.04. Waiver of Jury Trial. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this Installment Purchase Agreement.

(a) In the event the Jury Trial Waiver set forth above is not enforceable, the parties elect to proceed under this Judicial Reference Provision.

(b) With the exception of the items specified in clause (c), below, any controversy, dispute or claim (each, a “Claim”) between the parties arising out of or relating to this Installment Purchase Agreement or any other document, instrument or agreement between the undersigned parties (collectively in this Section, the “Documents”), will be resolved by a reference proceeding in California in accordance with the provisions of Sections 638 et seq. of the California Code of Civil Procedure (“CCP”), or their successor sections, which shall constitute the exclusive remedy for the resolution of any Claim, including whether the Claim is subject to the reference proceeding. Except as otherwise provided in the Documents, venue for the reference proceeding will be in the state or federal court in the county or district where the real property involved in the action, if any, is located or in the state or federal court in the county or district where venue is otherwise appropriate under applicable law (the “Court”).

(c) The matters that shall not be subject to a reference are the following: (i) foreclosure of any security interests in real or personal property, (ii) exercise of self-help remedies (including, without limitation, set-off), (iii) appointment of a receiver and (iv) temporary, provisional or ancillary remedies (including, without limitation, writs of attachment, writs of possession, temporary restraining orders or preliminary injunctions). This reference provision does not limit the right of any party to exercise or oppose any of the rights and remedies described in clauses (i) and (ii) or to seek or oppose from a court of competent jurisdiction any of the items described in clauses (iii) and (iv). The exercise of, or opposition to, any of those items does not waive the right of any party to a reference pursuant to this reference provision as provided herein.

(d) The referee shall be a retired judge or justice selected by mutual written agreement of the parties. If the parties do not agree within ten (10) days of a written request to do so by any party, then, upon request of any party, the referee shall be selected by the Presiding Judge of the Court (or his or her representative). A request for appointment of a referee may be heard on an ex parte or expedited basis, and the parties agree that irreparable harm would result if ex parte relief is not granted. Pursuant to CCP § 170.6, each party shall have one peremptory challenge to the referee selected by the Presiding Judge of the Court (or his or her representative).

(e) The parties agree that time is of the essence in conducting the reference proceedings. Accordingly, the referee shall be requested, subject to change in the time periods specified herein for good cause shown, to (i) set the matter for a status and trial-setting conference within fifteen (15) days after the date of selection of the referee, (ii) if practicable, try all issues of law or fact within one hundred twenty (120) days after the date of the conference and (iii) report a statement of decision within twenty (20) days after the matter has been submitted for decision.

(f) The referee will have power to expand or limit the amount and duration of discovery. The referee may set or extend discovery deadlines or cutoffs for good cause, including a party's failure to provide requested discovery for any reason whatsoever. Unless otherwise ordered based upon good cause shown, no party shall be entitled to "priority" in conducting discovery, depositions may be taken by either party upon seven (7) days written notice, and all other discovery shall be responded to within fifteen (15) days after service. All disputes relating to discovery which cannot be resolved by the parties shall be submitted to the referee whose decision shall be final and binding.

(g) Except as expressly set forth herein, the referee shall determine the manner in which the reference proceeding is conducted including the time and place of hearings, the order of presentation of evidence, and all other questions that arise with respect to the course of the reference proceeding. All proceedings and hearings conducted before the referee, except for trial, shall be conducted without a court reporter, except that when any party so requests, a court reporter will be used at any hearing conducted before the referee, and the referee will be provided a courtesy copy of the transcript. The party making such a request shall have the obligation to arrange for and pay the court reporter. Subject to the referee's power to award costs to the prevailing party, the parties will equally share the cost of the referee and the court reporter at trial.

(h) The referee shall be required to determine all issues in accordance with existing case law and the statutory laws of the State of California. The rules of evidence applicable to proceedings at law in the State of California will be applicable to the reference proceeding. The referee shall be empowered to enter equitable as well as legal relief, enter equitable orders that will be binding on the parties and rule on any motion which would be authorized in a court proceeding, including without limitation motions for summary judgment or summary adjudication. The referee shall issue a decision at the close of the reference proceeding which disposes of all claims of the parties that are the subject of the reference. Pursuant to CCP § 644, such decision shall be entered by the Court as a judgment or an order in the same manner as if the action had been tried by the Court and any such decision will be final, binding and conclusive. The parties reserve the right to appeal from the final judgment or order or from any appealable decision or order entered by the referee. The parties reserve the right to findings of fact, conclusions of laws, a written statement of decision, and the right to move for a new trial or a different judgment, which new trial, if granted, is also to be a reference proceeding under this provision.

(i) If the enabling legislation which provides for appointment of a referee is repealed (and no successor statute is enacted), any dispute between the parties that would otherwise be determined by reference procedure will be resolved and determined by arbitration. The arbitration will be conducted by a retired judge or justice, in accordance with the California Arbitration Act §1280 through §1294.2 of the CCP as amended from time to time. The limitations with respect to discovery set forth above shall apply to any such arbitration proceeding.

(j) THE PARTIES RECOGNIZE AND AGREE THAT ALL CONTROVERSIES, DISPUTES AND CLAIMS RESOLVED UNDER THIS REFERENCE PROVISION WILL BE DECIDED BY A REFEREE AND NOT BY A JURY. AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF ITS, HIS OR HER OWN CHOICE, EACH PARTY KNOWINGLY AND VOLUNTARILY, AND FOR THE MUTUAL BENEFIT OF ALL PARTIES, AGREES THAT THIS REFERENCE PROVISION WILL APPLY TO ANY CONTROVERSY, DISPUTE OR CLAIM BETWEEN OR AMONG THEM ARISING OUT OF OR IN ANY WAY RELATED TO, THIS INSTALLMENT PURCHASE AGREEMENT, THE OBLIGATIONS

UNDER THIS INSTALLMENT PURCHASE AGREEMENT OR THE TRUST AGREEMENT, OR THE OTHER DOCUMENTS.

SECTION 10.05. Binding Effect. This Installment Purchase Agreement shall inure to the benefit of and shall be binding upon the Authority, the City, the Medical Center and their respective successors and assigns.

SECTION 10.06. Severability of Invalid Provisions. If any one or more of the provisions contained in this Installment Purchase Agreement 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 Installment Purchase Agreement and such invalidity, illegality or unenforceability shall not affect any other provision of this Installment Purchase Agreement, and this Installment Purchase Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority, the City and the Medical Center each hereby declares that it would have entered into this Installment Purchase Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Installment Purchase Agreement may be held illegal, invalid or unenforceable.

SECTION 10.07. Installment Purchase Agreement Represents Complete Agreement; Amendments. This Installment Purchase Agreement represents the entire contract among the parties. This Installment Purchase Agreement may not be effectively amended, changed, modified, altered or terminated (each a "Modification") except by the written agreement of the City, the Medical Center and the Authority and the concurring written consent of the Trustee, given in accordance with the provisions of the Trust Agreement. In addition, so long as the Series 2015A Bonds are outstanding, the prior written consent of a majority Owners of the Series 2015A Bonds shall be required for any Modification and so long as the Series 2015B Bonds are outstanding, the prior written consent of a majority Owners of the Series 2015B Bonds shall be required for any Modification.

SECTION 10.08. Execution of Counterparts. This Installment Purchase Agreement may be executed in any number of counterparts; each of which shall for all purposes be deemed to be an original and all of which together shall constitute but one and the same instrument.

SECTION 10.09. Term of Installment Purchase Agreement. Except as otherwise provided herein, this Installment Purchase Agreement shall remain in full force and effect from the date of execution hereof until no Bonds remain Outstanding under the Trust Agreement.

SECTION 10.10. Waiver of Personal Liability. No member, officer, agent or employee of the Authority, no councilmember, officer, agent or employee of the City and no member of the governing body, officer, agent or employee of the Medical Center shall be individually or personally liable for the payment of the Installment Purchase Payments, the Supplemental Payments or any other payments required hereunder or for the payment of any principal (or Redemption Price) and interest on the Bonds or shall be subject to any personal liability or accountability by reason of execution and delivery of this Installment Purchase Agreement, but nothing contained herein shall relieve any such councilmember, member of the governing body, officer, agent or employee from the performance of any official duty provided by any applicable provisions of law or by this installment Purchase Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Installment Purchase Agreement by their officers thereunto duly authorized as of the day and year first written above.

CITY OF EL CENTRO

By ______________________________________
Mayor

(Seal)

Attest

By ____________________________
City Clerk

EL CENTRO REGIONAL MEDICAL CENTER

By ______________________________________
President of the Board of Trustees

Attest

By ____________________________
Secretary

EL CENTRO FINANCING AUTHORITY

By ______________________________________
Chair

EXHIBIT A-1

**SERIES 2015A INSTALLMENT PURCHASE PAYMENT SCHEDULE
(SERIES 2015A BONDS)**

Date	Principal Installments	Interest Installments	Total Payment

* Payment to be made in monthly installments pursuant to Section 4.01 of this Installment Purchase Agreement.

EXHIBIT A-2

SERIES 2015B INSTALLMENT PURCHASE PAYMENT SCHEDULE (SERIES 2015B BONDS)

Date	Principal Installments	Interest Installments	Total Payment

* Payment to be made in monthly installments pursuant to Section 4.01 of this Installment Purchase Agreement.

EXHIBIT B

DESCRIPTION OF THE SERIES 2015 MEDICAL CENTER PROJECT

Capital improvements to El Centro Regional Medical Center, including but not limited to the upgrade of the Medical Center's central utility plant, and the building of a Medical Plaza building, that will expand outpatient services to the community and bring Medical Center personnel back on the hospital's campus from rented spaces around El Centro.

Central Utility Plant upgrade – to comply with the State of California's seismic building requirements for acute-care hospitals, the Medical Center has set a strategic plan to build new building structures to replace the older non-compliant parts of its acute-care campus. "Phase #1" of the process is the upgrade of the Medical Center's central utility plant ("CUP"). This project is necessary to support the future buildings/structures in the plan. The CUP project was approved by the Office of Statewide Health Planning and Development ("OSHPD") in 2014 and permit has been issued for the start of construction. The main tasks of the project are the replacement of generators, chillers, and boilers and modifications of utility lines, and total project cost is estimated at $10 million. Construction on the CUP is scheduled to begin in late March or April of 2015.

Rebuilding/Expansion of Medical Plaza – the Medical Center's Medical Plaza building was damaged beyond repair in the Easter earthquake of 2010, resulting in the displacement of more than 75 support personnel who occupied the building. As a result, various rented office spaces have cost the Medical Center approximately $200K in annual rent expense. The two-story replacement building currently in design will relocate those personnel to the second floor of the new building and eliminate these rental costs. In addition, several outpatient services – such as the Oncology Center – will be relocated from other rented locations to the first floor of the new building, saving an additional $200K in annual rent. New outpatient service lines are scheduled for the first floor as well, generating critical additional revenue for the Medical Center as it positions itself for the bed expansion building project coming in the next 18-24 months. The estimated cost of the Medical Plaza project is $10 million.

EXHIBIT C

DESCRIPTION OF FACILITIES

"Facilities" means the real property described in this Exhibit C and all buildings and structures thereon and fixtures and improvements thereto, whether now existing or hereafter constructed, installed or acquired.

[legal description to come]

EXHIBIT D

COVENANT COMPLIANCE CERTIFICATE

Re: Installment Purchase Agreement dated as of February 1, 2015, as amended, restated, replaced or supplemented from time to time ("Agreement"), among **City of El Centro**, **El Centro Regional Medical Center** (the "Medical Center") and **El Centro Financing Authority**.

This Compliance Certificate ("Certificate") is furnished pursuant to Section 5.06(c) of the Agreement and sets forth various information as of the fiscal quarter ending __________, 20___ (the "Computation Date").

1. Debt Service Coverage Ratio. On the Computation Date (which for this covenant, is the last day of each quarter), the Debt Service Coverage Ratio, which is required to be not less than __________ to 1.00, was _____ to 1.00, as evidenced by the supporting documents annexed hereto.

2. Days Cash on Hand. On the Computation Date (which for this covenant, is each June 30 and December 31), the Days Cash on Hand, which is required to be not less than ______ days, was ___________ days, as evidenced by the supporting documents annexed hereto.

3. Debt to Capitalization Ratio. On the Computation Date (which for this covenant, is the last day of each quarter), the Debt to Capitalization Ratio, which is required to be not more than __________ to 1.00, was _____ to 1.00, as evidenced by the supporting documents annexed hereto.

The undersigned, as an authorized officer of Medical Center, certifies that:

A. All of the information set forth in this Certificate (and in any Schedule attached hereto) is true and correct in all material respects.

B. As of the Computation Date, Medical Center has observed and performed all of its covenants and other agreements contained in the Agreement and in any other document executed in connection therewith to be observed, performed and satisfied by Medical Center.

C. The undersigned has reviewed the Agreement and this Certificate is based on an examination sufficient to assure that this Certificate is accurate.

D. Except as stated in Schedule 1 hereto (which shall describe any existing Purchase Agreement Default (or event which with the giving of notice or passage of time or both would constitute a Purchase Agreement Default) and the notice and period of existence thereof and any action taken with respect thereto or contemplated to be taken by Medical Center), no Purchase Agreement Default has occurred and is continuing on the date of this Certificate.

Capitalized terms used in this Certificate and in the schedules hereto, unless specifically defined to the contrary, have the meanings given to them in the Agreement.

IN WITNESS WHEREOF, the undersigned has caused this Certificate to be duly executed and delivered this ___ day of ________, 20__.

MEDICAL CENTER:

EL CENTRO REGIONAL MEDICAL CENTER

By:_______________________________________

Its:_______________________________________

TRUST AGREEMENT

between

EL CENTRO FINANCING AUTHORITY

and

MUFG UNION BANK, N.A.,

as Trustee

Dated as of February 1, 2015

Relating to

$25,000,000 El Centro Financing Authority Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project) Series 2015A	$25,000,000 El Centro Financing Authority Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project) Series 2015B

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THIS TRUST AGREEMENT, dated as of February 1, 2015 (this "Trust Agreement"), between the **EL CENTRO FINANCING AUTHORITY**, a public entity duly organized and existing as a joint exercise of powers authority under and by virtue of the laws of the State of California (the "Authority"), and **MUFG UNION BANK, N.A.**, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as trustee (the "Trustee");

W I T N E S S E T H :

WHEREAS, the Authority is a joint exercise of powers authority duly organized and existing pursuant to Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California;

WHEREAS, Article 4 of Chapter 5 of Division 7 of Tide 1 of the Government Code of the State of California authorizes and empowers the Authority to issue bonds to assist local agencies in financing and/or refinancing projects and programs consisting of certain public capital improvements or working capital or liability and other insurance needs whenever a local agency determines that there are significant public benefits from so doing;

WHEREAS, the City of El Centro, a municipal corporation duly organized and existing under and by virtue of the laws of the State of California (the "City"), is a local agency which has requested the assistance of the Authority in financing and/or refinancing certain hereinafter described public capital improvements to the El Centro Regional Medical Center, a municipal hospital and agency of the City duly organized and existing under and by virtue of the laws of the State of California (as more fully defined in Section 1.01 hereof, the "Medical Center");

WHEREAS, the City has determined that the consummation of the transactions contemplated in this Trust Agreement and in the Installment Purchase Agreement, dated as of February 1, 2015 (the "Installment Purchase Agreement"), by and between the City, as purchaser, and the Authority, as seller, will result in significant public benefits;

WHEREAS, the Authority is empowered pursuant to this Trust Agreement and Article 4 of Chapter 5 of Division 7 of Tide 1 of the Government Code of the State of California to cause the design, acquisition and construction of certain additions, betterments, extensions and improvements to the Medical Center and to finance and/or refinance such additions, betterments, extensions and improvements through the issuance of revenue bonds in one or more series;

WHEREAS, the Authority has authorized the issuance of two series of revenue bonds to be designated as the El Centro Financing Authority Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project), Series 2015A (the "Series 2015A Bonds") and the El Centro Financing Authority Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project), Series 2015B (the "Series 2015B Bonds" and, together with the Series 2015A Bonds, the "Series 2015 Bonds") to assist in financing and/or refinancing the improvements described in Exhibit B to the Installment Purchase Agreement (such improvements being hereinafter collectively referred to as the "Series 2015 Medical Center Projects");

WHEREAS, to provide for the authentication and delivery of the Series 2015 Bonds and such other series of Bonds as may be authorized from time to time by the Authority, 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 thereof, premium, if any, and interest thereon, the Authority has authorized the execution and delivery of this Trust Agreement;

WHEREAS, the Authority has determined that all acts and proceedings required by law necessary to make the Bonds, when executed by the Authority, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal limited obligations of the Authority, and to constitute this Trust Agreement a valid and binding agreement of the parties hereto 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 Trust Agreement have been in all respects duly authorized;

NOW, THEREFORE, THIS TRUST AGREEMENT WITNESSETH, that to secure the payment of the principal of, premium, if any, and the interest on all Bonds at any time issued and outstanding under this Trust Agreement, 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 and sufficiency of which is hereby acknowledged, the Authority 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; INTERPRETATION

SECTION 1.01 Definitions. Unless the context clearly otherwise requires, all capitalized terms used herein shall have the meanings assigned to such terms in this Section 1.01.

Accredited Investor means an "accredited investor" as defined under Regulation D of the Securities Act of 1933, as amended, as in effect as of the Closing Date.

Acquisition Account means an account by that name established within the Acquisition Fund pursuant to Section 3.04 hereof.

Acquisition Fund means the fund by that name established pursuant to Section 3.04 hereof.

Act means Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code, as now in effect and as it may from time to time hereafter be amended or supplemented.

Act of Bankruptcy means (i) that the City or the Medical Center shall (a) have an order for relief entered with respect to it under the United States Bankruptcy Code, (b) fail to pay, or admit in writing its inability to pay, its debts generally as they become due, (c) make an assignment for the benefit of creditors, (d) apply for, seek, consent to or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its property, (e) institute any proceeding seeking an order for relief under the United States Bankruptcy Code or seeking to adjudicate itself a bankrupt or insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (f) take any action to authorize or effect any of the foregoing actions set forth in clauses (a) through (e) above, or (g) fail to contest in good faith any appointment or proceeding described in clause (ii) below; or (ii) without the application, approval or consent of the City or the Medical Center, as applicable, a receiver, trustee, examiner, liquidator or similar official shall be appointed for the City or the Medical Center or any substantial part of its property, or a proceeding described in clause (i)(e) above shall be instituted against the City or the Medical Center and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of 60 consecutive days.

Additional Bonds means any Series of Bonds, other than the Series 2015 Bonds, authorized by, and at any time Outstanding pursuant hereto.

Additional Medical Center Project means any additions, alterations or improvements, including the design and engineering thereof, to the Medical Center financed and/or refinanced with the proceeds of Additional Bonds.

Administrative Fees and Expenses means any application, commitment, financing or similar fee charged, or reimbursement for administrative or other expenses incurred by the Authority or the Trustee.

Aggregate Debt Service means, as of any date of calculation and with respect to any period, the sum of amounts of Debt Service for all Long-Term Indebtedness for such period.

Applicable Margin means (i) for the period starting on the Closing Date and ending on the day immediately prior to the fifth anniversary of the Closing Date 200 basis points and (ii) thereafter a margin determined by the Owners of a majority of the then-Outstanding Series 2015B Bonds in their sole discretion and delivered to the Authority at least ninety (90) days prior to the fifth anniversary of the Closing Date; provided, that the Applicable Margin shall never cause the interest rate on the Series 2015B Bonds to exceed the Maximum Rate; provided, further that in the event the Authority does not receive any notice pursuant to clause (ii) of this definition, the Applicable Margin shall continue in accordance with clause (i) of this definition. The Authority agrees to consult with Bond Counsel regarding the consequences, if any, of a change under clause (ii) of this definition immediately upon receiving any notice from the Owners, as provided in such clause.

Authority means the El Centro Financing Authority created pursuant to the Act and its successors and assigns.

Authorized Authority Representative or **Authorized Representative of the Authority** means the Chair or the Vice Chair or the Secretary or the Executive Director of the Authority, or such other person as may be designated to act on behalf of the Authority by written certificate furnished to the Trustee containing the specimen signature of such person and signed on behalf of the Authority by an Authorized Authority Representative.

Authorized City Representative or **Authorized Representative of the City** means the Mayor of the City, the Mayor Pro Tem of the City, the City Manager of the City, or such other person as may be designated to act on behalf of the City by written certificate furnished to the Trustee containing the specimen signature of such person and signed on behalf of the City by an Authorized City Representative.

Authorized Denominations means \$100,000 or any integral multiple of \$5,000 in excess thereof; provided, that authorized denominations may be designated in such other amounts for a Series of Bonds as the Authority shall specify in a Supplemental Trust Agreement, with the advice of Bond Counsel.

Authorized Medical Center Representative or **Authorized Representative of the Medical Center** means the chief executive officer or the chief financial officer of the Medical Center, or such other person as may be designated to act on behalf of the Medical Center by written certificate furnished to the Trustee containing the specimen signature of such person and signed on behalf of the Medical Center by an Authorized Medical Center Representative.

Bond Counsel means (a) Norton Rose Fulbright US LLP or (b) any other attorney or firm of attorneys appointed by or acceptable to the Authority of nationally recognized experience in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes under the Code.

Bond Reserve Account means the account by that name within the Revenue Fund established pursuant to Section 5.02.

Bond Reserve Account Requirement means, as of any date of calculation, an amount established as the Bond Reserve Account Requirement by a Supplemental Trust Agreement for one or more Series of Bonds.

Bond Year means the period of twelve consecutive months ending on March 1 in any year in which Bonds are Outstanding.

Bonds means the El Centro Financing Authority Hospital Revenue Bonds (El Centro Regional Medical Center Project) authorized by, and at any time Outstanding under, this Trust Agreement.

Business Day means any day, other than a Saturday, Sunday or any other day designated as a holiday under Federal or applicable State statute or regulation, on which the Trustee is open for business and on which Comerica Bank is open for all or substantially all of its domestic and international business (including dealings in foreign exchange) in Detroit, Michigan, and the City of San Diego, California and, in respect of notices and determinations relating to the LIBOR-based Rate, also a day on which dealings in dollar deposits are also carried on in the London interbank market and on which banks are open for business in London, England.

Capitalized Interest Account means an account by such name established by a Supplemental Trust Agreement.

Certificate, Statement, Request, Requisition and **Order** of the Authority, the City or the Medical Center mean, respectively, a written certificate, statement, request, requisition or order signed in the name of the Authority by an Authorized Authority Representative, signed in the name of the City by an Authorized City Representative or signed in the name of the Medical Center by an Authorized Medical Center Representative, respectively, and delivered to the Trustee. 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, each such instrument shall include the statements provided for in Section 1.02.

Change in Law means the occurrence, after the date hereof, of any of the following: (i) the adoption or introduction of, or any change in any applicable law, treaty, rule or regulation (whether domestic or foreign) now or hereafter in effect and whether or not applicable to Comerica Bank on such date, or (ii) any change in interpretation, administration or implementation thereof of any such law, treaty, rule or regulation by any Governmental Authority, or (iii) the issuance, making or implementation by any Governmental Authority of any interpretation, administration, request, regulation, guideline, or directive (whether or not having the force of law), including any risk-based capital guidelines. For purposes of this definition, (x) a change in law, treaty, rule, regulation, interpretation, administration or implementation shall include, without limitation, any change made or which becomes effective on the basis of a law, treaty, rule, regulation, interpretation administration or implementation then in force, the effective date of which change is delayed by the terms of such law, treaty, rule, regulation, interpretation, administration or implementation, and (y) the Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub. L. 111-203, H.R. 4173), any change thereto, and all requests, rules, regulations, guidelines, interpretations or directives promulgated thereunder or issued in connection therewith shall be deemed to be a "Change in Law," regardless of the date enacted, adopted, issued or promulgated, whether before or after the date hereof, and (z) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States regulatory authorities, in each case pursuant to Basel III, shall each be deemed to be a "Change in Law," regardless of the date enacted, adopted, issued or implemented.

Closing Date means, with respect to the Series 2015 Bonds, March ___, 2015, the date upon which there is a physical delivery of the Series 2015 Bonds in exchange for the amount representing the purchase price of the Series 2015 Bonds paid by the Original Purchasers, and, with respect to any other Series of Bonds, means the date upon which there is a physical delivery of such Series of Bonds in exchange for the amount representing the purchase price of such Series of Bonds paid by the Original Purchaser thereof.

Code means the Internal Revenue Code of 1986.

Comerica Bank means Comerica Bank, a Texas banking association.

Continuing Disclosure Agreement means, with respect to a Series of Bonds, the Continuing Disclosure Agreement, if any, among the City, the Medical Center and the dissemination agent identified therein, as originally executed and as it may from time to time be amended or supplemented pursuant to its terms.

Costs of Issuance means all expenses incurred in connection with the authorization, issuance, sale and delivery of the Bonds, including but not limited to all compensation, fees and expenses (including but not limited to fees and expenses for legal counsel) of the Authority and the Trustee, compensation to any financial consultants, placement agents, municipal advisors, swap advisors or underwriters, legal fees and expenses (including fees and expenses of Bond Counsel and Original Purchasers' Counsel), filing and recording costs, rating agency fees, costs of preparation and reproduction of documents, costs of printing and fees and costs for any guaranty, surety bond, letter of credit or other credit facility.

Costs of Issuance Fund means a fund by that name established pursuant to Section 3.03 hereof.

Days Cash on Hand means a ratio (expressed as a number of days) the numerator of which is the sum of Medical Center's unrestricted and unencumbered cash and investments plus board-designated funds as of the date of determination multiplied by 365 and the denominator of which is the Medical Center's operating expense for such period minus Medical Center's depreciation expense for such period, all as determined in accordance with GAAP on a consolidated basis.

Debt to Capitalization Ratio means as of any date of determination, a ratio the numerator of which is Medical Center's Funded Debt as of such date and the denominator of which is Medical Center's Funded Debt plus Medical Center's net worth as of such date as determined in accordance with GAAP.

Debt Service, when used with respect to any Long-Term Indebtedness, means, as of any date of calculation and with respect to any period, the sum of --

a. the interest falling due on such Long-Term Indebtedness during such period (except for any interest that must be paid-in-kind and except to the extent that such interest is payable from the proceeds of such Long-Term Indebtedness set aside for such purpose); and

b. the scheduled principal (or mandatory sinking fund or installment purchase price or lease rental or similar) payments or deposits required with respect to such Long-Term Indebtedness during such period (except to the extent such principal is payable from the proceeds of such Long-Term Indebtedness set aside for such purpose), computed on the assumption that no portion of such Long-Term Indebtedness shall cease to be outstanding during such period except by reason of the application of such scheduled payments; provided, however; that for purposes of such computation:

(1) if Long-Term Indebtedness is

(a) secured by an irrevocable letter of credit or irrevocable line of credit issued by a financial institution having a combined capital and surplus of at least fifty million dollars ($50,000,000) and whose unsecured securities are rated in one of the two highest short-term or long-term Rating Categories (without regard to numerical modifier) by each rating agency then rating the Bonds, or

(b) insured by an insurance policy or surety bond issued by an insurance company rated at least A+ by Alfred M. Best Company in Best's Insurance Reports,

principal payments or deposits with respect to such Long-Term Indebtedness nominally due in the last Fiscal Year in which such Long-Term Indebtedness matures may, at the option of the Medical Center, be treated as if they were due as specified in any loan agreement or installment sale/purchase agreement issued in connection with such letter of credit, line of credit, insurance policy or surety bond or pursuant to the repayment provisions of such letter of credit, line of credit, insurance policy or surety bond (or, if such loan agreement or installment sale/purchase agreement or repayment provisions provide for repayment over less than 20 years and the Trustee receives a Statement of the Medical Center to the effect that the Medical Center intends to refinance such Long-Term Indebtedness prior to maturity, as if such principal payments were amortized over a 20-year period with substantially level debt service) and interest on such Long-Term Indebtedness after such Fiscal Year shall be assumed to be payable at an interest rate equal to a rate per annum equal to the 25-year Revenue Bond Index most recently published preceding the date of calculation in *The Bond Buyer* (subject to any adjustment for errors therein which may be acknowledged by the publishers thereof);

(2) if interest on Long-Term Indebtedness is payable pursuant to a variable interest rate formula, the interest rate on such Long-Term Indebtedness for periods when the actual interest rate cannot yet be determined shall be assumed to be equal to the greater of

(a) the average rate of interest borne (or which would have been borne) by such Long-Term Indebtedness during the Fiscal Year immediately preceding the date of calculation plus one percent (1%), or

(b) the average rate of interest borne by such Long-Term Indebtedness during the three full calendar months immediately preceding the date of calculation plus one percent (1%);

(3) if interest is capitalized with respect to Long-Term Indebtedness, Debt Service on such Long-Term Indebtedness shall be included in computations of Maximum Aggregate Annual Debt Service only in proportion to the amount of interest payable in the then-current Fiscal Year from sources other than amounts funded to pay such capitalized interest;

(4) with respect to a Guarantee, there shall be included in the Debt Service of the Medical Center --

(a) twenty-five percent (25%) of the Medical Center's maximum possible monetary liability under the Guarantee in any Fiscal Year unless the Guarantee is drawn upon; and

(b) one hundred percent (100%) of the Medical Center's monetary liability under the Guarantee which has been drawn upon, until such time as all amounts drawn upon the Guarantee have been repaid to the Medical Center, and for two Fiscal Years thereafter; and

(5) if moneys or Investment Securities described in Subsections (a), (b) or (c) of the definition thereof contained in this Trust Agreement (not callable by the issuer thereof prior to maturity) have been deposited with a trustee or escrow agent in an amount, together with earnings thereon, sufficient to pay the principal of or interest on Long-Term Indebtedness as it comes due, such principal or interest, as the case may be, shall not be included in computations of Debt Service.

Debt Service Coverage Ratio means as of any date of determination, a ratio the numerator of which is the Medical Center's net income for the four quarter period ending on such date, plus, to the extent deducted in the computation of such net income, depreciation, amortization and interest expense for such period, plus (minus) unrealized losses (gains), non-cash losses (gains) and other extraordinary losses (gains) for such period, and the denominator of which is the sum of all principal and interest that became due and payable by the Medical Center on Long-Term Indebtedness and capitalized leases during such period, all as determined in accordance with GAAP.

Defeasance Securities means:

(1) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series — "SLGS")

(2) Direct obligations of the Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities.

(3) Resolution Funding Corp. (REFCORP), but only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable.

(4) Pre-refunded municipal bonds rated "Aaa" by Moody's and "AA+" by S&P. If however, the issue is only rated by S&P (i.e., there is no Moody's rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or "AA+" rated pre-refunded municipals to satisfy this condition.

(5) Obligations issued by the following agencies which are backed by the full faith and credit of the U.S.:

(a) U.S. Export-Import Bank (Eximbank)
(i) Direct obligations or fully guaranteed certificates of beneficial ownership

(b) Farmers Home Administration (FmHA)
(i) Certificates of beneficial ownership

(c) Federal Financing Bank

(d) General Services Administration
   (i) Participation certificates

(e) U.S. Maritime Administration
   (i) Guaranteed Title XI financing

(f) U.S. Department of Housing and Urban Development (HUD)
   (i) Project Notes
   (ii) Local Authority Bonds
   (iii) New Communities Debentures – U.S. government guaranteed debentures

(g) U.S. Public Housing Notes and Bonds – U.S. government guaranteed public housing notes and bonds

Depository means The Depository Trust Company, New York, New York and its successors and assigns, or any other Securities Depository selected as provided in Section 2.10.

Determination of Taxability means a determination that the interest income on the Series 2015B Bonds is included in gross income for federal income tax purposes, which determination shall be deemed to have been made upon the occurrence of the first to occur of the following:

(a) the day on which the Authority is advised in writing by the Commissioner or any District Director of the Internal Revenue Service that, based upon any filings of the Authority, or upon any review or audit of the Authority, or upon any other grounds whatsoever, the interest on the Series 2015B Bonds is includable for federal income tax purposes in the gross income of any current or former Owner thereof;

(b) the day on which the Authority receives notice in writing from (i) the Trustee that the Trustee has been advised in writing by any current or former Owner of a Series 2015B Bond, that the Internal Revenue Service has issued a statutory notice of deficiency or similar notice to such Owner which asserts in effect that the interest on the Series 2015B Bonds received by Comerica Bank is includable for federal income tax purposes in the gross income of such Owner;

(c) the day on which the Authority is advised in writing by the Commissioner or any District Director of the Internal Revenue Service that there has been issued a public or private ruling of the Internal Revenue Service or a technical advice memorandum issued by the national office of the Internal Revenue Service that the interest on the Series 2015B Bonds is includable for federal income tax purposes in the gross income of any current or former Owner of a Series 2015B Bond;

(d) the day on which the Authority is advised in writing that a final determination from which no further right of appeal exists, has been made by a court of competent jurisdiction in the United States of America in a proceeding with respect to which the Authority has been given written notice and an opportunity to participate and defend that the interest on the Series 2015B Bonds is includable for federal income tax purposes in the gross income of any current or former Owner of a Series 2015 B Bond; or

(e) the date specified in a written opinion to the Authority from Bond Counsel as the day on which interest on the Series 2015B Bonds first became or will become includable for federal income tax purposes in the gross income of any current or former Owner of a Series 2015B Bond;

provided, *however*, no Determination of Taxability shall occur under subparagraph (a), (b) or (c) of this definition unless the Authority has been afforded the opportunity, at its expense, to contest any such conclusion and/or assessment after furnishing the Trustee, and such current and/or former Owner, as applicable, within 30 days after the occurrence of an event described in subparagraph (a), (b) or (c) of this definition, with an opinion of Bond Counsel to the effect that there is a reasonable likelihood that the Authority will prevail in such contest and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined. The Authority shall promptly notify the Trustee or such current and/or former Owner, as applicable, of any event described in subparagraph (a), (c), (d) or (e) of this definition and shall further promptly notify the Trustee and such current and/or former Owner of any final determination if the Authority has contested any conclusion and/or assessment under subparagraph (a), (b) or (c) of this definition. The Trustee shall promptly notify such current and/or former Owner of any event described in subparagraph (b) of this definition. The Authority shall be deemed to have been afforded the opportunity to contest the occurrence of a Determination of Taxability if it shall have been permitted to commence and maintain any action in the name of any current or former Owner of a Series 2015B Bond to judgment and through any appeals therefrom or other proceedings related thereto.

Dissemination Agent means the dissemination agent identified in the Continuing Disclosure Agreement delivered in connection with a Series of Bonds.

Electronic Notice means notice through telecopy, facsimile transmission, e-mail or other electronic means of communication provided, that for purposes of this Trust Agreement, an e-mail does not constitute a notice, request or other communication hereunder but rather the portable document format or similar attachment attached to such e-mail shall constitute a notice, request or other communication hereunder.

Environmental Laws shall mean all laws, codes, ordinances, rules, regulations, orders, decrees and directives issued by any federal, state, local, foreign or other governmental or quasi- governmental authority or body (or any agency, instrumentality or political subdivision thereof) pertaining to hazardous or toxic materials, including, without limitation, any hazardous materials or wastes, toxic substances, flammable, explosive or radioactive materials, asbestos, and/or other similar materials; any so-called "superfund" or "superlien" law pertaining to hazardous or toxic materials on or about any property at any time owned, leased or otherwise used by Medical Center, or any portion thereof; including, without limitation, those relating to soil, surface, subsurface groundwater conditions and the condition of the ambient air; and any other federal, state, foreign or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic, radioactive, flammable or dangerous waste, substance or material, as now or at any time hereafter in effect. "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as the same may be amended or supplemented from time to time, and any successor statute of similar import, and the rules and regulations thereunder, as from time to time in effect.

ERISA shall mean the Employee Retirement Income Security Act of 1974, as the same may be amended or supplemented from time to time, and any successor statute of similar import, and the rules and regulations thereunder, as from time to time in effect.

Event of Default means any of the events specified in Section 8.01.

Facilities means the real property and improvements described in Exhibit C to the Installment Purchase Agreement.

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 the value of which is determined 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) the value of which is determined 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) the investment is the Local Agency Investment Fund of the State of California, but only if at all times during which the investment is held its yield is reasonably expected to be equal to or greater than the yield on a reasonably comparable direct obligation of the United States.

Fiscal Year means each twelve-month period commencing on July 1 and ending on the following June 30, or any other twelve-month period selected as the official fiscal year period by the Medical Center.

Fixed Rate means the fixed interest rate or rates applicable to the Series 2015B Bonds established in accordance with this Trust Agreement, together with any Supplemental Trust Agreement.

Fixed Rate Conversion Date means the date on which the rate of interest borne by the Series 2015B Bonds is converted to the Fixed Rate.

Fixed Rate Remarketing Agent means an underwriter or remarketing agent selected by the Authority to serve as the Fixed Rate Remarketing Agent.

Funded Debt means, in respect of any applicable Person(s) and as of any applicable date of determination thereof, the sum, without duplication, of (a) all indebtedness of such Person(s) for borrowed money or for the deferred purchase price of property or services as of such date (other than trade liabilities incurred in the ordinary course of business and payable in accordance with customary practices) or which is evidenced by a note, bond, debenture or similar instrument, (b) all obligations of such Person(s) under capitalized leases as of such date, (c) all obligations of such Person(s) in respect of letters of credit, acceptances or similar obligations issued or created for the account of such Person(s) as of such date, (d) all liabilities secured by any lien on any property owned by such Person(s) as of such date even though such Person(s) has not assumed or otherwise become liable for the payment thereof, (e) all Guarantee Obligations of such Person(s) as of such date, and (f) all contingent obligations of such Person(s) as of such date, in each case as determined in accordance with GAAP.

GAAP means generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the United States accounting profession), that are applicable to the circumstances as of the date of determination and applied consistently without separate reporting periods.

Governmental Authority means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including, without limitation, any supranational bodies such as the European Union or the European Central Bank).

Gross Revenue Fund means the fund by that name established pursuant to the Installment Purchase Agreement.

Gross Revenues means all revenues, income, receipts and money received in any period by the Medical Center (other than donor-restricted gifts, grants, bequests, donations, contributions, and tax revenues), including, but not limited to the following:

a. gross revenues derived from its operations and possession of and pertaining to its properties,

b. proceeds with respect to, arising from, or relating to its properties and derived from (1) insurance (including business interruption insurance) or condemnation proceeds (except to the extent that such proceeds are required by an agreement with respect to the Indebtedness that the Medical Center is permitted to incur pursuant to the terms hereof to be used for the purposes not inconsistent with their use for the payment of installment payments, Supplemental Payments or similar payments with respect to Parity Debt), (2) accounts, including but not limited to, accounts receivable, (3) securities and other investments, (4) inventory and intangible property, (5) payment/reimbursement programs and agreements, and (6) contract rights, accounts, instruments, claims for the payment of moneys and other rights and assets now or hereafter owned, held or possessed by or on behalf of the Medical Center, and

c. rentals received from the lease of the Medical Center properties or space in its facilities.

Gross-Up Rate means with respect to the Series 2015B Bonds, and as of any date, the interest rate otherwise applicable to the Series 2015B Bonds (calculated without regard to payments for increased costs to the extent provided in Section 6.12 of this Trust Agreement) plus a rate, determined by the Owners of a majority of the then Outstanding Series 2015B Bonds acting reasonably, sufficient such that the total interest to be paid on any Interest Payment Date would, after such interest was reduced by the amount of any federal, state or local income tax (including any interest or penalties) actually payable thereon, equal the amount of interest due with respect to the Series 2015B Bonds at the interest rate stated for the Series 2015B Bonds (calculated without regard to payments for increased costs to the extent provided in Section 6.12 of this Trust Agreement).

Guarantee means any obligation of the Medical Center guaranteeing in any manner, whether directly or indirectly, any obligation of any Person that would, if such Person were the Medical Center, constitute Long-Term Indebtedness.

Guarantee Obligations mean as to any Person (the "guaranteeing person") (a) any obligation of the guaranteeing person or (b) any obligation of another person (including, without limitation, any bank under any letter of credit), the creation of which was induced by a reimbursement, counter indemnity or similar obligation issued by the guaranteeing person, in either case guaranteeing or in effect guaranteeing any debt, leases, dividends or other obligations (the "primary obligations") of any other third Person (the "primary obligor") in any manner, whether directly or indirectly, including, without limitation, any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business.

Hazardous Substances means: (a) any oil, flammable substance, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other wastes, materials or pollutants which (i) pose a hazard to the Medical Center Project or to persons on or about the Medical Center Project or (ii) cause the Medical Center Project to be in violation of any Environmental Laws; (b) asbestos in any form which is or could become friable, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls, or radon gas; (c) any chemical, material or substance defined as or included in the definition of “waste,” “hazardous substances,” “hazardous wastes,” “hazardous materials,” “extremely hazardous waste,” “restricted hazardous waste,” or “toxic substances” or words of similar import under any Environmental Law including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 USC §§ 9601 et seq.; the Resource Conservation and Recovery Act (RCRA), 42 USC §§ 6901 et seq.; the Hazardous Materials Transportation Act, 49 USC §§ 1801 et seq.; the Federal Water Pollution Control Act, 33 USC §§ 1251 et seq.; the California Hazardous Waste Control Law (HWCL), Cal. Health & Safety §§ 25100 et seq.; the Hazardous Substance Account Act (HSAA), Cal. Health & Safety Code §§ 25300 et seq.; the Underground Storage of Hazardous Substances Act, Cal. Health & Safety §§ 25280 et seq.; the Porter-Cologne Water Quality Control Act (the Porter-Cologne Act), Cal. Water Code §§ 13000 et seq., the Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65); and Title 22 of the California Code of Regulations, Division 4, Chapter 30; (d) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority or agency or may or could pose a hazard to the health and safety of the occupants of the Medical Center Project or the owners and/or occupants of property adjacent to or surrounding the Medical Center Project, or any other person coming upon the Medical Center Project or adjacent property; or (e) any other chemical, materials or substance which may or could pose a hazard to the environment.

Holder or **Owner** or **Bondholder** means any person who shall be the registered owner of any Outstanding Bond.

Indebtedness means any Guarantee, and any indebtedness or obligation of the Medical Center for money borrowed (other than accounts payable and accruals), as determined in accordance with GAAP, including obligations under conditional sales contracts or other title retention contracts and rental obligations under leases that are considered capital leases under GAAP. Indebtedness shall not include Nonrecourse Indebtedness.

Independent Certified Public Accountant means any certified public accountant or firm of certified public accountants appointed and paid by the Authority, and who, or each of whom:

(a) is in fact independent and not under domination of the Authority or the City;

(b) does not have any substantial interest, direct or indirect, in the Authority or the City; and

(c) is not connected with the Authority or the City as an officer or employee of the Authority or the City but who may be regularly retained to make annual or other audits of the books of or reports to the Authority or the City.

Information Services means the Electronic Municipal Market Access System (referred to as "EMMA"), a facility of the Municipal Securities Rulemaking Board, at http://emma.msrb.org; provided, however, in accordance with then current guidelines of the Securities and Exchange Commission, Information Services shall mean such other organizations providing information with respect to called Bonds as the Authority may designate in writing to the Trustee.

Initial Owners means Key Government Finance, Inc., with respect to the Series 2015A Bonds, and Comerica Bank, with respect to the Series 2015B Bonds.

Installment Purchase Agreement means the Installment Purchase Agreement, dated as of February 1, 2015, among the Authority, the City and the Medical Center, as originally executed and as it may from time to time be amended or supplemented pursuant to the provisions hereof and thereof.

Installment Purchase Payments means the installment purchase payments so designated and required to be paid by the Purchaser pursuant to Section 4.01 of the Installment Purchase Agreement, including, without limitation, the Series 2015 Installment Purchase Payments.

Insurance and Condemnation Proceeds Fund means the fund by that name established pursuant to Section 3.04.

Interest Account means the account by that name within the Revenue Fund established pursuant to Section 5.02.

Interest Payment Date means, with respect to the Series 2015A Bonds each September 1 and March 1 in each year, commencing September 1, 2015, and with respect to the Series 2015B Bonds the first Business Day of each month commencing April 1, 2015; provided, that if the Series 2015B Bonds bear interest at a Fixed Rate, the Interest Payment Date shall be such other dates as specified in a Supplemental Trust Agreement.

Investment Securities means any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein (the Trustee is entitled to conclusively rely on a Request of the Authority directing investment in such Permitted Investment as a certification by the Authority to the Trustee that such Permitted Investment is a legal investment under the laws of the State), but only to the extent that the same are acquired at Fair Market Value:

(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) or obligations the timely payment of the principal of and interest on which are fully guaranteed by the United States of America, including instruments evidencing a direct ownership interest in securities described in this clause such as Stripped Treasury Coupons rated or assessed in the highest rating category by S&P and Moody's and held by a custodian for safekeeping on behalf of holders of such securities.

(b) Bonds or notes which are exempt from federal income taxes and for the payment of which cash or obligations described in clause (a) of this definition in an amount sufficient to pay the principal of, premium, if any, and interest on when due have been irrevocably deposited with a trustee or other fiscal depositary and which are rated the same rating as direct obligations of the United States of America by S&P and Moody's.

(c) Obligations, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following: Federal Home Loan Bank System, Government National Mortgage Association, Farmer's Home Administration, Federal Home Loan Mortgage Corporation or Federal Housing Administration; provided that with respect to the funds and accounts established under this Trust Agreement, such obligations shall at no time exceed an amount equal to ten percent (10%) of the aggregate principal amount of the Bonds Outstanding.

(d) Deposit accounts, certificates of deposit or savings accounts (i) fully insured by the Federal Deposit Insurance Corporation or (ii) with banks whose short-term obligations are rated no lower than A-1 by S&P and P-1 by Moody's including those of the Trustee and its affiliates.

(e) Federal funds or banker's acceptances with a maximum term of one year of any bank that has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or "A3" by Moody's and "A-l" or "A" or better by S&P (including the Trustee).

(f) Repurchase obligations with a term not exceeding 30 days pursuant to a written agreement between the Trustee and either a primary dealer on the Federal Reserve reporting dealer list which falls under the jurisdiction of the SIPC or a federally chartered commercial bank whose long-term debt obligations are rated A or better by S&P and Moody's, with respect to any security described in clause (1); provided that the securities which are the subject of such repurchase obligation (i) must be free and clear of all liens, (ii) in the case of a SIPC dealer, were not acquired pursuant to a repurchase or reverse repurchase agreement, (iii) must be deposited with the Trustee and maintained through weekly market valuations in an amount equal to 104% of the invested funds plus accrued interest; and further provided that the Trustee must have a valid first perfected security interest in such securities.

(g) Taxable government money market portfolios that have a rating by S&P of Am-G or Am or better and rated in one of the three highest rating categories of Moody's, subject to a maximum permissible limit equal to six months of principal and interest on the Bonds including portfolios of the Trustee and its affiliates.

(h) Tax-exempt government money market portfolios that have a rating by S&P of Am-G or Am or better and rated in one of the three highest rating categories of Moody's consisting of securities which are rated in the highest Rating Categories of S&P and Moody's subject to a maximum permissible limit equal to six months of principal and interest on the Bonds.

(i) Money market funds registered under the Investment Company Act of 1940, the shares in which are registered under the Securities Act of 1933 and that have a rating by S&P of AAAm-G or AAAm and rated in one of the two highest Rating Categories of Moody's, including those managed or advised by the Trustee or its affiliates.

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

(k) Investment agreements, including guaranteed investment contracts, forward purchase agreements and reserve fund put agreements with banks or other financial institutions rated, or guaranteed by institutions rated, or with senior unsecured debt rated, by S&P or Moody's, in one of the three highest rating categories assigned by such agencies.

(l) Any other investments which meet the criteria established by applicable published investment guidelines issued by each rating agency then rating the Bonds, if any.

Investor Letter shall mean an Investor Letter executed by any Accredited Investor or Qualified Institutional Buyer substantially in the form attached as Exhibit C hereto.

LIBOR Breakage Fee means any loss, cost or expense incurred by Comerica Bank as a result of any payment or prepayment of the principal of the Series 2015B Bonds that occurs on any day other than on an the last day of any LIBOR Interest Period, including, without limitation, any such loss, cost or expense incurred in obtaining, liquidating, employing or redeploying deposits from third parties. The LIBOR Breakage Fee may include, without limitation, an amount equal to the excess, if any, of (a) the amount of interest which would have accrued on the amount so prepaid, for the period from the date of such payment or prepayment through the last day of the relevant LIBOR Interest Period, at the interest rate then applicable to the Series 2015B Bonds, over (b) the amount of interest (as reasonably determined by the Comerica Bank) which would have accrued to the Comerica Bank on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank eurodollar market. Calculation of the LIBOR Breakage Fee shall be made as though the Comerica Bank has actually funded or committed to fund the relevant principal amount of the Bonds through the purchase of an underlying deposit in an amount equal to such principal amount and having a maturity comparable to the relevant LIBOR Interest Period; provided, however, that the Comerica Bank may fund the principal amount of the Series 2015B Bonds in any manner it deems fit and the foregoing assumptions shall be utilized only for the purpose of the calculation of the LIBOR Breakage Fee. Upon the written request of the Authority, the Comerica Bank will deliver to the Authority a certificate setting forth the basis for determining such losses, costs and expenses, which certificate shall be conclusively presumed correct, absent manifest error.

LIBOR Interest Period means, with respect to the Series 2015B Bonds while bearing interest based on the LIBOR Rate, (i) the period commencing on the Closing Date through but not including April 1, 2015, and (ii) thereafter, the period commencing on the first Business Day of each month (commencing April 1, 2015) through but not including the first Business Day of the next month, provided, however, no LIBOR Interest Period shall end past the Series 2015B Mandatory Purchase Date.

LIBOR Lending Office means Comerica Bank's office located in the Cayman Islands, British West Indies, or such other branch of Comerica Bank, domestic or foreign, as it may hereafter designate as its LIBOR Lending Office by notice to the Authority.

LIBOR Rate means the per annum rate of interest determined by Comerica Bank on the basis of the rate for deposits in United States Dollars for the relevant LIBOR Interest Period appearing on Page BBAM of the Bloomberg Financial Markets Information Service (or any other publically available service for displaying LIBOR rates as may be reasonably selected by Comerica Bank) as of 11:00 a.m. (Detroit, Michigan time)(or as soon therafter as practical, two (2) Business Days prior to the first day of such LIBOR Interest Period. If such services are unavailable, the "LIBOR" shall, instead, be determined based upon the average of the rates at which Comerica Bank is offered United States Dollar deposits at or about 11:00 a.m. (Detroit, Michigan time)(or as soon thereafter as practical), two (2) Business Days prior to the first day of such LIBOR Interest Period in the interbank Eurodollar market in an amount comparable to the principal amount of the Series 2015B Bonds or a period equal to the relevant LIBOR Interest Period.

LIBOR-based Rate means a per annum interest rate which is equal to the sum of (i) the Applicable Margin plus the quotient of:

(a) the LIBOR Rate;

divided by

(b) 1.00 minus the maximum rate (expressed as a decimal) during the relevant LIBOR Interest Period at which Comerica Bank is required to maintain reserves on “Euro-currency Liabilities” as defined in and pursuant to Regulation D of the Board of Governors of the Federal Reserve System or, if such regulation or definition is modified, and as long as Comerica Bank is required to maintain reserves against a category of liabilities which includes Eurodollar deposits or includes a category of assets which includes Eurodollar loans, the rate at which such reserves are required to be maintained on such category.

Long-Term Indebtedness means Indebtedness having an original maturity greater than one (1) year or renewable at the option of the Medical Center for a period greater than one (1) year from the date of original incurrence or issuance thereof unless, by the terms of such Indebtedness, no Indebtedness is permitted to be outstanding thereunder for a period of at least thirty (30) consecutive days during each calendar year.

Mandatory Sinking Account Payment means, with respect to Term Bonds of any Series and maturity, the amount required by this Trust Agreement to be paid on any single date for the retirement of Term Bonds of such Series at maturity.

Maximum Aggregate Annual Debt Service means, as of any date of calculation, the Aggregate Debt Service as computed for the then current or any future Fiscal Year in which such sum shall be largest.

Maximum Annual Bond Service means, as of any date of calculation, the sum of (a) the interest falling due on then Outstanding Bonds (assuming that all then Outstanding Serial Bonds are retired on their, respective maturity dates and that all then Outstanding Term Bonds are retired at the times and in the amounts provided for by Mandatory Sinking Account Payments), (b) the principal amount of then Outstanding Serial Bonds falling due by their terms, and (c) the aggregate amount of all Mandatory Sinking Account Payments required; all as computed for the Bond Year in which such sum shall be largest.

Maximum Rate means with respect to the Bonds 12% per annum.

Medical Center means El Centro Regional Medical Center, a municipal hospital and agency of the City duly organized and existing under and by virtue of the laws of the State.

Medical Center Act means Article 7 (commencing with Section 37600) of Chapter 5 of Part 2 of Division 3 of Title 4 of the California Government Code, as now in effect and as it may from time to time hereafter be amended or supplemented.

Medical Center Ordinance means Ordinance No. 85-11, enacted by the City on October 2, 1985, as now in effect and as it may from time to time hereafter be amended or supplemented.

Medical Center Project means the improvements to the Medical Center purchased by the Purchaser from the Authority pursuant to the Installment Purchase Agreement, including, without limitation, the Series 2015 Medical Center Projects and each Additional Medical Center Project.

Moody’s means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, 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 Authority.

Net Income Available for Debt Service means, with respect to any period, the excess of revenues (including non-operating revenues) over expenses from operations of the Medical Center for such period, determined in accordance with generally accepted accounting principles, to which shall be added interest, amortization, depreciation expense and other non-cash charges, each item determined in accordance with generally accepted accounting principles, and excluding: (a) any profits or losses on the sale or other disposition, not in the ordinary course of business, of investments or fixed or capital assets or resulting from the early extinguishment of debt; (b) gifts, grants, bequests, donations and contributions, to the extent specifically restricted by the donor to a particular purpose inconsistent with their use for the payment of Debt Service or operating expenses; and (c) the net proceeds of insurance (other than business interruption insurance) and condemnation awards.

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

Official Statement means, with respect to a Series of Bonds, the offering or disclosure document prepared with respect to such Series of Bonds.

Opinion of Bond Counsel means a written opinion of Bond Counsel.

Opinion of Counsel means a written opinion of counsel (including, without limitation, counsel for the Authority) selected by the Authority and delivered to the Trustee. If and to the extent required by the provisions of Section 1.02, each Opinion of Counsel shall include the statements provided for in Section 1.02.

Optional Redemption Account means the account by that name in the Redemption Fund established pursuant to Section 5.05.

Original Purchaser means, with respect to any Series of Bonds, the original purchaser of such Series of Bonds.

Outstanding, when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 11.09) all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Trust Agreement 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 Authority shall have been discharged in accordance with Section 10.02, including Bonds (or portions of Bonds) referred-to in Section 11.10; 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 Trust Agreement.

Overdue Rate means, with respect to the Series 2015A Bonds the interest rate applicable for the applicable period plus 4.0% per annum, and with respect to the Series 2015B Bonds, the interest rate otherwise applicable to the Series 2015B Bonds plus 3.0% per annum.

Owner or **Bondowner** or **Holder**, whenever used herein with respect to a Bond, means the Person in whose name such Bond is registered.

Parity Debt means Long-Term Indebtedness that is incurred by the Medical Center (to the extent permitted under the Installment Purchase Agreement) that is secured equally and ratably with the obligations of the Medical Center under the Installment Purchase Agreement by a lien on and security interest in the Gross Revenues.

Participating Underwriter means any of the original underwriters of any Series of Bonds required to comply with Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time, in connection with the offering of such Series of Bonds.

Permitted Encumbrances means and includes:

(a) undetermined liens and charges incident to construction or maintenance, and liens and charges incident to construction or maintenance now or hereafter filed of record which are being contested in good faith and have not proceeded to final judgment (and for which all applicable periods for appeal or review have not expired), provided that the Medical Center shall have set aside reserves with respect thereto which, in the opinion of the Board, are adequate;

(b) notices of *lis pendens* or other notices of or liens with respect to pending actions which are being contested in good faith and have not proceeded to final judgment (and for which all applicable periods for appeal or review have not expired), provided that the Medical Center shall have set aside reserves with respect thereto which, in the opinion of the Board, are adequate;

(c) the lien of taxes and assessments which are not delinquent, or, if delinquent, are being contested in good faith, provided that the Medical Center shall have set aside reserves with respect thereto which, in the opinion of the Board, are adequate;

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

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

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

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

(h) the rights of the Authority, the Medical Center, the City, the Trustee and the Owners under this Trust Agreement and the Installment Purchase Agreement;

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

(j) purchase money security interests and security interests existing on any personal property prior to the time of its acquisition by the Medical Center through purchase, merger, consolidation or otherwise, whether or not assumed by the Medical Center, or placed upon property being acquired by the Medical Center to secure a portion of the purchase price thereof, or lessor's interests in leases required to be capitalized in accordance with generally accepted accounting principles;

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

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

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

(n) such other encumbrances as authorized in writing by all of the Owners.

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

Prime Rate means, for any date, the per annum rate of interest in effect for such day as publicly announced from time to time by Comerica Bank as its "Prime Rate," with the understanding that Comerica Bank's "Prime Rate" may not be its lowest rate of interest but is one of Comerica Bank's base rates and serves as the basis upon which effective rates of interest are calculated for those loans making reference thereto, and is evidenced by the recording thereof after its announcement in such internal publication or publications as Comerica Bank may designate; any change in the Prime Rate shall take effect at the opening of business on the day specified in the public announcement of such change.

Prime Referenced Rate means, for any date, a per annum rate equal to the sum of the Prime Rate plus the Applicable Margin.

Principal Account means the account by that name within the Revenue Fund established pursuant to Section 5.02 hereof.

Principal Corporate Trust Office means, initially, the office of the Trustee at 120 South San Pedro Street, Suite 400, Los Angeles, California 90012, Attention: Corporate Trust Office, or such other or additional offices as may be specified to the Authority by the Trustee except that, with respect to presentation of Bonds for payment or for registration of transfer and exchange, such term shall mean the office or agency of the Trustee at which at any particular time, its corporate trust agency shall be conducted, or such other office designated by the Trustee from time to time, or at such other or additional offices as may be specified by the Trustee in writing to the Authority and the Medical Center.

Project Costs means all costs of payment of, or reimbursement for, the design, construction, acquisition, and installation of the Series 2015 Medical Center Projects or any Additional Medical Center Project, including but not limited to, costs of architectural and engineering services, plans, specifications, estimates and other expenses necessary or incident to determining the feasibility of construction or incident to such construction or acquisition.

Purchase Agreement Default means any of the events specified in Section 8.01 of the Installment Purchase Agreement.

Purchase Price means, with respect to the Series 2015 Medical Center Projects, the Series 2015 Purchase Price and, with respect to any Additional Medical Center Project, means the amount set forth in the Supplemental Installment Purchase Agreement executed and delivered in connection with the purchase of such Additional Medical Center Project.

Purchaser means the City.

Qualified Institutional Buyer means a "qualified institutional buyer" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended, as in effect as of the Closing Date.

Rating Category means: (a) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier; and (b) with respect to any short-term or commercial paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

Record Date means, with respect to any Interest Payment Date for the Bonds, the fifteenth (15th) day of the calendar month immediately preceding such Interest Payment Date, whether or not such day is a Business Day; provided, that with respect to the Series 2015B Bonds, Record Date means the Business Day immediately preceding the first Business Day of the month, unless the Series 2015B Bonds bear interest at a Fixed Rate in which case Record Date means the fifteenth (15th) day of the calendar month immediately preceding such Interest Payment Date, whether or not such day is a Business Day.

Redemption Fund means the fund by that name established pursuant to Section 5.01.

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

Revenue Fund means the fund by that name established pursuant to Section 5.01 hereof.

Revenues means all amounts received by the Authority or the Trustee pursuant or with respect to the Installment Purchase Agreement, including, without limiting the generality of the foregoing, Installment Purchase Payments (including both timely and delinquent payments and any late charges, regardless of source), prepayments, insurance proceeds, condemnation proceeds, and all interest, profits or other income derived from the investment of amounts in any fund or account established pursuant to this Trust Agreement (except the Rebate Fund), but not including (1) any Administrative Fees and Expenses or (2) any amounts paid to the Authority and the Trustee pursuant to rights of indemnification.

S&P means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized rating agency designated by the Authority.

Securities Depositories means The Depository Trust Company, New York, New York and its successors and assigns or if (i) the then Securities Depository resigns from its functions as depository of the Bonds or (ii) the Authority discontinues use of the then Securities Depository, any other securities depository which agrees to follow the procedures required to be followed by a securities depository in connection with the Bonds and which is selected by the Authority.

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

Series means all of the Bonds designated as being of the same series; authenticated and delivered in a simultaneous transaction, regardless of variations in maturity, interest rate, redemption and other provisions, and any Bonds thereafter authenticated and delivered upon transfer or exchange or in lieu of or in substitution for such Bonds as herein provided.

Series 2015 Acquisition Account means the account by that name within the Acquisition Fund established pursuant to Section 3.04 hereof.

Series 2015 Bonds means the Series 2015A Bonds and the Series 2015B Bonds at any time Outstanding pursuant hereto.

Series 2015 Costs of Issuance Fund means the fund by that name established pursuant to Section 3.03 hereof.

Series 2015 Installment Purchase Payments means the Series 2015A Installment Purchase Payments or the Series 2015B Installment Purchase payment, as the context requires.

Series 2015 Medical Center Projects means the improvements to the Medical Center purchased by the Purchaser from the Authority pursuant to the Installment Purchase Agreement, as more fully described in Exhibit B to the Installment Purchase Agreement.

Series 2015 Purchase Price means the amount set forth in Section 3.02 of the Installment Purchase Agreement.

Series 2015 Tax Agreement means the tax certificate, dated the date of issuance and delivery of the Series 2015 Bonds, among the Authority, the City and the Medical Center, as originally executed and as it may be amended and supplemented from time to time pursuant to its terms.

Series 2015A Bonds means the El Centro Financing Authority Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project), Series 2015A.

Series 2015A Installment Purchase Payments means the Installment Purchase Payments scheduled to be paid by the Purchaser under and pursuant to the Installment Purchase Agreement in accordance with the Series 2015A Installment Payment Schedule attached as Exhibit A-1 to the Installment Purchase Agreement.

Series 2015A Mandatory Purchase Date means March 1, 2022.

Series 2015B Bonds means the El Centro Financing Authority Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project), Series 2015B.

Series 2015B Installment Purchase Payments means the Installment Purchase Payments scheduled to be paid by the Purchaser under and pursuant to the Installment Purchase Agreement in accordance with the Series 2015B Installment Payment Schedule attached as Exhibit A-2 to the Installment Purchase Agreement.

Series 2015B Mandatory Purchase Date means March 1, 2025.

Short-Term Indebtedness means Indebtedness having an original maturity less than or equal to one year and not renewable at the option of the Medical Center for a term greater than one year from the date of original incurrence or issuance unless, by the terms of such Indebtedness, no Indebtedness is permitted to be outstanding thereunder for a period of at least thirty (30) consecutive days during each calendar year.

Sinking Accounts means the subaccounts in the Principal Account designated and established pursuant to Section 5.04 hereof.

Special Record Date means the date established by the Trustee pursuant to Section 2.02 as a record date for the payment of defaulted interest on Bonds.

Special Redemption Account means the account by that name in the Redemption Fund established pursuant to Section 5.05 hereof.

State means the State of California.

Supplemental Installment Purchase Agreement means any supplemental installment purchase agreement hereafter duly authorized and entered into among the Authority, the City and the Medical Center, supplementing, modifying or amending the Installment Purchase Agreement; but only if and to the extent that such Supplemental Installment Purchase Agreement is specifically permitted under the Installment Purchase Agreement and this Trust Agreement.

Supplemental Payments means the payments so designated and required to be paid by the Medical Center, acting on behalf of the Purchaser, pursuant to Section 4.02 of the Installment Purchase Agreement.

Supplemental Trust Agreement means any supplemental trust agreement hereafter duly authorized and entered into between the Authority and the Trustee, supplementing, modifying or amending this Trust Agreement; but only if and to the extent that such Supplemental Trust Agreement is specifically authorized hereunder.

Tax Agreement means, with respect to the Series 2015 Bonds, the Series 2015 Tax Agreement, and, with respect to any other Series of Bonds, means the Tax Certificate and Agreement, dated of the date of issuance of such Series of Bonds, among the Authority, the City and the Medical Center, as originally executed and as it may be amended and supplemented from time to time pursuant to its terms.

Term Bonds means Bonds of any Series payable on or before their specified maturity dates from Mandatory Sinking Account Payments established for that purpose and calculated to retire such Bonds on or before their specified maturity dates.

Trust Agreement means this Trust Agreement, dated as of February 1, 2015, between the Authority and the Trustee, as originally executed and as it may from time to time be amended or supplemented pursuant to the provisions hereof.

Trustee means MUFG Union Bank, N.A., or any successor thereto pursuant to Section 8.01 of this Trust Agreement.

SECTION 1.02 **Content of Certificates and Opinions**. Every certificate or opinion provided for in this Trust Agreement with respect to compliance with any provision hereof shall include: (1) a statement that the Person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto; (2) a brief statement as to the nature and scope of the examination or investigation upon which the certificate or opinion is based; (3) a statement that, in the opinion of such Person, he has made or caused to be made such examination or investigation as is necessary to enable him to express an informed opinion with respect to the subject matter referred to in the certificate or opinion to which his signature is affixed; (4) a statement of the assumptions upon which such certificate or opinion is based, and that such assumptions are reasonable; and (5) 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 Authorized Representative of the Authority or the City or the Medical Center may be based, insofar as it relates to legal or accounting or health care facility matters, upon a certificate or opinion of or representation by counsel, an Accountant or a Management Consultant, unless such Authorized Representative 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 opinion may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel, an Accountant or a Management Consultant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the Authority or the City or the Medical Center) upon a certificate or opinion of or representation by an officer of the Authority or the City or the Medical Center, unless such counsel, Accountant or Management Consultant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such individual's certificate or opinion or representation may be based, as aforesaid, is erroneous. The same Authorized Representative of the Authority or Authorized Representative of the City or Authorized Representative of the Medical Center, or the same counsel or Accountant or Management Consultant, as the case may be, need not certify to all of the matters required to be certified under any provision of this Trust Agreement, but different Authorized Representatives, counsel, Accountants or Management Consultants may certify to different matters, respectively.

SECTION 1.03 **Interpretation.**

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to Articles, Sections and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Trust Agreement; the words herein, hereof, hereby, hereunder and other words of similar import refer to this Trust Agreement as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

THE BONDS

SECTION 2.01 Authorization of Bonds. Bonds may be issued hereunder from time to time as the issuance thereof is approved by the Authority to obtain moneys to carry out the purposes authorized by the Act for the benefit of the Medical Center. The Bonds authorized to be issued under this Trust Agreement shall be designated generally as "El Centro Financing Authority Hospital Revenue Bonds (El Centro Regional Medical Center Project)," each Series thereof to bear such additional designation as may be necessary or appropriate to distinguish such Series from every other Series of Bonds. The maximum principal amount of Bonds which may be issued hereunder is not limited; subject, however, to the right of the Authority, which is hereby reserved, to limit the aggregate principal amount of Bonds which may be issued or Outstanding hereunder. The Bonds may be issued in such Series as from time to time shall be established and authorized by the Authority, subject to the covenants, provisions and conditions herein contained. This Trust Agreement constitutes a continuing agreement of the Authority with the Owners from time to time of the Bonds to secure the full payment of the principal of, premium, if any, and interest on all such Bonds subject to the covenants, provisions and conditions herein contained.

SECTION 2.02 Terms of the Series 2015 Bonds. Two initial Series of Bonds are hereby created and designated as the "El Centro Financing Authority Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project), Series 2015A" and the "El Centro Financing Authority Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project), Series 2015B." The Series 2015 Bonds shall be issued as fully registered bonds in Authorized Denominations. The Series 2015 Bonds shall be dated the Closing Date and interest thereon shall be payable on each Interest Payment Date.

(a) The Series 2015A Bonds shall be issued in the aggregate principal amount of $25,000,000, mature on March 1, 2035 and shall bear interest at a rate of ____% per annum, based on a 360 day year comprised of twelve 30 day months, until the Series 2015A Mandatory Purchase Date or the final maturity of the Series 2015A Bonds prior to an Event of Default. On and after the occurrence of an Event of Default, the interest rate on the Series 2015A Bonds shall be increased by 4.0% per annum, which shall constitute the default rate with respect to the Series 2015A Bonds.

The Series 2015A Bonds shall be registered initially in the name of Key Government Finance, Inc., and shall be evidenced by one Series 2015A Bond in the principal amount of the Series 2015A Bonds. Registered ownership of the Series 2015A Bonds, or any portion thereof, may not thereafter be transferred except as set forth in Section 2.05. The Series 2015A Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, shall be substantially in the form set forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Trust Agreement. The Series 2015A Bonds shall, be numbered consecutively, beginning with number AR-1.

(b) The Series 2015B Bonds be issued in the aggregate principal amount of $25,000,000, shall mature on March 1, 2026, shall bear interest at the LIBOR-based Rate for successive LIBOR Interest Periods for the actual number of days elapsed, based on a 360 day year, until the Series 2015B Mandatory Purchase Date, the Fixed Rate Conversion Date or the final maturity of the Series 2015B Bonds prior to an Event of Default. On and after the occurrence of an Event of Default, the interest rate on the Series 2015B Bonds shall be 3.0% per annum above the otherwise applicable rate (i.e. the LIBOR-based Rate or the Prime Referenced Rate), which shall constitute the default rate with respect to the Series 2015B Bonds.

If, at any time, any Owner of the Series 2015B Bonds determines that, (a) it is unable to determine or ascertain the LIBOR-based Rate, or (b) by reason of circumstances affecting the foreign exchange and interbank markets generally, deposits in eurodollars in the applicable amounts or for the relative maturities are not being offered to it for any applicable LIBOR Interest Period, or (c) the LIBOR-based Rate will not accurately or fairly cover or reflect the cost to such Owner of maintaining any of the Series 2015B Bonds based upon the LIBOR-based Rate, then such Owner may forthwith give notice thereof to the Authority. Thereafter, until such Owner notifies the Authority that such conditions or circumstances no longer exist, any obligation of such Owner to maintain any of the Indebtedness under the Series 2015B Bonds at the LIBOR-based Rate shall be suspended, and the Prime Referenced Rate shall be the applicable interest rate for all Indebtedness under the Series 2015B Bonds of such Owner hereunder during such period of time.

If any Change in Law shall make it unlawful or impossible for any Owner of the Series 2015B Bonds Bank to make or maintain any of the Indebtedness under the Series 2015B Bonds with interest based upon the LIBOR Rate, such Owner may give notice thereof to the Authority. Thereafter, until such Owner notifies the Authority that such conditions or circumstances no longer exist, the Prime Referenced Rate shall be the applicable interest rate for the Series 2015B Bonds of such Owner during such period of time.

The Series 2015B Bonds shall be registered initially in the name of Comerica Bank, and shall be evidenced by one Series 2015B Bond. Registered ownership of the Series 2015B Bonds, or any portion thereof, may not thereafter be transferred except as set forth in Section 2.05. The Series 2015B Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, shall be substantially in the form set forth in Exhibit B-1 attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Trust Agreement prior to the Fixed Rate Conversion Date. The Series 2015B Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, shall be substantially in the form set forth in Exhibit B-2 attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Trust Agreement on and after the Fixed Rate Conversion Date. The Series 2015B Bonds shall be numbered consecutively, beginning with number BR-1.

(c) The principal or Redemption Price of the Series 2015 Bonds shall be payable in lawful money of the United States of America by check upon surrender or presentation of such Series 2015 Bonds by the person whose name appears on the bond registration books of the Trustee as the registered owner thereof at the Principal Corporate Trust Office. Payment of the interest on any Series 2015 Bond shall be made to the person whose name appears on the bond registration books of the Trustee as the registered owner thereof as of the close of business on the Record Date for each Interest Payment Date, such interest to be paid by check mailed by first class mail on each Interest Payment Date to the registered owner at his address as it appears on such registration books; provided, however, that at the written request of Owners of Series 2015 Bonds in the aggregate principal amount of $1,000,000 or more received by the Trustee prior to the Record Date, interest shall be paid by wire transfer to an account within the United States. Any such interest 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 interest to be fixed by the Trustee, notice whereof being given to Owners by first class mail not less than ten (10) days prior to such Special Record Date.

(d) The Authority, at the direction of the City, shall cause the conversion of the interest rate on the Series 2015B Bonds to bear interest at a Fixed Rate. If the Authority has complied with the requirements of this Section, the Series 2015B Bonds shall be subject to mandatory tender and purchase on the Fixed Rate Conversion Date, provided there shall be sufficient remarketing proceeds to purchase all of the Outstanding Series 2015B Bonds if any are purchased. The Fixed Rate Remarketing Agent shall set the Fixed Rate on a Business Day (the **"Determination Date"**) no fewer than three (3) nor more than fifteen (15) Business Days before the Fixed Rate Conversion Date. The Fixed Rate shall be the rate determined by the Fixed Rate Remarketing Agent to be the rate per annum equal to the minimum interest rate that would be necessary for the Fixed Rate Remarketing Agent to sell the Series 2015B Bonds on the Determination Date at 100% of the principal amount thereof plus accrued and unpaid interest thereon; provided, that the Fixed Rate shall not exceed the Maximum Rate. A conversion of all or any sinking account payment to serial maturity dates shall be required to the extent, in the opinion of the Fixed Rate Remarketing Agent delivered in writing to the Authority and the City prior to the Fixed Rate Conversion Date, such a conversion will reduce the total interest to be paid by the City as Installment Purchase Payments. A notice of conversion shall be prepared by the Authority and furnished to the Trustee for mailing at least thirty-five (35) days prior to the proposed Fixed Rate Conversion Date. The Trustee shall notify Owners of the Series 2015B Bonds of the proposed conversion to a Fixed Rate by first class mail at least thirty (30) but not more than sixty (60) days prior to the proposed Fixed Rate Conversion Date. Such notice shall state at least the following:

(i) the Fixed Rate Conversion Date;

(ii) that all Series 2015B Bonds are subject to mandatory tender for purchase on the Fixed Rate Conversion Date and will be deemed to have been so tendered and shall be purchased on the Fixed Rate Conversion Date at the principal amount thereof plus interest accrued and unpaid to such date, but only if sufficient remarketing proceeds are available for the purchase of all Outstanding Series 2015B Bonds;

(iii) the redemption provisions to which the Series 2015B Bonds will be subject following the Fixed Rate Conversion Date; and

(iv) that following the Fixed Rate Conversion Date the Series 2015B Bonds shall be in Authorized Denominations.

(e) The Authority hereby agrees to purchase all of the Outstanding Series 2015A Bonds by 10:00 a.m. Pacific time on the Series 2015A Mandatory Purchase Date unless the Owner of such Bonds waives in writing the obligation for such purchase. The Authority hereby agrees to purchase by 10:00 a.m. Pacific time all of the Outstanding Series 2015B Bonds on the Series 2015B Mandatory Purchase Date unless the Owners of such Bonds waives in writing the obligation for such purchase. On the Series 2015A Mandatory Purchase Date or the Series 2015B Mandatory Purchase Date, as applicable, if the Authority fails to purchase all of the applicable Series of Series 2015 Bonds, the applicable Bonds shall continue to be held by the applicable Owner thereof and the payment obligation of the Authority with respect to such Series 2015 Bonds shall continue and interest shall thereafter accrue and be charged at the applicable Overdue Rate, unless such increased rate is waived in writing by a majority of the Owners of the Series 2015A Bonds or the Owners of the Series 2015B Bonds, as applicable. On the Series 2015A Mandatory Purchase Date or the Series 2015B Mandatory Purchase Date, as applicable, the Authority may on such date transfer the Series 2015A Bonds or the Series 2015B Bonds, as applicable, if purchased by the Authority in full, to other Owners, following consultation with Bond Counsel, or such Bonds will be deemed cancelled and retired on the Business Day following the Series 2015A Mandatory Purchase Date or the Series 2015B Mandatory Purchase Date, as applicable. The Authority shall provide written instructions to the Trustee regarding any such transfer or cancelation following a mandatory purchase hereunder.

SECTION 2.03 Terms and Form of Additional Bonds. Terms of each additional Series of Bonds shall be specified in the Supplemental Trust Agreement providing for the issuance of such Series of Bonds. Such Bonds, the Trustee's certificate of authentication and the assignment to appear thereon, shall be in substantially the forms attached as an Exhibit to the Supplemental Trust Agreement providing for the issuance of such Series of Bonds.

SECTION 2.04 Execution of Bonds. The Bonds shall be executed in the name and on behalf of the Authority with the manual or facsimile signature of its Chair and shall be countersigned with the manual or facsimile signature of the Secretary of the Authority. The Chair of the Authority is hereby authorized and directed to execute each of the Bonds on behalf of the Authority and the Secretary of the Authority is hereby authorized and directed to countersign each of the Bonds on behalf of the Authority. Unless otherwise provided in any Supplemental Trust Agreement with respect to a Series of Bonds, the Bonds shall then be delivered to the Trustee for authentication by it. In case any of the officers who shall have signed or countersigned any of the Bonds shall cease to be such officer or officers of the Authority before the Bonds so signed or countersigned shall have been authenticated or delivered by the Trustee or issued by the Authority, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Authority as though those who signed and countersigned the same had continued to be such officers of the Authority, and also any Bond may be signed and countersigned on behalf of the Authority by such persons as at the actual date of execution of such Bond shall be the proper officers of the Authority although at the nominal date of such Bond any such person shall not have been an officer of the Authority.

Only such of the Bonds bearing thereon a certificate of authentication in the form hereinbefore recited, executed manually by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Trust Agreement,, 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 Trust Agreement.

SECTION 2.05 Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred in the books required to be kept by the Trustee pursuant to the provisions of Section 2.07 by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond at the Principal Corporate Trust Office, accompanied by delivery of written instrument of transfer, duly executed in a form acceptable to the Trustee. Whenever any Bond or Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and make available for delivery a new Bond or Bonds in Authorized Denominations of the same Series, maturity, interest rate and aggregate principal amount. The Trustee shall require the Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer. The cost of any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the Medical Center.

No Bond may be transferred (i) following its selection pursuant to Article IV, (ii) within the 15-day period preceding the date of selection of Bonds for redemption, or (iii) during the period between a Record Date and the next succeeding Interest Payment Date.

Notwithstanding anything to the contrary herein, transfers of any Series 2015 Bond shall be limited to transfers of ownership or beneficial ownership, as applicable, to Qualified Institutional Buyers (or to a trust or other custodial arrangement the owners of the beneficial interests in which are Qualified Institutional Buyers) or to Accredited Investors, evidence of which shall be confirmed in writing to the Trustee prior to any transfer by delivery of an Investor Letter in substantially the form set forth in <u>Exhibit C</u> and any attempt to transfer any Series 2015 Bond without compliance with such restrictions will render such transfer of such Series 2015 Bond void.

SECTION 2.06 **Exchange of Bonds**. Bonds may be exchanged at the Principal Corporate Trust Office for a like aggregate principal amount of Bonds of other Authorized Denominations of the same Series, maturity and interest rate. The Trustee shall require the Owner requesting such exchange to pay any tax or other governmental charge required to be paid with respect to such exchange. 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 Medical Center.

No Bond may be exchanged (i) following its selection pursuant to Article IV or (ii) within the 15 day period preceding the date of selection of Bonds for redemption.

SECTION 2.07 **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 upon reasonable prior notice be open to inspection by the Authority and the City; 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 hereinabove provided.

SECTION 2.08 **Temporary Bonds**. The Bonds may be issued in temporary form exchangeable for definitive Bonds when ready for delivery. Any temporary Bonds must be printed, shall be of such denomination as may be determined by the Authority, shall be in fully registered form without coupons and may contain such reference to any of the provisions of this Trust Agreement 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 maturing on such date. Every temporary Bond shall be executed by the Authority and be authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Authority issues temporary Bonds, it will execute and furnish definitive Bonds as promptly thereafter as practicable, and thereupon the temporary Bonds may 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 Bonds of Authorized Denominations of the same Series and maturity or maturities. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Trust Agreement as definitive Bonds authenticated and delivered hereunder. The Medical Center shall pay the costs of printing the definitive Bonds.

SECTION 2.09 **Bonds Mutilated, Destroyed, Stolen**. If any Bond shall become mutilated, the Authority, at the expense of the Owner of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like Series and 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 Authority. If any Bond shall be alleged to be lost, destroyed or stolen, evidence of such loss, destruction or theft shall be submitted to the Trustee and, if such evidence be satisfactory to the Trustee and indemnity satisfactory to it shall be given together with any bond reasonably required by the Authority, the Authority, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like Series and tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen. If any such Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Bond, the Trustee may pay the same without surrender thereof upon receipt of the aforementioned indemnity and/or bond. The Trustee may require payment by the Owner of a sum not exceeding the actual cost of preparing each new Bond issued under this Section 2.09 and of the expenses which may be incurred by the Trustee in connection therewith. Any Bond issued under the provisions of this Section 2.09 in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Authority whether or not the Bond so alleged to be lost, destroyed or stolen be determined at any time to be enforceable by anyone, and shall be entitled to the benefits of this Trust Agreement with all other Bonds secured by this Trust Agreement.

SECTION 2.10 Use of Depository. Except as may otherwise be provided in a Supplemental Trust Agreement establishing the terms and provisions of a Series of Additional Bonds, notwithstanding any provision of this Trust Agreement to the contrary,

(a) The Bonds will be initially registered in the name of the Original Purchasers specified in Section 2.02. Registered ownership of the Series 2015 Bonds or any other Bonds, or any portion thereof, may not thereafter be transferred except:

(i) in accordance with Section 2.05 to an Accredited Investor or Qualified Institutional Buyer;

(ii) to the Depository or any successor of the Depository or its nominee, or to any substitute depository designated pursuant to clause (ii) of this subsection (a) (a "substitute depository"); provided that any successor of the Depository or substitute depository shall be qualified under any applicable laws to provide the service proposed to be provided by it; or

(iii) to any substitute depository designated by the Authority and not objected to by the Trustee, upon (1) the resignation of the Depository or its successor (or any substitute depository or its successor) from its functions as depository or (2) a determination by the Authority that the Depository or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; provided that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iv) to any person as provided below, upon (1) the resignation of the Depository or its successor (or any substitute depository or its successor) from its functions as depository; provided that no substitute depository which is not objected to by the Trustee can be obtained or (2) a determination by the Authority that it is in the best interests of the Authority to remove the Depository or its successor (or any substitute depository or its successor) from its functions as depository.

(b) In the case of any transfer pursuant to clause (ii) or clause (iii) of subsection (a) hereof, upon receipt of the Outstanding Bonds by the Trustee, together with a Certificate of the Authority to the Trustee, a single new Bond for each Series and maturity of Bonds then outstanding shall be authenticated and delivered in the aggregate principal amount of the Bonds of each such respective Series and maturity then Outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such Certificate of the Authority. In the case of any transfer pursuant to clause (iv) of subsection (a) hereof, upon receipt of the Outstanding Bonds by the Trustee together with a Certificate of the Authority to the Trustee, new Bonds shall be authenticated and delivered in such denominations numbered in consecutive order and registered in the names of such persons as are requested in such a Certificate of the Authority, subject to the limitations of Section 2.05 hereof, provided the Trustee shall not be required to deliver such new Bonds within a period less than fifteen (15) days from the date of receipt of such a Certificate of the Authority.

(c) In the case of partial redemption or an advance refunding of the Bonds evidencing all or a portion of the principal amount Outstanding, the Securities Depository or Owner, as applicable, shall make an appropriate notation on the Bonds indicating the date and amounts of such reduction in principal.

(d) The Authority and the Trustee shall be entitled to treat the person in whose name any Bond is registered as the Owner thereof for all purposes of this Trust Agreement and any applicable laws, notwithstanding any notice to the contrary received by the Trustee or the Authority; and the Authority and the Trustee shall have no responsibility for transmitting payments to, communication with, notifying, or otherwise dealing with any beneficial owners of the Bonds. Neither the Authority nor the Trustee will have any responsibility or obligations, legal or otherwise, to the beneficial owners or to any other party including the Depository or its successor (or any substitute depository or its successor), except for the Owner of any Bond.

(e) If Bonds are registered in the name of Cede & Co. or its registered assigns, the Authority and the Trustee shall cooperate with Cede & Co., as sole registered Owner, and its registered assigns in effecting payment of the principal of, Redemption Price and interest on the Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

SECTION 2.11 **Certain Contracts and Swaps**. Without entering into a supplement to this Trust Agreement, any Authorized Representative of the Authority may, at any time that the Bonds are Outstanding, enter into one or more contracts (each a "Swap Agreement") to place the Bonds, or any portion thereof, on the interest rate, currency, cash-flow, or other basis desired by the City and the Authority, including, without limitation, interest rate swap agreements, currency swap agreements, forward payment conversion agreements, futures contracts, contracts providing for payments based on levels of or changes in interest rates, currency exchange rates, stock or other indices, or contracts to exchange cash flows or a series of payments, and contracts including, without limitation, interest rate floors or caps, options, puts or calls to hedge payments, currency rate, spread or similar exposure; provided, however, the Authority will enter into such a contract only if either (i) the counterparty to any such contract or the guarantor of the obligations of such counterparty has an unsecured, uninsured and unguaranteed long-term obligation rated by Moody's or S&P in one of its two highest long-term rating categories (without reference to gradations such as "plus" or "minus") or (ii) each rating agency which then has a rating assigned by any Bond that would be secured on a parity with the Authority's obligation under such contract confirms in writing to the Trustee that execution and delivery of such Swap Agreement will not result in a reduction or withdrawal of such rating.

ARTICLE III

ISSUANCE OF BONDS; APPLICATION OF PROCEEDS

SECTION 3.01 **Issuance of the Series 2015 Bonds**. At any time after the execution of this Trust Agreement, the Authority may execute and the Trustee shall authenticate, and upon the Order of the Authority, make available for delivery the Series 2015A Bonds in the aggregate principal amount of $25,000,000 and the Series 2015B Bonds in the aggregate principal amount of $25,000,000.

SECTION 3.02 **Application of Proceeds of the Series 2015 Bonds**.

(a) The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Series 2015A Bond Proceeds Fund." Proceeds received from the sale of the Series 2015A Bonds shall be deposited in trust with the Trustee in the Series 2015A Bond Proceeds Fund, who shall further transfer and deposit such proceeds as follows:

(i) transfer $___________ [reference applicable escrow].

(ii) deposit in the Costs of Issuance Fund, the sum of $_________.

(iii) deposit the remaining amount ($__________) in the Series 2015 Acquisition Account.

(b) The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Series 2015B Bond Proceeds Fund." Proceeds received from the sale of the Series 2015B Bonds shall be deposited in trust with the Trustee in the Series 2015B Bond Proceeds Fund, who shall further transfer and deposit such proceeds as follows:

(i) transfer $___________ [reference applicable escrow].

(ii) deposit in the Costs of Issuance Fund, the sum of $_________.

(iii) deposit the remaining amount ($__________) in the Series 2015 Acquisition Account.

(c) The Trustee may, in its discretion, establish a temporary fund, account or subaccount in its books and records to facilitate such transfers.

SECTION 3.03 Establishment and Application of Costs of Issuance Fund. Unless otherwise instructed in a Supplemental Trust Agreement providing for the terms and provisions of a Series of Additional Bonds, the Trustee shall establish and maintain and hold in trust a separate fund designated as the "Costs of Issuance Fund" (inserting therein the Series designation of such Costs of Issuance Fund). The moneys deposited in a Costs of Issuance Fund shall be used to pay Costs of Issuance upon receipt by the Trustee of a Requisition of the Medical Center 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 Costs of Issuance Fund. On the one hundred eightieth (180th) day following the initial issuance of the Series of Bonds to which such Costs of Issuance Fund relates, or upon the earlier Request of the Medical Center, amounts, if any, remaining in the Costs of Issuance Fund shall be transferred to the Revenue Fund and said Costs of Issuance Fund shall be closed.

SECTION 3.04 Establishment and Application of Acquisition Fund and Insurance and Condemnation Proceeds Fund.

(a) The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Acquisition Fund." With respect to the Series 2015 Medical Center Projects and each Additional Medical Center Project, the Trustee shall establish and maintain in the Acquisition Fund a separate account for such Medical Center Project designated as the "___________ Acquisition Account" (inserting therein the Series designation of such Medical Center Project). The moneys in each Acquisition Account shall be used and withdrawn by the Trustee, as directed by Requisitions of the Medical Center, to pay Project Costs incurred in connection with the Medical Center Project to which such Acquisition Account relates. The Trustee shall initially establish, maintain and hold in trust a separate account designated the "Series 2015 Acquisition Account."

(b) Before any payment from an Acquisition Account shall be made, the Medical Center shall file or cause to be filed with the Trustee a Requisition of the Medical Center stating (A) the item number of such payment; (B) the name of the Person to whom each such payment is due, which may be the Medical Center in the case of reimbursement for costs of the Medical Center Project theretofore paid by the Medical Center; (C) the respective amounts to be paid; (D) the purpose by general classification for which each obligation to be paid was incurred; (E) that obligations in the stated amounts have been incurred by the Medical Center and are presently due and payable and that each item thereof is a proper charge against said Acquisition Account and has not been previously paid therefrom; (F) that there has not been filed with or served upon the City or the Medical Center notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the amounts payable to any of the persons named in such Requisition, which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen's or mechanics' liens accruing by mere operation of law; (G) that the balance remaining in such Acquisition Account after payment of such amounts, together with any investment income reasonably anticipated to be deposited in said Acquisition Account pursuant to this Trust Agreement and any other funds reasonably anticipated to be available therefor, will be sufficient to pay the costs of completing the Medical Center Project to which such Acquisition Account relates; and (H) that such payments shall be made by check or wire transfer in accordance with the payment instructions set forth in the requisition and the Trustee shall rely on such payment instructions as though given by the Medical Center with no duty to investigate or inquire as to the authenticity of the payment instructions or the authority under which they were given. Upon receipt of each such document, the Trustee shall pay the amount set forth in such Requisition as directed by the terms thereof out of said Acquisition Account. The Trustee may conclusively rely on the representations of the Medical Center in any Requisitions delivered by the Medical Center pursuant to this Section 3.04. The Trustee shall not make any such payment if, prior to making such payment, it has received notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys to be so paid, which has not been released or will not be released simultaneously with such payment. The form of the Requisition is attached hereto as Exhibit D.

(c) When any Medical Center Project, including the Series 2015 Medical Center Projects, shall have been completed (which date of completion for the Series 2015 Medical Center Projects is estimated to be on or before _______________, 20__), the following shall be delivered to the Trustee by the Medical Center:

(i) a statement of the Medical Center stating the fact and date of such completion and stating that all of the costs thereof have been determined and paid (or that all of such costs have been paid less specified claims which are subject to dispute and for which a retention in the said Acquisition Account is to be maintained in the full amount of such claims until such dispute is resolved and the Medical Center has provided a Requisition for payment of such remaining amounts);

(ii) for Medical Center Projects involving installation or construction, an architect's certificate stating the fact and date of such completion; and

(iii) an endorsed copy of the recorded certificate of completion relating to the Medical Center Project.

Subject to Section 6.07, the Medical Center shall direct the Trustee to transfer (upon the receipt of items (i) through (iii) of this Section 3.04(c)) any remaining balance in an Acquisition Account, less the amount of any such retention, to the Revenue Fund and such Acquisition Account shall be closed.

(d) The Trustee shall establish, maintain and hold in trust when deposits thereto are required a separate fund designated as the Insurance and Condemnation Proceeds Fund, and administer such fund as set forth in Section 6.07 of the Installment Purchase Agreement.

SECTION 3.05 Conditions for the Issuance of Additional Bonds. In addition to the Series 2015 Bonds, the Authority may, solely upon the request of the City, by Supplemental Trust Agreement establish one or more additional Series of Bonds, payable from Revenues and secured by the pledge made under this Trust Agreement equally and ratably with the Bonds previously issued, and the Authority may issue, and the Trustee may authenticate and deliver, Bonds of any Series so established, in such principal amount as shall be determined by the Authority, but only upon compliance by the Authority with the provisions of Section 3.06 and any additional requirements set forth in the Supplemental Trust Agreement providing for the issuance of such additional Series of Bonds, and subject to the following specific conditions, which are hereby made conditions precedent to the issuance of any such additional Series of Bonds:

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

(b) The Supplemental Trust Agreement providing for the issuance of such Series of Bonds shall specify the following:

(i) the purposes for which such additional Series of Bonds are to be issued; which shall be one of the following: (x) for the purpose of financing and/or refinancing an Additional Medical Center Project or the completion of the Series 2015 Medical Center Projects, including payment of all costs incidental to or connected with such financing and/or refinancing; (y) the purpose of refunding any Bonds then Outstanding, including payment of all costs incidental to or connected with such refunding; or (z) for the purpose of refunding all or any part of other Long-Term Indebtedness;

(ii) the authorized principal amount, Series designation and dated date of such additional Series of Bonds;

(iii) the maturity dates of and the mandatory sinking account payment dates, if any, for such additional Series of Bonds; provided that, to the extent feasible, each maturity date and mandatory sinking account payment date shall be March 1;

(iv) the Interest Payment Dates for such additional Series of Bonds; provided that, to the extent feasible, interest shall be payable semiannually on March 1 and September 1 in each year;

(v) the Authorized Denominations of and method of numbering such additional Series of Bonds;

(vi) the redemption terms, if any, and the redemption premiums, if any, for such additional Series of Bonds;

(vii) the amount, if any, to be deposited from the proceeds of sale of such additional Series of Bonds in the Interest Account;

(viii) the amount, if any, to be deposited from the proceeds of sale of such additional Series of Bonds in the Interest Account and applied as capitalized interest in connection with such additional Series of Bonds;

(ix) the amount, if any, to be deposited in the Bond Reserve Account from the proceeds of sale of such additional Series of Bonds from the funds of the Medical Center or from both such sources to satisfy any applicable Bond Reserve Account Requirement with respect to any Bonds;

(x) the amount, if any, to be deposited from the proceeds of sale of such additional Series of Bonds in a Costs of Issuance Fund established in connection with such additional Series of Bonds;

(xi) the amount, if any, to be deposited from the proceeds of sale of such additional Series of Bonds in an Acquisition Account established within the Acquisition Fund in connection with such additional Series of Bonds;

(xii) the form of such additional Series of Bonds; and

(xiii) such other provisions as are necessary or appropriate and not inconsistent herewith.

(c) The Authority shall have entered into a Supplemental Installment Purchase Agreement with the City and the Medical Center providing for payment of Installment Purchase Payments in an amount sufficient to pay principal of, premium, if any, and interest on such additional Series of Bonds as the same become due.

(d) In the case of a Series of Bonds issued for the purposes described in Section 3.05(b)(i)(y), irrevocable instructions shall have been given to the Trustee to give notice as provided in Article IV of redemption of all Bonds to be redeemed in connection with such refunding.

(e) In the case of a Series of Bonds issued for the purposes described in Section 3.05(b)(i)(z), a Certificate of the Medical Center or an Opinion of Counsel, to the effect that all actions and conditions required precedent to the discharge of the Long-Term Indebtedness to be refunded have been taken or exist in accordance with the terms of such Long-Term Indebtedness, shall have been delivered to the Trustee.

Notwithstanding anything to the contrary set forth herein, no additional Series of Bonds (other than the Series 2015A Bonds and the Series 2015B Bonds) may be issued hereunder without the prior written consent of the Initial Owners.

SECTION 3.06 Procedure for the Issuance of Additional Bonds. Whenever the Authority shall determine to issue an additional Series of Bonds pursuant Section 3.05, the Authority shall authorize and enter into a Supplemental Trust Agreement, providing the terms and provisions of such additional Series of Bonds. Before such additional Series of Bonds shall be authenticated and delivered, the following documents shall be delivered by, or filed with, the Trustee:

(a) A Certificate of the Trustee stating that no Event of Default has occurred and is then continuing;

(b) A Certificate of the Medical Center stating that no Purchase Agreement Default has occurred and is then continuing;

(c) An executed copy of the Supplemental Trust Agreement authorizing the issuance of such additional Series of Bonds;

(d) An executed counterpart of the Supplemental Installment Purchase Agreement required by Section 3.05(c);

(e) An Order of the Authority as to the delivery of such additional Series of Bonds;

(f) An Opinion of Bond Counsel to the effect that (i) the Supplemental Trust Agreement has been duly authorized, executed and delivered by the Authority and is valid and binding upon the Authority, and (ii) such additional Series of Bonds are valid and binding limited obligations of the Authority entitled to the benefits of the Act and hereof, and such additional Series of Bonds have been duly and validly issued in accordance with the Act and herewith;

(g) Such further documents, money or securities as are required by the provisions of the Supplemental Trust Agreement providing for the issuance of such additional Series of Bonds.

SECTION 3.07 Validity of Bonds. The validity of the authorization and issuance of the Bonds is not dependent on and shall not be affected in any way by any proceedings taken by the Authority or the Trustee with respect to or in connection with the Installment Purchase Agreement. The recital contained in the Bonds that the same are issued pursuant to the Act and the Constitution and laws of the State shall be conclusive evidence of their validity and of compliance with the provisions of law in their issuance.

ARTICLE IV

REDEMPTION OF BONDS

SECTION 4.01 Terms of Redemption.

(a) Subject to Sections 4.01(b) and 4.01(c), the Bonds are subject to redemption prior to their respective stated maturities at the option of the Authority (which option shall be exercised as directed by the City) in whole or in part on any date (in such amounts and of such maturities as may be specified by the City, or if the City fails to designate such maturities, in inverse order of maturity, and by lot within a maturity), upon at least thirty-five (35) days prior written notice to the Trustee from the City, from moneys required to be deposited in the Special Redemption Account pursuant to Section 6.07 of the Installment Purchase Agreement at the principal amount thereof, together with interest accrued thereon to the, date fixed for redemption, without premium.

(b) The Series 2015A Bonds are subject to redemption prior to their stated maturity, at the option of the Authority (which option shall be exercised as directed by the City), in whole, on any date, upon at least thirty-five (35) days prior written notice to the Trustee from the City, from any source of available moneys, at the redemption price of 102% prior to March 1, 2017, and 101% for redemptions on and after March 1, 2017 (expressed as a percentage of the principal amount of Series 2015A Bonds redeemed), together with interest accrued and unpaid thereon to the date fixed for redemption.

(c) The Series 2015B Bonds are subject to redemption prior to their stated maturity, at the option of the Authority (which option shall be exercised as directed by the City), in whole, or in part by lot (in the inverse order of their maturities, and by lot within a maturity) on any date, upon at least thirty-five (35) days prior written notice to the Trustee from the City, from any source of available moneys, on or after March 1, 2016 at the redemption price of 100% (expressed as a percentage of the principal amount of Series 2015 Bonds called for redemption), together with interest accrued and unpaid thereon to the date fixed for redemption; provided, that if the Series 2015B Bonds are redeemed in whole or in part prior to their maturity date, on any day other than the last day of any LIBOR Interest Period, the Authority shall pay the Owner of the Series 2015B Bonds the LIBOR Breakage Fee with respect thereto.

On any date on which the Series 2015A Bonds are redeemed in whole or in part pursuant to Section 4.01(a), the Outstanding Series 2015B Bonds shall be redeemed in an amount proportionate to the Series 2015A Bonds being redeemed (in the inverse order of their maturities) and if such day is other than the last day of any LIBOR Interest Period, the Authority shall pay the Owner of the Series 2015B Bonds the LIBOR Breakage Fee.

(d) The Series 2015A Bonds are also subject to redemption prior to their stated maturity in part by lot from Mandatory Sinking Account Payments established in Section 5.04 on any March 1 on or after March 1, 2016, at the principal amount thereof together with interest accrued and unpaid thereon to the date fixed for redemption, without premium.

(e) The Series 2015B Bonds are also subject to redemption prior to their stated maturity in part by lot from Mandatory Sinking Account Payments established in Section 5.04 on the first Business Day of March of each year, commencing March 1, 2016, at the principal amount thereof together with interest accrued and unpaid thereon to the date fixed for redemption, without premium.

(f) Any Series of Bonds, other than the Series 2015 Bonds, may be made subject to redemption prior to maturity, as a whole or in part, at such time or times, upon payment of the principal amount thereof and interest accrued thereon to the date fixed for redemption, plus such premium or premiums, if any, and upon such terms (m addition to and consistent with the terms contained in this Article) as may be determined by the Authority at the time such Series is authorized and as shall be set forth in the Supplemental Trust Agreement authorizing such Series.

SECTION 4.02 **Selection of Bonds for Redemption**. Whenever provision is made in this Trust Agreement for the redemption of less than all of the Bonds of a Series or any given portion thereof, the Trustee shall select the Bonds to be redeemed, from all Bonds of such Series subject to redemption or such given portion thereof not previously called for redemption, by lot, but from the maturities selected by the Authority in accordance with Section 4.01. The Trustee shall promptly notify the Authority and the City in writing of the Bonds or portions thereof so selected for redemption.

SECTION 4.03 **Notice of Redemption**. Notice of redemption shall be mailed by first class mail by the Trustee, not less than thirty (30) nor more than sixty (60) days prior to the redemption date to the respective Owners of any Bonds designated for redemption at their addresses appearing on the bond registration books of the Trustee, the Authority and one or more Information Services, if applicable. Notice of redemption shall also be given by telecopy, certified, registered, or overnight mail to the Securities Depositories, if applicable. Notice shall not be provided to the Securities Depositories or Information Services in connection with any redemption of the Series 2015 Bonds, unless such Series 2015 Bonds are registered in the future with a Depository. Each notice of redemption shall state the redemption date, the place or places of redemption, the Series of Bonds to be redeemed, the maturities, the date of issue of the Series of Bonds, the CUSIP number (if any) of the maturity or maturities and, if less than all of any such maturity, the distinctive numbers (or inclusive ranges of distinctive 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 fully registered 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. Neither the Authority nor the Trustee shall have any responsibility for any defect in the CUSIP number that appears on any Bond or in any redemption notice with respect thereto, and any such redemption notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither the Authority nor the Trustee shall be liable for any inaccuracy in such numbers. Any notice of redemption may be rescinded at the direction of the Authority upon the request of the City in the same manner as the original redemption notice was given.

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

Failure of the Trustee to give notice to an Owner or any defect in such notice shall not affect the validity of the redemption of any other Bonds. Failure of the Trustee to give notice pursuant to this Section 4.03 to any one or more of the Information Services or Securities Depositories, or the insufficiency of such notices, shall not affect the sufficiency of the proceedings for redemption.

Notwithstanding anything herein to the contrary, redemption of the Series 2015 Bonds in accordance with Section 4.01(d) or Section 4.01(e) shall not require notice of a partial redemption being sent to the Owner of such Series 2015 Bonds, so long as the Series 2015 Bonds of the applicable Series are owned by a single Owner. In addition, partial redemption of a Series 2015 Bond shall not require presentment hereunder, provided that such Series 2015 Bond is owned by a single Owner.

SECTION 4.04 **Partial Redemption of Bonds**. Upon surrender of any Bond redeemed in part only, the Authority shall execute and the Trustee shall authenticate and make available for delivery to the registered owner thereof, at the expense of the Medical Center, a new Bond or Bonds of Authorized Denominations, and of the same Series and maturity, equal in aggregate principal amount to the unredeemed portion of the Bond surrendered.

Notwithstanding the foregoing, the Trustee shall not require presentment of a Series 2015 Bond for a partial redemption in accordance with Section 4.01(d) or Section 4.01(e), provided that such Series 2015 Bond is owned by a single Owner.

SECTION 4.05 **Effect of Redemption**. Notice of redemption having been duly given as aforesaid, and 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 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 Trust Agreement, and the Owners of said Bonds shall have no rights in respect thereof except to receive payment of said Redemption Price and accrued interest to the date fixed for redemption.

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

ARTICLE V

REVENUES

SECTION 5.01 **Pledge and Assignment.**

(a) Subject only to the provisions of this Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein, there are hereby pledged to secure the payment of the principal of, Redemption Price and interest on the Bonds in accordance with their terms and the provisions of this Trust Agreement, all of the Revenues and any other amounts (including proceeds of the sale of Bonds), held in any fund or account established pursuant to this Trust Agreement (other than the Rebate Fund). Such pledge shall constitute a lien on and security interest in such assets and shall attach, be perfected and be valid and binding from and after delivery by the Trustee of the Series 2015 Bonds, without any physical delivery thereof or further act.

(b) The Authority hereby transfers in trust, grants a security interest in and assigns to the Trustee, for the benefit of the Owners from time to time of the Bonds, all of the Revenues and other assets pledged in subsection (a) of this Section 5.01 and all of the right, title and interest of the Authority in the Installment Purchase Agreement (except for the right to receive, in all cases to the extent payable to the Authority, (i) any Administrative Fees and Expenses to the extent payable to the Authority, (ii) any amounts paid by the Medical Center pursuant to Sections 7.03 and 7.04 of the Installment Purchase Agreement and (iii) the right of the Authority to receive the Certificate of the Medical Center required by Section 5.09 of the Installment Purchase Agreement). The Trustee shall be entitled to and shall collect and receive all of the Revenues, and any Revenues collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and shall forthwith be paid by the Authority to the Trustee. The Trustee also shall be entitled to and, subject to the provisions of this Trust Agreement, shall take all steps, actions and proceedings reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, all of the rights of the Authority and all of the obligations of the city and the Medical Center under the Installment Purchase Agreement.

(c) All Revenues shall be promptly deposited by the Trustee upon receipt thereof in a special fund designated as the Revenue Fund, which the Trustee shall establish, maintain and hold in trust, except as otherwise provided in Sections 5.07 and 5.08 and except that all moneys received by the Trustee and required by Section 6.07 of the Installment Purchase Agreement to be deposited in the Redemption Fund shall be promptly deposited in the Redemption Fund, which the Trustee shall establish, maintain and hold in trust, and that all moneys received by the Trustee and required by the Installment Purchase Agreement to be deposited in the Bond Reserve Account shall be promptly deposited in such account. All Revenues deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in this Trust Agreement.

(d) If by the fifth (5th) Business Day of any month the Trustee has not received Revenues sufficient to make the transfers required in such month by Section 5.02, the Trustee shall immediately notify the City and the Medical Center of such insufficiency by telephone or facsimile and confirm such notification by written notice.

SECTION 5.02 **Allocation of Revenues**. On or before the twenty-fifth (25th) day of each month, commencing March 25, 2015 (or, if the twenty-fifth (25th) day of the month is not a Business Day, the first Business Day after the twenty-fifth (25th) day of the month), the Trustee shall transfer from the Revenue Fund and deposit into the following respective accounts (each of which the Trustee shall establish and maintain within the Revenue Fund) and then to the Rebate Fund, the following amounts, in the following order of priority, the requirements of each such account or fund (including an amount required for the first two months of 2015 and the making up of any deficiencies in any such account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account or fund subsequent in priority:

First: to the Interest Account, one-sixth of the aggregate amount of interest becoming due and payable during the next succeeding six months on all Bonds then Outstanding, less any amounts to be transferred to the Interest Account from a Capitalized Interest Account for the payment of such interest, until the balance in such account is equal to such aggregate amount of interest (taking into account such transfers from the Capitalized Interest Account); provided, however, that from the date of delivery of a Series of Bonds until the first Interest Payment Date with respect to such Bonds (if less than six months), transfers to the Interest Account shall be sufficient on a monthly pro rata basis to pay the interest becoming due and payable on said Interest Payment Date; provided, further, that for any Series of Bonds that requires the monthly payment of interest, to the Interest Account, on or before each Interest Payment Date: (A) the amount required to make the amount on deposit in the Interest Account equal to the amount of accrued and unpaid interest on such Bonds due and payable on the next Interest Payment Date, which during the LIBOR Interest Period shall be calculated, to the extent such amount remains undetermined at the time such payment is due, using the Maximum Rate.

Second: to the Principal Account, one-twelfth of the aggregate amount of principal becoming due and payable on the Outstanding Serial Bonds plus one-twelfth of the aggregate amount of Mandatory Sinking Account Payments required to be paid into the respective Sinking Accounts for Outstanding Term Bonds, in each case during the next ensuing twelve months, until the balance in said Principal Account is equal to said aggregate amount of such principal and Mandatory Sinking Account Payments; provided, however, that from the date of delivery of a Series of Bonds until the first principal payment date with respect to such Series of Bonds (if less than twelve months), transfers to the Principal Account shall be sufficient on a monthly pro rata basis to pay the principal becoming due and payable on said principal payment date;

Third: to the Bond Reserve Account, if any, (i) one-twelfth of the aggregate amount of each prior withdrawal from the Bond Reserve Account for the purpose of making up a deficiency in the Interest Account or Principal Account (until deposits on account of such withdrawal are sufficient to fully restore the amount withdrawn), provided that no deposit need be made into the Bond Reserve Account if the balance in said account is at least equal to the Bond Reserve Account Requirement, and (ii) in the event the balance in said account shall be less than the Bond Reserve Account Requirement due to valuation of the Investment Securities deposited, therein in accordance with Section 5.06(b), the amount necessary to increase the balance in said account to an amount at least equal to the Bond Reserve Account Requirement (until deposits on account of such valuation deficiency are sufficient to increase the balance in said account to such amount); and

Fourth: to the Rebate Fund, such amounts as are required to be deposited therein by this Trust Agreement (including the Tax Agreement).

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

SECTION 5.03 Application of Interest Account.

(a) All amounts in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity pursuant to this Trust Agreement).

(b) With respect to each Series of Bonds for which proceeds of the sale thereof are required to be set aside to pay interest on the Bonds, the Trustee (if so instructed by a Supplemental Trust Agreement providing for the issuance of such Series of Bonds) shall establish and maintain a separate subaccount within the Interest Account, designated as the "____________ Capitalized Interest Account" (inserting therein the Series designation of such Bonds). Moneys in a Capitalized Interest Account shall be transferred by the Trustee and deposited in the Interest Account in the amounts and at the times specified in the Supplemental Trust Agreement providing for the issuance of such Series of Bonds.

SECTION 5.04 Application of Principal Account.

(a) All amounts in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds when due and payable, as provided herein.

(b) The Trustee shall establish and maintain within the Principal Account a separate subaccount for the term Bonds of each Series, designated as the "___________ Sinking Account" (inserting therein the Series designation of such Bonds). On or before the twenty-fifth (25th) day of each month (or, if the twenty-fifth (25th) day of the month is not a Business Day, the first Business Day after the twenty-fifth (25th) day of the month), the Trustee shall transfer the amount deposited in the Principal Account in that month pursuant to Section 5.02 for the purpose of making a Mandatory Sinking Account Payment (if such deposit is required in such month) from the Principal Account to the applicable Sinking Account. With respect to each Sinking Account, on each Mandatory Sinking Account Payment date established for the Sinking Account, the Trustee shall transfer the amount deposited in the applicable Sinking Account pursuant to Section 5.02 for the purpose of applying the Mandatory Sinking Account Payment required on that date to the redemption (or payment at maturity, as the case may be) of Term Bonds of the Series for which such Sinking Account was established, upon the notice and in the manner provided in Article IV; provided, that at any time prior to giving such notice of such redemption, the Trustee shall apply such moneys to the purchase of Term Bonds of such Series at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as the Medical Center may direct, except that the purchase price (excluding accrued interest) shall not exceed the par amount of such Term Bonds. If, during the 12-month period immediately preceding said Mandatory Sinking Account Payment date, the Trustee has purchased Term Bonds of such Series with moneys in such Sinking Account, or, during said period and prior to giving said notice of redemption, the Medical Center has deposited Term Bonds of such Series with the Trustee, or Term Bonds of such Series were at any time purchased or redeemed by the Trustee from the Redemption Fund and allocable to said Mandatory Sinking Account Payment, such Bonds so purchased or deposited or redeemed shall be applied, to the extent of the full principal amount thereof, to reduce said Mandatory Sinking Account Payment. All Bonds purchased or deposited pursuant to this subsection shall be delivered to the Trustee and canceled. Any amounts remaining in the Sinking Account when all of the Term Bonds for which such account was established are no longer Outstanding shall be withdrawn by the Trustee and transferred to the Revenue Fund. All Term Bonds purchased from a Sinking Account or deposited by the Medical Center with the Trustee shall be allocated first to the next succeeding applicable Mandatory Sinking Account Payment, then to the remaining Mandatory Sinking Account Payments for the applicable Series of Bonds as the Medical Center directs.

Notwithstanding the foregoing, redemption of the Series 2015 Bonds in accordance with Section 4.01(d), Section 4.01(e) and this paragraph (b) shall not require notice of a partial redemption being sent to the Owner of such Series 2015 Bonds, so long as the Series of the Series 2015 Bonds being redeemed are owned by a single Owner. In addition, the Trustee shall not require presentment of the Series 2015 Bonds for partial redemption in accordance with Section 4.01(d), Section 4.01(e) and this paragraph (b), so long as the Series 2015 Bonds are owned by a single Owner.

(c) Subject to the terms and conditions set forth in this Section 5.04 and in Section 4.01(d), the Series 2015A Term Bonds maturing on March 1, 2035 shall be redeemed (or paid at maturity, as the case may be) by application of Mandatory Sinking Account Payments in the following amounts and on the following dates:

Mandatory Sinking Account Payment Dates (March 1)	Mandatory Sinking Account Payments	Mandatory Sinking Account Payment Dates (March 1)	Mandatory Sinking Account Payments

2016		2026	
2017		2027	
2018		2028	
2019		2029	
2020		2030	
2021		2031	
2022		2032	
2023		2033	
2024		2034	
2025		2035	

† Maturity.

(d) Subject to the terms and conditions set forth in this Section 5.04 and in Section 4.01(e), the Series 2015B Term Bonds maturing on March 1, 2025 shall be redeemed (or paid at maturity, as the case may be) by application of Mandatory Sinking Account Payments in the following amounts and on the following dates:

Mandatory Sinking Account Payment Dates (First Business Day of March)	Mandatory Sinking Account Payments	Mandatory Sinking Account Payment Dates (First Business Day of March)	Mandatory Sinking Account Payments
2016		2021	
2017		2022	
2018		2023	
2019		2024	
2020		2025	

† Maturity.

SECTION 5.05 **Application of Redemption Fund**. The Trustee shall establish and maintain within the Redemption Fund a separate Optional Redemption Account and a separate Special Redemption Account. The Trustee shall accept all moneys deposited for redemption and shall deposit such moneys into the Optional Redemption Account or the Special Redemption Account, as applicable. All amounts deposited in the Optional Redemption Account and in the Special Redemption Account shall be accepted and used and withdrawn by the Trustee solely for the purpose of redeeming Bonds, in the manner and upon the terms and conditions specified in Article IV, at the next succeeding date of redemption for which notice has been given and at the Redemption Prices then applicable to redemptions from the Optional Redemption Account and the Special Redemption Account, respectively; provided that, at any time prior to giving such notice of redemption, the Trustee shall, upon written direction of the City, apply such amounts to the purchase of Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as the City may direct, except that the purchase price (exclusive of accrued interest) may not exceed the Redemption Price then applicable to such Bonds (or, if such Bonds are not then subject to redemption, the par value of such Bonds); and provided further that in the case of the Optional Redemption Account in lieu of redemption at such next succeeding date of redemption, or in combination therewith, amounts in such account may be transferred to the Revenue Fund and credited against Installment Purchase Payments in order of their due date as set forth in a Request of the City. All Term Bonds purchased or redeemed from the Redemption Fund shall be allocated to applicable Mandatory

Sinking Account Payments designated in a Certificate of the City (or if the City fails to deliver such a Certificate to the Trustee, in inverse order of their payment dates).

SECTION 5.06 Application, Valuation and Funding of Bond Reserve Account.

(a) All amounts in the Bond Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of making up any deficiency in the Interest Account or Principal Account (but, in each case, only with the consent of the Office) or (together with any other moneys available therefor) for the payment or redemption of all Bonds then Outstanding.

(b) All Investment Securities in the Bond Reserve Account shall be valued by the Trustee on or before each February 1 and August 1. On the fifth day of the month in which a valuation is made pursuant to this Section 5.06(b), any amount in the Bond Reserve Account resulting from a valuation of the Bond Reserve Account in excess of the Bond Reserve Account Requirement shall be transferred to the Revenue Fund. To the extent that amounts in the Bond Reserve Account are less than 100% of the Bond Reserve Account Requirement, the Medical Center shall within thirty (30) days after receiving notice of such valuation from the Trustee pay to the Trustee an amount sufficient to increase the balance in the Bond Reserve Account to the Bond Reserve Account Requirement. The Trustee may engage an independent consultant, at the expense of the Medical Center, to make this valuation.

SECTION 5.07 Rebate Fund. The Trustee shall establish and maintain, when required, a fund separate from any other fund established and maintained hereunder designated as the Rebate Fund. Within the Rebate Fund, the Trustee shall maintain such accounts as shall be necessary to comply with instructions of the City given pursuant to the terms and conditions of the Tax Agreement. Subject to the transfer provisions provided in paragraph (e) below, all money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Amount, for payment to the federal government of the United States of America. Neither the Authority, the City, the City nor the Owner of any Bonds shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section 5.07, by Section 6.07 and by the Tax Agreement (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the directions of the City including supplying all necessary information in the manner provided in the Tax Agreement, and shall have no liability or responsibility to enforce compliance by the City or the Authority with the terms of the Tax Agreement or any other tax covenants contained herein. The Trustee shall not be responsible for calculating rebate amounts or for the adequacy or correctness of any rebate report or rebate calculations. The Trustee shall have no independent duty to review such calculations or enforce the compliance by the City with such rebate requirements. The Trustee shall have no duty or obligation to determine the applicability of the Code and shall only be obligated to act in accordance with written instructions provided by the City.

(a) Upon the City's written direction, an amount shall be deposited to the Rebate Fund by the Trustee from deposits by the City, if and to the extent required, so that the balance in the Rebate Fund shall equal the Rebate Amount. Computations of the Rebate Amount shall be furnished by or on behalf of the City in accordance with the Tax Agreement. The Trustee shall supply to the City and/or the Authority all necessary information in the manner provided in the Tax Agreement to the extent such information is reasonably available to the Trustee.

(b) The Trustee shall have no obligation to rebate any amounts required to be rebated pursuant to this Section 5.07, other than from moneys held in the funds and accounts created under this Trust Agreement or from other moneys provided to it by the City.

(c) At the written direction of the City, the Trustee shall invest all amounts held in the Rebate Fund in Investment Securities, subject to the restrictions set forth in the Tax Agreement. Moneys shall not be transferred from the Rebate Fund except as provided in paragraph (e) below. The Trustee shall not be liable for any consequences arising from such investment

(d) Upon receipt of the City's written directions, the Trustee shall remit part or all of the balances in the Rebate Fund to the United States, as so directed. In addition, if the City so directs, the Trustee will deposit money into or transfer money out of the Rebate Fund from or into such accounts or funds as directed by the City's written directions; provided, however, only moneys in excess of the Rebate Amount may, at the written direction of the City or the Authority, be transferred out of the Rebate Fund to such other accounts or funds or to anyone other than the United States in satisfaction of the arbitrage rebate obligation. Any funds remaining in the Rebate Fund after each five year remission to the United States of America, redemption and payment of all of the Bonds and payment and satisfaction of any Rebate Amount, or provision made therefor satisfactory to the Trustee, shall be withdrawn and remitted to the City.

(e) Notwithstanding any other provision of this Trust Agreement, the obligation to remit the Rebate Amount to the United States and to comply with all other requirements of this Section 5.07 and Section 6.07 shall survive the defeasance or payment in full of the Bonds.

SECTION 5.08 **Investment of Moneys in Funds and Accounts**. All moneys in any of the funds and accounts established pursuant to this Trust Agreement shall be invested by, and in the name of, the Trustee, upon the written direction of the City, solely in Investment Securities. The Trustee shall acquire such Investment Securities upon the written direction of the City at such prices and on such terns as directed by the City. In the absence of written investment directions from the City, the Trustee shall hold all funds uninvested and promptly notify the City that funds will be held uninvested pending direction from the City. All Investment Securities shall be acquired subject to the limitations set forth in Section 6.07, the limitations as to maturities hereinafter in this Section 5.08 set forth and such additional limitations or requirements consistent with the foregoing as may be established by Request of the City. The City shall not direct the Trustee to invest in anything other than Investment Securities.

Moneys in all funds and accounts (other than the Bond Reserve Account) shall be invested in Investment Securities maturing not later than the date on which it is estimated by the City that such moneys will be required for the purposes specified in this Trust Agreement. Moneys in the Bond Reserve Account shall be invested in Investment Securities maturing prior to the final maturity of the Bonds but in no event longer than five (5) years from the date of investment therein; provided, however, moneys in the Bond Reserve Account may be invested in Investment Securities with a nominal maturity date which is greater than five (5) years as long as said Investment Securities by their terms allow the Trustee to obtain (at any time the Trustee is required to draw on the Bond Reserve Account hereunder) the corpus thereto at not less than the purchase price thereof without any loss in value. Investment Securities purchased under a repurchase agreement may be deemed to mature on the date or dates on which the Trustee may deliver such Investment Securities for repurchase under such agreement.

All interest, profits and other income received from the investment of moneys in the Rebate Fund shall be retained therein. Unless otherwise provided in a Supplemental Trust Agreement establishing the terms and conditions of an additional Series of Bonds issued pursuant to such Supplemental Trust Agreement, prior to completion of the Series 2015 City Projects or any other Medical Center Project, as applicable, such completion to be evidenced by the delivery of a Statement of the Medical Center provided in accordance with Section 3.04(c), all interest, profits and other income received from the investment of moneys in any fund or account established pursuant to this Trust Agreement other than the Rebate Fund shall be transferred when received to the Acquisition Account established in connection with such Series of Bonds. Subsequent to completion of the Series 2015 Medical Center Projects or any other Medical Center Project, all interest, profits and other income received from the investment of moneys in any fund or account established pursuant to this Trust Agreement other than the Rebate Fund shall be transferred when received to the Revenue Fund. Notwithstanding anything to the contrary contained in this paragraph, an amount of interest received with respect to any Investment Security equal to the amount of accrued interest, if any, paid as part of the purchase price of such Investment Security shall be credited to the fund or account for the credit of which such Investment Security was acquired.

Investment Securities acquired as an investment of moneys in any fund or account established under this Trust Agreement shall be credited to such fund or account. The Trustee may commingle any of the funds or accounts established pursuant to this Trust Agreement (other than the Rebate Fund) 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 Trust Agreement. The Trustee or any of its affiliates may act as principal or agent in the making or disposing of any investment and shall be entitled to its customary fee therefor. The Trustee may sell in any commercially reasonable manner, or present for redemption, any Investment Securities 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 Investment Security is credited, and, subject to the provisions of Section 8.03, the Trustee shall not be liable or responsible for any loss resulting from any investment made in accordance with provisions of this Section 5.08. The Trustee shall be entitled to assume, absent receipt by the Trustee of written notice to the contrary, that any investment which at the time of purchase is an Investment Security remains an Investment Security.

SECTION 5.09 **Prohibition of Forward Purchase Agreements**. Notwithstanding any other provision of this Trust Agreement, neither the City nor the Medical Center shall enter into, or instruct the Trustee to enter into, any agreement, including, without limitation, any investment or sale agreement involving the sale of future interest income or a forward delivery agreement or a forward purchase contract or a forward purchase supply contract, which provides for an upfront payment to the Medical Center, in connection with the investment of any of the funds or accounts established under this Trust Agreement and held by the Trustee.

SECTION 5.10 **Acquisition, Disposition and Valuation of Investments**. The Authority covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Trust Agreement shall be acquired, disposed of, and valued at the market value thereof. For purposes of determining the amount in any fund or account other than the Bond Reserve Account which shall be valued in accordance with the provisions set forth in Section 5.06 hereof, all Investment Securities shall be valued on each February 1.

Notwithstanding anything to the contrary herein, in determining the value of any investments held by it hereunder, the Trustee may utilize and rely upon pricing services as may be available to it, including those within its regular accounting system.

ARTICLE VI

PARTICULAR COVENANTS

SECTION 6.01 **Punctual Payment**. The Authority shall punctually pay or cause to be paid the principal or Redemption Price and interest to become due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of this Trust Agreement, according to the true intent and meaning thereof, but only out of Revenues and other assets pledged for such payment as provided in this Trust Agreement.

SECTION 6.02 **Extension of Payment of Bonds**. Absent the consent of the Owners in accordance with Section 9.01, the Authority 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 of the 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 Trust Agreement, except subject to the prior payment in full of the principal of the Bonds at the time Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section 6.02 shall be deemed to limit the right of the Authority 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 6.03 **Against Encumbrances**. The Authority shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Revenues and other assets pledged or assigned under this Trust Agreement while any of the Bonds are Outstanding, except the pledge and assignment created by this Trust Agreement. Subject to this limitation, the Authority expressly reserves the right to enter into one or more other Trust Agreements for any of its corporate purposes and reserves the right to issue other obligations for such purposes.

SECTION 6.04 **Power to Issue Bonds and Make Pledge and Assignment**. The Authority is duly authorized pursuant to law to issue the Bonds and to enter into this Trust Agreement and to pledge and assign the Revenues and other assets purported to be pledged and assigned, respectively, under this Trust Agreement in the manner and to the extent provided in this Trust Agreement. The Bonds and the provisions of this Trust Agreement are and will be the legal, valid and binding limited obligations of the Authority in accordance with their terms, and the Authority shall at all times, to the extent permitted by law, defend, preserve and protect said pledge and assignment of Revenues and other assets and all the rights of the Owners under this Trust Agreement against all claims and demands of all Persons whomsoever.

SECTION 6.05 **Accounting Records and Financial Statements.**

(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 complete and accurate entries shall be made of all transactions relating to the proceeds of Bonds, the Revenues, the Installment Purchase Agreement and all funds and accounts established pursuant to this Trust Agreement. Such books of record and account shall be available for inspection by the Authority and any Owner, or his agent or representative duly authorized in writing, upon reasonable notice, at reasonable hours and under reasonable circumstances.

(b) The Trustee shall file and furnish to the Authority (upon request of the Authority), the City and the Medical Center on or before the 15th day of each month, a complete financial statement (which need not be audited and may be in the form of its customary account statements) covering receipts, disbursements, allocation and application of Revenues and any other moneys (including proceeds of Bonds) in any of the funds and accounts established pursuant to this Trust Agreement for the preceding month. Such financial statements shall be periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the Medical Center. Upon any party's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The Authority, the City and the Medical Center each waives the right to receive brokerage confirmations of securities transactions effected by the Trustee as they occur, to the extent permitted by law. The Authority, the City and the Medical Center each further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

SECTION 6.06 Other Covenants.

(a) The Authority shall acquire and construct or cause to be acquired and constructed the Series 2015 Medical Center Projects and any Additional Medical Center Project with all practicable dispatch and such acquisition will be made in an expeditious manner and in conformity with all applicable laws to complete the same as soon as possible.

(b) The Trustee shall promptly collect all amounts due from the Medical Center pursuant to the Installment Purchase Agreement, and subject to the provisions of this Trust Agreement, shall exercise all rights assigned to it pursuant to the Installment Purchase Agreement and shall enforce, and take all steps, actions and proceedings reasonably necessary, as directed by the Authority, for the enforcement of all of the rights of the Authority and all of the obligations of the Medical Center.

(c) The Authority shall not amend, modify or terminate the Installment Purchase Agreement in any manner adverse to the interests of the Trustee without the written consent of the Trustee.

(d) So long as the Initial Owners are Owners of any of the Outstanding Series 2015 Bonds, the Authority shall not amend, modify or terminate the Installment Purchase Agreement without the prior written consent of the Initial Owners.

SECTION 6.07 Tax Covenants. The Authority shall at all times comply with the covenants set forth in this Section 6.07. These covenants shall survive defeasance or redemption of the Series 2015 Bonds.

(a) Special Definitions. When used in this Section, the following terms shall have the following meanings:

"*Code*" means the Internal Revenue Code of 1986.

"*Computation Date*" has the meaning set forth in section 1.148-1(b) of the Tax Regulations.

"*Gross Proceeds*" means any Proceeds and any replacement proceeds as defined in section 1.148-1(c) of the Tax Regulations, of the Series 2015 Bonds.

"*Investment*" has the meaning set forth in section 1.148-1(b) of the Tax Regulations.

"*Nonpurpose Investment*" means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the Series 2015 Bonds are invested and that is not acquired to carry out the governmental purposes of that series of Series 2015 Bonds.

"*Opinion of Bond Counsel*" means a written opinion of Norton Rose Fulbright US LLP or any other counsel of recognized national standing in the field of law relating to municipal bonds, appointed and paid by the Authority.

"*Prior Issue*" means either of the $39,300,000 El Centro Financing Authority Insured Hospital Revenue Bonds (El Centro Regional Medical Center Project) Series 2001 or the Term Loan Note, dated June 28, 2013, delivered by the Medical Center to Rabobank, N.A. (but in the case of either of the foregoing executed and delivered for multiple purposes, only to the portion thereof allocable pursuant to section 1.148-9(h)(4) of the Tax Regulations to other than refunding purposes).

"Proceeds," with respect to an issue of governmental obligations, has the meaning set forth in has the meaning set forth in section 1.148-1(b) of the Tax Regulations (referring to sales, investment and transferred proceeds).

"Rebate Amount" has the meaning set forth in section 1.148-1(b) of the Tax Regulations.

"Tax Regulations" means the United States Treasury Regulations promulgated pursuant to sections 103 and 141 through 150 of the Code.

"Yield" of any Investment has the meaning set forth in section 1.148-5 of the Tax Regulations; and of any issue of governmental obligations has the meaning set forth in section 1.148-4 of the Tax Regulations.

(b) Exclusion of Interest from Gross Income. The Authority will take all actions necessary to establish and maintain the exclusion pursuant to section 103(a) of the Code of interest on the Series 2015 Bonds from the gross income of the Owners thereof for federal income tax purposes, and will not use, permit the use of, or omit to use Gross Proceeds of the Series 2015 Bonds or any other amounts (or any property the acquisition, construction or improvement of which is to be refinanced directly or indirectly with Gross Proceeds) in a manner that if made or omitted, respectively, would cause the interest on any Series 2015 Bond to fail to be excluded pursuant to section 103(a) of the Code from the gross income of the Owners thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the Trustee receives a written Opinion of Bond Counsel to the effect that failure to comply with such covenant will not adversely affect the exclusion pursuant to section 103(a) of the Code of interest on any Series 2015 Bond from the gross income of the Owner thereof, the Authority shall comply with this covenant and each of the specific covenants in this Section.

(c) Private Use and Private Payments. Except as would not cause any Series 2015 Bond to become a "private activity bond" within the meaning of section 141 of the Code and the Tax Regulations, the Authority shall take all actions necessary to assure that it or the City at all times prior to the final cancellation of the last of the Series 2015 Bonds to be retired:

(i) exclusively owns, operates, possesses and provides any services necessary to allow and maintain each function of every property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Series 2015 Bonds and not use or permit the use of such Gross Proceeds (including through any contractual arrangement with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds or the Gross Proceeds of any Prior Issue in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(ii) does not directly or indirectly impose or accept any charge or other payment by or for the benefit of any Person (other than a state or local government) who is treated as using any Gross Proceeds of the Series 2015 Bonds or of the Prior Issues, or in respect of the use by any such Person of any property the acquisition, construction or improvement of which was or is to be financed or refinanced directly or indirectly with Gross Proceeds of the Series 2015 Bonds or of the Prior Issues.

(d) No Private Loan. Except as would not cause any Series 2015 Bond to become a "private activity bond" within the meaning of section 141 of the Code and the Tax Regulations and rulings thereunder, the Authority shall not use or permit the use of Gross Proceeds of the Series 2015 Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if: (i) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction that creates a debt for federal income tax purposes; (ii) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (iii) indirect benefits of such Gross Proceeds, or burdens and benefits of ownership of any property acquired, constructed or improved with such Gross Proceeds, are otherwise transferred in a transaction that is the economic equivalent of a loan. For purposes of this covenant, the Authority will treat any transaction constituting a loan of Gross Proceeds of a Prior Issue as resulting in a loan of Gross Proceeds of the Series 2015 Bonds.

(e) Not to Invest at Higher Yield. Except as would not cause the Series 2015 Bonds to become "arbitrage bonds" within the meaning of section 148 of the Code and the Tax Regulations and rulings thereunder, the Authority shall not (and shall not permit any person to), at any time prior to the final cancellation of the last Series 2015 Bond to be retired, directly or indirectly invest Gross Proceeds in any Investment, if as a result of such investment the Yield of any Investment acquired with Gross Proceeds, whether then held or previously disposed of, would materially exceed the Yield of the Series 2015 Bonds within the meaning of said section 148.

(f) Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Tax Regulations and rulings thereunder, the Authority shall not take or omit to take (and shall not permit any person to take or omit to take) any action that would cause any Series 2015 Bond to be "federally guaranteed" within the meaning of section 149(b) of the Code and the Tax Regulations and rulings thereunder.

(g) Information Report. The Authority shall timely file any information required by section 149(e) of the Code with respect to Series 2015 Bonds with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in section 148(f) of the Code and the Tax Regulations:

(i) The Authority shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last Series 2015 Bond is discharged. However, to the extent permitted by law, the Authority may commingle Gross Proceeds of Series 2015 Bonds with its other monies, provided that it separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(ii) Not less frequently than each Computation Date, the Authority shall calculate the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Tax Regulations and rulings thereunder. The Authority shall maintain a copy of the calculation with its official transcript of proceedings relating to the issuance of the Series 2015 Bonds until six years after the final Computation Date.

(iii) To assure the excludability pursuant to section 103(a) of the Code of the interest on the Series 2015 Bonds from the gross income of the owners thereof for federal income tax purposes, within 60 days of each Computation Date the Authority shall pay to the United States the amount that when added to the future value of previous rebate payments made for the Series 2015 Bonds equals (i) in the case of the Final Computation Date as defined in section 1.148-3(e)(2) of the Tax Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, such rebate payments shall be made by the Authority at the times and in the amounts as are or may be required by section 148(f) of the Code and the Tax Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by section 148(f) of the Code and the Tax Regulations and rulings thereunder for execution and filing by the Authority.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the Tax Regulations and rulings thereunder, the Authority shall not and shall not permit any person to, at any time prior to the final cancellation of the last of the Series 2015 Bonds to be retired, enter into any transaction that reduces the amount required to be paid to the United States pursuant to paragraph (H) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield on the Series 2015 Bonds not been relevant to either party.

(j) Series 2015 Bonds Satisfy Section 149(g). The Authority represents that neither any Prior Issue nor the Series 2015 Bonds comprises "hedge bonds" within the meaning of section 149(g) of the Code. Without limitation of the foregoing: (i) with respect to each Prior Issue, (A) the Authority believes (based upon its own investigation and upon representations made by representatives of the City familiar with the issuance of such Prior Issue) that on the date of issuance of such Prior Issue it was reasonably expected that within the three-year period commencing on such date no less than 85% of the spendable proceeds of that Prior Issue would be expended for the governmental purposes thereof and (B) the Authority reasonably believes and represents that at no time has more than 50% of the proceeds of that Prior Issue been invested in Nonpurpose Investments having a substantially guaranteed yield for a period of four years or more, and with respect to the application of Proceeds of the Series 2015 Bonds other than for refunding purposes; and (ii)(A) the Authority will not deliver the Series 2015 Bonds unless on the date of the issuance of the Series 2015 Bonds it reasonably expects that within the three-year period commencing on such date of issuance at least 85% of the spendable proceeds of the Series 2015 Bonds will be expended for the governmental purpose of the Series 2015 Bonds and (B) the Authority covenants that at no time will more than 50% of such spendable proceeds of the Series 2015 Bonds be invested in Nonpurpose Investments having a substantially guaranteed yield for a period of four years or more.

(k) Elections. The Authority hereby directs and authorizes any Authorized Representative to make elections permitted or required pursuant to the provisions of the Code or the Tax Regulations, as such Authorized Representative (after consultation with Bond Counsel) deems necessary or appropriate in connection with the Series 2015 Bonds, in the Tax Certificate or similar or other appropriate certificate, form or document.

(l) Closing Certificate. The Authority agrees to execute and deliver in connection with the issuance of the Series 2015 Bonds a *Tax Certificate as to Arbitrage and the Provisions of Sections 141-150 of the Internal Revenue Code of 1986*, or similar document containing additional representations and covenants pertaining to the exclusion of interest on the Series 2015 Bonds from the gross income of the owners thereof for federal income tax purposes (the "Tax Certificate"), which representations and covenants are incorporated as though expressly set forth herein.

SECTION 6.08 Waiver of Laws. The Authority 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 Trust Agreement or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the Authority to the extent permitted by law.

SECTION 6.09 Further Assurances. The Authority will make, execute and deliver any and all such further indentures, trust agreements, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Trust Agreement and for the better assuring and confirming unto the Owners of the Bonds of the rights and benefits provided in this Trust Agreement.

SECTION 6.10 Continuing Disclosure. Pursuant to Section 5.12 of the Installment Purchase Agreement, the City and the Medical Center have undertaken all responsibility for compliance with continuing disclosure requirements, and neither the Authority nor the Trustee shall have any liability to the Owners of the Series 2015 Bonds or any other Series of Bonds or any other person with respect to such requirements. Notwithstanding any other provision of this Trust Agreement, failure of the City, the Medical Center, the Trustee or the Dissemination Agent to comply with a Continuing Disclosure Agreement delivered in connection with any Series of Bonds shall not be considered an Event of Default; however, the Trustee shall at the request of the Owners of at least 25% aggregate principal amount of Outstanding Bonds to which such Continuing Disclosure Agreement relates, to the extent indemnified to its satisfaction from any liability, cost or expense, including fees and expenses of its attorneys, or any Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City and/or the Medical Center to comply with its obligations under Section 5.12 of the Installment Purchase Agreement or to cause the Trustee to comply with its obligations under this Section 6.10. For purposes of this Section 6.10, Beneficial Owner means any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

SECTION 6.11 Gross Up. Upon the occurrence of a Determination of Taxability, the Authority shall, with respect to future interest payments on the Series 2015B Bonds, begin making interest payments to the Trustee calculated at the Gross-Up Rate until the Series 2015B Bonds are redeemed in full as provided for herein. In addition, the Authority, immediately upon demand of the Owners of the Series 2015B Bonds, shall make a payment to the Trustee (for the Owners of the Series 2015B Bonds) in an amount sufficient to make up for any deficiency in prior interest payments so that the Owners of the Series 2015B Bonds will receive the Gross-Up Rate for all interest payments on the Series 2015B Bonds retroactive to the date on which it is determined that interest on the Series 2015B Bonds first became includable for federal income tax purposes in the gross income of the Owners of the Series 2015B Bonds.

SECTION 6.12 Increased Costs.

(a) If any Change in Law or any change in any rule, regulation or governmental interpretation thereof affecting Comerica Bank, whether or not having the force of law, or compliance by Comerica Bank with such, limits the deductibility of interest on funds obtained or deemed obtained by Comerica Bank to purchase the Series 2015B Bonds, then promptly, and in any event within thirty (30) days of demand by Comerica Bank, the Authority shall pay to Comerica Bank an amount which will equal, on an after-tax basis to Comerica Bank (taking into account any taxes payable by Comerica Bank on such amount), the related actual cost, loss or expense suffered by Comerica Bank, in each case, determined by Comerica Bank acting reasonably. A certificate as to such amounts submitted to the Authority by Comerica Bank, absent manifest error, shall be presumptive evidence as to the amount thereof.

(b) If any Change in Law shall (a) subject Comerica Bank to any tax, duty or other charge with respect to the Series 2015B Bonds or any Obligation, or shall change the basis of taxation of payments to Comerica Bank of the principal of or interest under the Series 2015B Bonds or any other Obligation (except for changes in the rate of tax on the overall net income of Comerica Bank imposed by the jurisdiction in which Comerica Bank's principal executive office is located); or (b) impose, modify or deem applicable any reserve (including, without limitation, any imposed by the Board of Governors of the Federal Reserve System), special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by Comerica Bank, or shall impose on Comerica Bank or the foreign exchange and interbank markets any other condition affecting the Series 2015B Bonds, and the result of any of the foregoing is to increase the cost to Comerica Bank of maintaining any part of the Obligations or to reduce the amount of any sum received or receivable by Comerica Bank under the Series 2015B Bonds by an amount deemed by Comerica Bank to be material, then the Authority shall pay Comerica Bank, within thirty (30) days of the Authority's receipt of written notice from Comerica Bank demanding such compensation (which notice shall be furnished no later than 180 days after Comerica Bank's determination that such compensation is due), such additional amount or amounts as will compensate Comerica Bank for such increased cost or reduction, determined by Comerica Bank acting reasonably. A certificate of Comerica Bank, prepared in good faith and in reasonable detail by Comerica Bank and submitted by Comerica Bank to the Authority, setting forth the basis for determining such additional amount or amounts necessary to compensate Comerica Bank shall be conclusive and binding for all purposes, absent manifest error.

(c) If any Change in Law affects or would affect the amount of capital required or expected to be maintained by Comerica Bank (or any corporation controlling Comerica Bank), and Comerica Bank determines that the amount of such capital is increased by or based upon the existence of any obligations of Comerica Bank hereunder or the maintaining of any Obligations, and such increase has the effect of reducing the rate of return on Comerica Bank's (or such controlling corporation's) capital as a consequence of such obligations or the maintaining of such Obligations to a level below that which Comerica Bank (or such controlling corporation) could have achieved but for such circumstances (taking into consideration its policies with respect to capital adequacy), then the Authority shall pay to Comerica Bank, within thirty (30) days of the Authority's receipt of written notice from Comerica Bank demanding such compensation (which notice shall be furnished no later than 180 days after Comerica Bank's determination that such compensation is due), additional amounts as are sufficient to compensate Comerica Bank (or such controlling corporation) for any increase in the amount of capital and reduced rate of return which Comerica Bank reasonably determines to be allocable to the existence of any obligations of Comerica Bank hereunder or to maintaining any Obligations. A certificate of Comerica Bank as to the amount of such compensation, prepared in good faith and in reasonable detail by Comerica Bank and submitted by Comerica Bank to the Authority, shall be conclusive and binding for all purposes absent manifest error.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES OF OWNERS

SECTION 7.01 **Events of Default**. The following events shall be Events of Default:

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

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

(c) default by the Authority in the observance of any of the other covenants, agreements or conditions on its part in this Trust Agreement or in the Bonds contained, if such default shall have continued for a period of thirty (30) consecutive days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the Authority, the City and the Medical Center by the Trustee, or to the Authority, the City, the Medical Center and the Trustee by the Owners of a majority in aggregate principal amount of a Series of Bonds at the time Outstanding; provided, that so long as any Series 2015 Bonds are Outstanding, either a majority of the owners of the Series 2015A Bonds or a majority of the Owners of the Series 2015B Bonds may provide the written notice herein to the Authority, the City, the Medical Center and the Trustee;

(d) a Purchase Agreement Default; or

(e) the occurrence of an Act of Bankruptcy with respect to the City or the Medical Center.

SECTION 7.02 **Acceleration of Maturities**. If an Event of Default shall occur, then, and in each and every such case during the continuance of such Event of Default, the Trustee may and, upon receipt of instructions from the Owners of not less than a majority in aggregate principal amount of each Series of Bonds at the time Outstanding, shall, upon notice in writing to the Authority, the Medical Center and the City, declare the principal of all of the Bonds at the time Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Trust Agreement or in the Bonds contained to the contrary notwithstanding.

Any such declaration, however, is subject to the condition that if, at any time after such declaration and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Authority, the City, acting on behalf of the Medical Center, or the Medical Center, shall deposit with the Trustee a sum sufficient to pay all the principal or Redemption Price of and installments of interest on the Bonds payment of which is overdue, with interest on such overdue principal at the default rate borne by the respective Bonds, and the reasonable fees, charges and expenses of the Trustee, and any and all other Events of Default actually known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Trustee may, if such declaration was made by the Trustee without instruction from the Owners, and the Trustee shall, only upon receipt of written notice by the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, which written notice shall also be delivered to the Authority, the City and the Medical Center, on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its consequences and waive such Event(s) of Default; but no such rescission and annulment shall extend to or shall affect any subsequent Event of Default, or shall impair or exhaust any right or power consequent thereon.

SECTION 7.03 Rights of Initial Owners. So long as the Series 2015A Bonds and the Series 2015B Bonds are both Outstanding, any provision in this Article VII or the Trust Agreement requiring the consent of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding shall also require the consent of both the Owners of a majority of the Series 2015A Bonds then Outstanding and the Owners of a majority of the Series 2015B Bonds then Outstanding. Notwithstanding, anything in this Trust Agreement to the contrary, upon the Event of Default, only the written instruction to the Trustee of the Owners of a majority of the Series 2015A Bonds then Outstanding is required for the increase of the interest rate on the Series 2015A Bonds in accordance with Section 2.02(a) and only the written instruction to the Trustee of the Owners of a majority of the Series 2015B Bonds then Outstanding is required for the increase of the interest rate on the Series 2015B Bonds in accordance with Section 2.02(b).

SECTION 7.04 Application of Revenues and Other Funds After Default. If an Event of Default shall occur and be continuing, all Revenues and any other funds then held or thereafter received by the Trustee under any of the provisions of this Trust Agreement (subject to Section 11.10) shall be applied by the Trustee as follows and in the following order:

(a) To the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Owners of the Bonds hereunder and payment of reasonable fees, charges and expenses of the Trustee (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under this Trust Agreement.

(b) To the payment of the principal or Redemption Price of and interest then due on the Bonds (upon presentation of the Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of this Trust Agreement (including Section 6.02), 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;

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

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

SECTION 7.05 Trustee to Represent Owners. The Trustee is hereby irrevocably appointed (and the successive respective Owners 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 Owners of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Owners under the provisions of the Bonds, this Trust Agreement, the Installment Purchase Agreement, the Act and applicable provisions of any other law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Owners, the Trustee in its discretion may, and upon the written request of the Owners of not less than a majority in aggregate principal amount of each Series of Bonds at the time Outstanding), and upon being indemnified to its satisfaction therefor (excluding any indemnity for gross negligence or willful misconduct), shall, proceed to protect or enforce its rights or the rights of such Owners 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 such Owners under this Trust Agreement, the Installment Purchase Agreement, the Act or any other law; and upon instituting such proceeding, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Revenues and other assets pledged under this Trust Agreement and the Installment Purchase Agreement, including Gross Revenues, pending such proceedings. All rights of action under this Trust Agreement, Installment Purchase Agreement 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 Owners of such Bonds, subject to the provisions of this Trust Agreement (including Section 6.02). The Trustee also acknowledges the provisions with respect to the Gross Revenue Fund under Section 4.03(b) of the Installment Purchase Agreement.

SECTION 7.06 Owners' Direction of Proceedings. No Owner shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Trust Agreement, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of not less than a majority in aggregate principal amount of each Series of Bonds at the time Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) such Owners shall have tendered to the Trustee indemnity reasonably acceptable to the Trustee (excluding any indemnity for gross negligence or willful misconduct), against the costs, expenses and liabilities to be incurred in compliance with such request; and (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.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of any remedy hereunder; it being understood and intended that no one or more Owners shall have any right in any manner whatever by his or their action to enforce any right under this Trust Agreement, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Trust Agreement shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners.

The right of any Owner to receive payment of the principal of and interest and premium, if any, on such Bond as herein provided or to institute suit for the enforcement of any such payment, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Trust Agreement.

SECTION 7.07 Limitation on Owners' 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 Trust Agreement, the Installment Purchase Agreement, the Act or any other applicable law with respect to such Bond, unless: (1) such Owner shall have given to the Trustee written notice of the occurrence of an Event of Default; (2) the Owners of not less than a majority in aggregate principal amount of each Series of Bonds at the time Outstanding) 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; (3) such Owner or said Owners shall have tendered to the Trustee indemnity reasonably satisfactory to it (excluding any indemnity for gross negligence or willful misconduct), against the costs, expenses and liabilities to be incurred in compliance with such request; and (4) 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.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Trust Agreement or the rights of any other Owners of Bonds, or to enforce any right under this Trust Agreement, the Installment Purchase Agreement, the Act 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 Owners of the Outstanding Bonds, subject to the provisions of this Trust Agreement (including Section 6.02).

SECTION 7.08 Absolute Obligation of Authority. Nothing in Section 7.07 or in any other provision of this Trust Agreement, or in the Bonds, contained shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay the principal or Redemption Price of and interest on the Bonds to the respective Owners of the Bonds at their respective dates of maturity, or upon call for redemption, as herein provided, but only out of the Revenues and other assets herein pledged therefor, or affect or impair the right of such Owners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

SECTION 7.09 Termination of Proceedings. In case any proceedings taken by the Trustee or any one or more Owners 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 Owners, then in every such case the Authority, the Trustee and the Owners, 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 Authority, the Trustee and the Owners shall continue as though no such proceedings had been taken.

SECTION 7.10 **Remedies Not Exclusive**. No remedy herein conferred upon or reserved to the Trustee or to the Owners 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, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

SECTION 7.11 **No Waiver of Default**. No delay or omission of the Trustee or of any 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 Trust Agreement to the Trustee or to the Owners of the Bonds may be exercised from time to time and as often as may be deemed expedient.

ARTICLE VIII

THE TRUSTEE

SECTION 8.01 **Duties, Immunities and Liabilities of Trustee.**

(a) The Trustee shall, prior to an Event of Default, and after the curing of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Trust Agreement. The Trustee shall, during the existence of any Event of Default (which has not been cured), exercise such of the rights and powers vested in it by this Trust Agreement, 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 Authority may, and upon the written request of the Medical Center, shall, remove the Trustee at any time unless an Event of Default shall have occurred and then be continuing, and, the Authority shall remove the Trustee if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of each Series of Bonds at the time Outstanding or if at any time the Trustee shall cease to be eligible in accordance with subsection (e) of this Section 8.01, 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 Authority and by giving the Owners 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 Authority shall promptly appoint a successor Trustee by an instrument in writing. The Trustee shall not be relieved of its duties until such successor Trustee has accepted appointment.

(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 thirty (30) days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Owner (on behalf of himself and all other Owners) may petition any 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, appoint such successor Trustee. Any successor Trustee appointed under this Trust Agreement, shall signify its acceptance of such appointment by executing and delivering to the Authority 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 Authority 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 Trust Agreement 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 Authority 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 Authority shall mail a notice of the succession of such Trustee to the trusts hereunder to each rating agency which is then rating the Bonds and to the Owners at the addresses shown on the registration books maintained by the Trustee. If the Authority 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 Authority.

(e) Any Trustee appointed under the provisions of this Section 8.01 in succession to the Trustee shall be a trust company, banking corporation, national banking association or bank having trust powers, 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 ($75,000,000), and subject to supervision or examination by federal or state authority. If such corporation, bank 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 corporation, bank 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 8.01.

SECTION 8.02 Merger or Consolidation. Any company into which the Trustee may be merged or convened 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 8.01, 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 8.03 Liability of Trustee.

(a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the Authority, and the Trustee shall assume no responsibility for the correctness of the same, or make any representations as to the legality, validity or sufficiency of this Trust Agreement or of the Bonds or the Installment Purchase Agreement, any amendment to any said documents, or insuring any Medical Center Project or collecting any insurance proceeds, nor shall it incur any responsibility in respect thereof. Except as required by the provisions of this Trust Agreement, the Trustee shall not incur any responsibility or duty with respect to the delivery of the Bonds for value or the application of any proceeds thereof or any Revenues. 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 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

Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.

(b) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts. Permissive rights of the Trustee shall not be construed as duties.

(c) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners authorized hereunder relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Trust Agreement.

(d) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Trust Agreement or the Installment Purchase Agreement at the request, order or direction of any of the Owners pursuant to the provisions of this Trust Agreement unless such Owners shall have offered to the Trustee security or indemnity reasonably satisfactory to it (excluding any indemnity for gross negligence or willful misconduct), against the fees, costs, expenses and liabilities (including reasonable attorneys' fees) which may be incurred therein or thereby. The Trustee has no obligation or liability to the Owners for the payment of principal of, Redemption Price or interest on the Bonds from its own funds; but rather the Trustee's obligations shall be limited to the performance of its duties hereunder.

(e) The Trustee shall not be liable for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Trust Agreement unless it shall be proved that the Trustee was negligent in so acting.

(f) Whether or not therein expressly so provided, every provision of this Trust Agreement, the Installment Purchase Agreement, or other documents relating to the issuance of the Bonds, relating to the conduct or affecting the liability of or affording protection to the Trustee, shall be subject to the provisions of this Article.

(g) Subject to the other provisions of this Section 8.03 and the provisions of Sections 8.01 and 8.04 hereof, the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, requisition, opinion, report, notice, request, direction, consent, order, bond, debenture, coupon or other paper or document, but the Trustee, in its discretion, may make such further investigation or inquiry into such facts of matters as it may deem fit, and, if the Trustee shall determine to make such further inquiry or investigation, the Authority shall assure that the Trustee shall be entitled to examine the books, records and premises of the Medical Center, personally or by agent or attorney.

(h) The Trustee shall not be deemed to have knowledge of any Event of Default or any Purchase Agreement Default, except pursuant to Section 8.01(a) of the Installment Purchase Agreement, unless and until it shall have actual knowledge thereof, or shall have received written notice thereof, at its Principal Corporate Trust Office; 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. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or 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 a default thereunder.

(i) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, co-trustees or attorneys and shall not be liable for the same if selected with due care.

(j) The Trustee shall have no duty to review any financial statements furnished to it by the Medical Center.

(k) The Trustee shall have no responsibility, opinion, liability or duty 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.

SECTION 8.04 Right of Trustee to Rely on Documents. The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, facsimile, bond, statement, requisition 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, it may consult with counsel, who may be counsel of or to the Authority, 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 accordance therewith.

Whenever in the administration of the trusts imposed upon it by this Trust Agreement 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 Authority, and such Certificate shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Trust Agreement 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 deem reasonable.

SECTION 8.05 Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Trust Agreement shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority, the City, the Medical Center and any Owner, and their agents and representatives duly authorized in writing, at reasonable hours and under reasonable conditions.

SECTION 8.06 Compensation and Indemnification. The Authority shall pay to the Trustee (solely from Supplemental Payments provided for in Section 4.02(b) of the Installment Purchase Agreement) from time to time such compensation for all services rendered under this Trust Agreement as shall be agreed to in writing by the Medical Center and the Trustee (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust), and also all reasonable expenses, charges, legal and consulting fees and other disbursements and advances and those of the Trustee's attorneys, agents and employees, incurred in and about the performance of its powers and duties under this Trust Agreement.

When the Trustee incurs expenses or renders services after an Event of Default specified in Section 7.01(e) occurs, the expenses and the compensation for services (including the fees and expenses of its agent and counsel) are intended to constitute expenses of administration under applicable bankruptcy law.

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

ARTICLE IX

MODIFICATION OR AMENDMENT OF THE TRUST AGREEMENT

SECTION 9.01 Amendments Permitted.

(a) This Trust Agreement and the rights and obligations of the Authority and of the Owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time by a Trust Agreement or Trust Agreements supplemental hereto, which the Authority and the Trustee may enter into when the written consent of the Owners of no less than a majority in aggregate principal amount of the Bonds at the time Outstanding shall have been filed with the Trustee; provided that if such modification, or amendment will, by its terms, not take effect so long as any Bonds of any particular Series or maturity remain Outstanding, the consent of the Owners 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 9.01. No such modification or amendment shall (1) 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 Trust Agreement 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 (2) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under this Trust Agreement prior to or on a parity with the lien created by this Trust Agreement, or deprive the Owners of the Bonds of the lien created by this Trust Agreement on such Revenues and other assets (except as expressly provided in this Trust Agreement and the Installment Purchase Agreement), without the consent of the Owners of the Bonds at the time Outstanding. It shall not be necessary for the consent of the Owners to approve the particular form of any Supplemental Trust Agreement, but it shall be sufficient if such consent shall approve the substance thereof. Promptly after the execution by the Authority and the Trustee of any Supplemental Trust Agreement pursuant to this subsection (a), the Trustee shall mail a notice, setting forth in general terms the substance of such Supplemental Trust Agreement, to the Owners at the addresses shown on the bond registration books maintained by 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 Trust Agreement. Notwithstanding anything to the contrary set forth herein, (i) so long as the Series 2015A Bonds are Outstanding, except for modifications and amendments permitted under Section 9.01(b) of this Trust Agreement, this Trust Agreement shall not be modified or amended by a Trust Agreement or Trust Agreements supplemental hereto without the prior written consent of the Owners of a majority of the Series 2015A Bonds Outstanding and (ii) so long as the Series 2015B Bonds are Outstanding, except for modifications and amendments permitted under Section 9.01(b) of this Trust Agreement, this Trust Agreement shall not be modified or amended by a Trust Agreement or Trust Agreements supplemental hereto without the prior written consent of the Owners of a majority of the Series 2015B Bonds Outstanding.

(b) This Trust Agreement and the rights and obligations of the Authority, of the Trustee and of the Owners of the Bonds may also be modified or amended from time to time and at any time by a Trust Agreement or Trust Agreements supplemental hereto, which the Authority and the Trustee may enter into without the consent of any Owners, but only with the consent of the City, the Medical Center, including, without limitation, for any one or more of the following purposes:

(i) to add to the covenants and agreements of the Authority in this Trust Agreement contained other covenants and agreements thereafter 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 Authority;

(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 Trust Agreement, or in regard to matters or questions arising under this Trust Agreement, as the Authority may deem necessary or desirable and not inconsistent with this Trust Agreement;

(iii) to make such additions, deletions or modifications as may be necessary to assure compliance with section 145 or 148 of the Code, or otherwise to assure the exclusion from gross income under federal tax law of interest on the Bonds;

(iv) to modify, amend or supplement this Trust Agreement 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;

(v) to modify, amend or supplement the provisions relating to the giving of notices of redemption in such manner as to, comply with Securities and Exchange Commission guidelines on the giving of such notices; or

(vi) to provide for the issuance of any Additional Bonds and to provide for the terms of such Additional Bonds, subject to the conditions and upon compliance with Article III and the procedures set forth therein (which amendments shall be deemed not to adversely affect Owners).

The Trustee shall give notice of any such modification or amendment to the Owners of all Bonds then Outstanding at the addresses shown on the registration books maintained by the Trustee provided the Trustee shall incur no liability for failure to do so.

(c) The Trustee may in its discretion, but shall not be obligated to, enter into any such Supplemental Trust Agreement authorized by subsections (a) or (b) of this Section 9.01 which adversely affects the Trustee's own rights, duties or immunities under this Trust Agreement or otherwise.

(d) Prior to entering into any Supplemental Trust Agreement, the Trustee may require the Authority to file with it an Opinion of Bond Counsel to the effect that the execution and delivery of such Supplemental Trust Agreement by the Trustee and the Authority (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 9.02 Effect of Supplemental Trust Agreement. Upon the execution of any Supplemental Trust Agreement pursuant to this Article, this Trust Agreement shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Trust Agreement of the Authority, the Trustee and all Owners of Bonds Outstanding and the other parties granted rights hereunder 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 Trust Agreement shall be deemed to be part of the terms and conditions of this Trust Agreement for any and all purposes.

SECTION 9.03 Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after the execution of any Supplemental Trust Agreement pursuant to this Article may bear a notation by endorsement or otherwise in form approved by the Authority and the Trustee as to any modification or amendment provided for in such Supplemental Trust Agreement, 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 Trust Agreement shall so provide, new Bonds so modified as to conform, in the opinion of the Authority and the Trustee, to any modification or amendment contained in such Supplemental Trust Agreement, shall be prepared and executed by the Authority and authenticated by the Trustee, and upon demand of the Owners of any Bonds then Outstanding shall be exchanged at the Principal Corporate Trust Office, without cost to any Owner, for Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amounts of the same maturity.

SECTION 9.04 **Amendment of Particular Bonds**. The provisions of this Article shall not prevent any Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

ARTICLE X

DEFEASANCE

SECTION 10.01 **Discharge of Trust Agreement**. Bonds may be paid by the Authority in any of the following ways; provided that the Authority also pays or causes to be paid any other sums payable hereunder by the Authority and related to the Bonds:

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

(b) by depositing with the Trustee, in trust, at or before maturity, moneys or securities in the necessary amount (as provided in Section 10.03) to pay or redeem all Bonds then Outstanding; or.

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

If the Authority shall pay all Bonds then Outstanding and shall also pay or cause to be paid all other sums payable hereunder by the Authority, then and in that case, at the election of the Authority (evidenced by a Certificate of the Authority, filed with the Trustee, signifying the intention of the Authority to discharge all such indebtedness and this Trust Agreement), and notwithstanding that any Bonds shall not have been surrendered for payment, this Trust Agreement and the pledge of Revenues and other assets made under this Trust Agreement and all covenants, agreements and other obligations of the Authority under this Trust Agreement shall cease, terminate, become void and be completely discharged and satisfied, except only as provided in Section 10.02 and 8.06. In such event, upon Request of the Authority, the Trustee shall cause an accounting for such period or periods as may be requested by the Authority to be prepared and filed with the Authority and shall execute and deliver to the Authority' 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 Medical Center all moneys or securities or other property held by it pursuant to this Trust Agreement (other than amounts held in the Rebate Fund) which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption or for the payment of any fees or expenses owing to the Trustee or the Authority.

SECTION 10.02 **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 10.03) to pay or redeem any Outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), provided that, if such Bond is to be redeemed prior to maturity, notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, then all liability of the Authority in respect of such Bond shall cease, terminate and be completely discharged, except only that thereafter the Owner thereof shall be entitled to payment of the principal of and interest on such Bond by the Authority and the Authority shall remain liable for such payment, but only out of such money or securities deposited with the Trustee as aforesaid for their payment, provided further, however, that the provisions of Section 10.04 shall apply in all events.

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

SECTION 10.03 Deposit of Money or Securities with Trustee. Whenever in this Trust Agreement 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 to be deposited or held may include money or securities held by the Trustee in the funds and accounts established pursuant to this Trust Agreement (exclusive of the Rebate Fund) 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 provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount or Redemption Price of such Bonds and all unpaid interest thereon to the redemption date; or

(b) Defeasance Securities, the principal of and interest on which when due will provide money sufficient, as verified by an Independent Certified Public Accountant in a written report acceptable in form and substance to the Authority, to pay the principal or Redemption Price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such principal or Redemption Price and interest become due, provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article IV 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 Trust Agreement or by Request of the Authority) to apply such money to the payment of such principal or Redemption Price and interest with respect to such Bonds.

SECTION 10.04 Payment of Bonds After Discharge of Trust Agreement. Notwithstanding any provisions of this Trust Agreement, any moneys held by the Trustee in trust for the payment of the principal or Redemption Price of, or interest on, any Bonds and remaining unclaimed for two years 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 Trust Agreement), if such moneys were so held at such date, or two years 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 Authority free from the trusts created by this Trust Agreement, 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 Authority as aforesaid, the Trustee, as the case may be, may (upon the request of and at the cost of the Authority, which request must be received within 30 days after any maturity, call for redemption or acceleration, as provided in this Trust

Agreement) first mail to the Owners of all Bonds which have not been paid 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 Authority of the moneys held for the payment thereof. All moneys held by or on behalf of the Trustee for the payment of principal of, Redemption Price or interest on Bonds, whether at redemption, acceleration or maturity, shall be held in trust for the account of the Owners thereof and the Trustee shall not be required to pay Owners, the Authority or the Medical Center any interest on, or be liable to owners or any other person for any interest earned on, moneys so held.

ARTICLE XI

MISCELLANEOUS

SECTION 11.01 **Liability of Authority Limited to Revenues.** Notwithstanding anything in this Trust Agreement or in the Bonds contained, the Authority shall not be required to advance any moneys derived from any source other than the Revenues and other assets pledged under this Trust Agreement for any of the purposes in this Trust Agreement mentioned, whether for the payment of the principal or Redemption Price of or interest on the Bonds or for any other purpose of this Trust Agreement. Nevertheless, the Authority may, but shall not be required to, advance for any of the purposes hereof any funds of the Authority which may be made available to it for such purposes.

SECTION 11.02 **Successor Is Deemed Included in All References to Predecessor**. Whenever in this Trust Agreement either the Authority 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 Trust Agreement contained by or on behalf of the Authority or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

SECTION 11.03 **Limitation of Rights to Parties, the City, the Medical Center and the Owners**. Nothing in this Trust Agreement or in the Bonds expressed or implied is intended or shall be construed to give to any person other than the Authority, the Trustee, the City, the Medical Center and the Owners of the Bonds, any legal or equitable right, remedy or claim under or in respect of this Trust Agreement 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 Authority, the Trustee, the City, the Medical Center and the Owners of the Bonds.

SECTION 11.04 **Waiver of Notice**. Whenever in this Trust Agreement 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 11.05 **Destruction of Bonds**. Whenever in this Trust Agreement provision is made for the cancellation by the Trustee and the delivery to the Authority of any Bonds, the Trustee shall in lieu of such cancellation and delivery, destroy such Bonds, and deliver a certificate of such destruction to the Authority if requested.

SECTION 11.06 **Severability of Invalid Provisions**. If any one or more of the provisions contained in this Trust Agreement or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Trust Agreement and such invalidity, illegality or unenforceability shall not affect any other provision of this Trust Agreement, and this Trust Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority hereby declares that it would have entered into this Trust Agreement 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 Trust Agreement may be held illegal, invalid or unenforceable.

SECTION 11.07 **Notices**. Any notice to or demand upon the Trustee may be served or presented, and such demand may be made, at the Principal Corporate Trust Office, or at such other address as may have been filed in writing by the Trustee with the Authority. Any notice to or demand upon the Authority, the City, the Medical Center shall be deemed to have been sufficiently given or served for all purposes by Electronic Notice or by being deposited, postage prepaid, in a post office letter box, addressed, as the case may be as follows:

If to the Authority:	El Centro Financing Authority 1275 Main Street El Centro, California 92243 Attention: Executive Director (760) 337-4540 Email: rduran@ci.el-centro.ca.us
If to the City:	City of El Centro 1275 Main Street El Centro, California 92243 Attention: City Manager (760) 337-4540 Email: rduran@ci.el-centro.ca.us
If to the Trustee:	MUFG Union Bank 120 South San Pedro Street, Suite 400 Los Angeles, California 90012 Attention: Timothy P. Miller Facsimile: 213-972-5694 Email: timothy.miller@unionbank.com with a copy to AccountAdministration-CorporateTrust@unionbank.com
If to the Medical Center:	El Centro Regional Medical Center 1415 Ross Avenue El Centro, California 92243 Attention: Chief Financial Officer (760) 370-3774 Email: Alex.Wells@ecrmc.org

The Trustee shall provide each Owner with copies of notices of Purchase Agreement Defaults, Events of Default and such other notices as are to be supplied to the Authority, the City or the Medical Center under this Trust Agreement and the Installment Purchase Agreement.

SECTION 11.08 **Evidence of Rights of Owners**. Any request, consent or other instrument required or permitted by this Trust Agreement to be signed and executed by Owners may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Owners 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 Trust Agreement and shall be conclusive in favor of the Trustee and of the Authority if made in the manner provided in this Section 11.08.

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 registered 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 Authority in accordance therewith or reliance thereon.

SECTION 11.09 Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Trust Agreement, Bonds which are owned or held on the registration books of the Trustee by or for the account of the Authority, the City or the Medical Center, 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 Authority, the City or the Medical Center 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 11.09 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 Authority, the City or the Medical Center 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 Authority and the Medical Center, acting on behalf of itself and the City, shall specify to the Trustee those Bonds disqualified pursuant to this Section 11.09.

SECTION 11.10 Money Held for Particular Bonds. The money held by the Trustee for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds (or portions of Bonds in the case of registered Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held uninvested in trust by it for the Owners of the Bonds entitled thereto, subject, however, to the provisions of Section 10.04.

SECTION 11.11 Funds and Accounts. Any fund required by this Trust Agreement 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 requirements of Section 6.07 and for the protection of the security of the Bonds and the rights of every owner thereof. Notwithstanding any other provision of this Trust Agreement, the Trustee shall only be required to open any fund or account when it receives, or is notified that it will receive, moneys to be deposited and maintained in such fund or account.

SECTION 11.12 Waiver of Personal Liability. No member, officer, agent or employee of the Authority shall be individually or personally liable for the payment of the principal or Redemption Price of 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 member, officer, agent or employee from the performance of any official duty provided by law or by this Trust Agreement.

SECTION 11.13 Payments Due on Days Other Than Business Days. If a payment day or the day for performing any act is not a Business Day, then payment may be made or such act performed on the next Business Day and no interest shall accrue for the intervening period.

SECTION 11.14 Execution in Several Counterparts. This Trust Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

SECTION 11.15 Governing Law. This Trust Agreement and the Bonds are contracts made under the laws of the State, and shall be governed by and construed in accordance with the Constitution and the laws applicable to contracts made and performed in said State.

SECTION 11.16 Waiver of Jury Trial. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this Trust Agreement.

(a) In the event the Jury Trial Waiver set forth above is not enforceable, the parties elect to proceed under this Judicial Reference Provision.

(b) With the exception of the items specified in clause (c), below, any controversy, dispute or claim (each, a "Claim") between the parties arising out of or relating to this Trust Agreement or any other document, instrument or agreement between the undersigned parties (collectively in this Section, the "Documents"), will be resolved by a reference proceeding in California in accordance with the provisions of Sections 638 et seq. of the California Code of Civil Procedure ("CCP"), or their successor sections, which shall constitute the exclusive remedy for the resolution of any Claim, including whether the Claim is subject to the reference proceeding. Except as otherwise provided in the Documents, venue for the reference proceeding will be in the state or federal court in the county or district where the real property involved in the action, if any, is located or in the state or federal court in the county or district where venue is otherwise appropriate under applicable law (the "Court").

(c) The matters that shall not be subject to a reference are the following: (i) foreclosure of any security interests in real or personal property, (ii) exercise of self-help remedies (including, without limitation, set-off), (iii) appointment of a receiver and (iv) temporary, provisional or ancillary remedies (including, without limitation, writs of attachment, writs of possession, temporary restraining orders or preliminary injunctions). This reference provision does not limit the right of any party to exercise or oppose any of the rights and remedies described in clauses (i) and (ii) or to seek or oppose from a court of competent jurisdiction any of the items described in clauses (iii) and (iv). The exercise of, or opposition to, any of those items does not waive the right of any party to a reference pursuant to this reference provision as provided herein.

(d) The referee shall be a retired judge or justice selected by mutual written agreement of the parties. If the parties do not agree within ten (10) days of a written request to do so by any party, then, upon request of any party, the referee shall be selected by the Presiding Judge of the Court (or his or her representative). A request for appointment of a referee may be heard on an ex parte or expedited basis, and the parties agree that irreparable harm would result if ex parte relief is not granted. Pursuant to CCP § 170.6, each party shall have one peremptory challenge to the referee selected by the Presiding Judge of the Court (or his or her representative).

(e) The parties agree that time is of the essence in conducting the reference proceedings. Accordingly, the referee shall be requested, subject to change in the time periods specified herein for good cause shown, to (i) set the matter for a status and trial-setting conference within fifteen (15) days after the date of selection of the referee, (ii) if practicable, try all issues of law or fact within one hundred twenty (120) days after the date of the conference and (iii) report a statement of decision within twenty (20) days after the matter has been submitted for decision.

(f) The referee will have power to expand or limit the amount and duration of discovery. The referee may set or extend discovery deadlines or cutoffs for good cause, including a party's failure to provide requested discovery for any reason whatsoever. Unless otherwise ordered based upon good cause shown, no party shall be entitled to "priority" in conducting discovery, depositions may be taken by either party upon seven (7) days written notice, and all other discovery shall be responded to within fifteen (15) days after service. All disputes relating to discovery which cannot be resolved by the parties shall be submitted to the referee whose decision shall be final and binding.

(g) Except as expressly set forth herein, the referee shall determine the manner in which the reference proceeding is conducted including the time and place of hearings, the order of presentation of evidence, and all other questions that arise with respect to the course of the reference proceeding. All proceedings and hearings conducted before the referee, except for trial, shall be conducted without a court reporter, except that when any party so requests, a court reporter will be used at any hearing conducted before the referee, and the referee will be provided a courtesy copy of the transcript. The party making such a request shall have the obligation to arrange for and pay the court reporter. Subject to the referee's power to award costs to the prevailing party, the parties will equally share the cost of the referee and the court reporter at trial.

(h) The referee shall be required to determine all issues in accordance with existing case law and the statutory laws of the State of California. The rules of evidence applicable to proceedings at law in the State of California will be applicable to the reference proceeding. The referee shall be empowered to enter equitable as well as legal relief, enter equitable orders that will be binding on the parties and rule on any motion which would be authorized in a court proceeding, including without limitation motions for summary judgment or summary adjudication. The referee shall issue a decision at the close of the reference proceeding which disposes of all claims of the parties that are the subject of the reference. Pursuant to CCP § 644, such decision shall be entered by the Court as a judgment or an order in the same manner as if the action had been tried by the Court and any such decision will be final, binding and conclusive. The parties reserve the right to appeal from the final judgment or order or from any appealable decision or order entered by the referee. The parties reserve the right to findings of fact, conclusions of laws, a written statement of decision, and the right to move for a new trial or a different judgment, which new trial, if granted, is also to be a reference proceeding under this provision.

(i) If the enabling legislation which provides for appointment of a referee is repealed (and no successor statute is enacted), any dispute between the parties that would otherwise be determined by reference procedure will be resolved and determined by arbitration. The arbitration will be conducted by a retired judge or justice, in accordance with the California Arbitration Act §1280 through §1294.2 of the CCP as amended from time to time. The limitations with respect to discovery set forth above shall apply to any such arbitration proceeding.

(j) THE PARTIES RECOGNIZE AND AGREE THAT ALL CONTROVERSIES, DISPUTES AND CLAIMS RESOLVED UNDER THIS REFERENCE PROVISION WILL BE DECIDED BY A REFEREE AND NOT BY A JURY. AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF ITS, HIS OR HER OWN CHOICE, EACH PARTY KNOWINGLY AND VOLUNTARILY, AND FOR THE MUTUAL BENEFIT OF ALL PARTIES, AGREES THAT THIS REFERENCE PROVISION WILL APPLY TO ANY CONTROVERSY, DISPUTE OR CLAIM BETWEEN OR AMONG THEM ARISING OUT OF OR IN ANY WAY RELATED TO, THIS TRUST AGREEMENT, THE OBLIGATIONS UNDER THIS TRUST AGREEMENT OR THE INSTALLMENT PURCHASE AGREEMENT, OR THE OTHER DOCUMENTS.

SECTION 11.17 Trust Agreement Represents Complete Agreement. This Trust Agreement represents the entire contract between the parties.

IN WITNESS WHEREOF, the **El Centro Financing Authority** has caused this Trust Agreement to be signed in its name by its Chair, and in token of its acceptance of the trusts created hereunder, **MUFG Union Bank, N.A.**, has caused this Trust Agreement to be signed by one of its duly authorized as of the day and year first above written.

EL CENTRO FINANCING AUTHORITY

By: ____
Chair

MUFG UNION BANK, N.A.,
as Trustee

By: ____
Authorized Officer

EXHIBIT A

FORM OF SERIES 2015A BOND

BY POSSESSION OF THIS BOND, THE OWNER OR, IN THE CASE OF A BOOK-ENTRY BOND, THE BENEFICIAL OWNER CERTIFIES THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" OR AN "ACCREDITED INVESTOR" AS DEFINED IN AND TO THE EXTENT REQUIRED BY THE TRUST AGREEMENT. THIS BOND OR, IF THIS BOND IS A BOOK-ENTRY BOND, THE BENEFICIAL INTEREST IN THIS BOND MAY ONLY BE TRANSFERRED IN THE MANNER AND SUBJECT TO THE CONDITIONS SET FORTH IN THE TRUST AGREEMENT

EL CENTRO FINANCING AUTHORITY
HOSPITAL REVENUE REFUNDING BOND
(EL CENTRO REGIONAL MEDICAL CENTER PROJECT)
SERIES 2015A

No. AR-___ $___________

Interest Rate	Maturity Date	Dated Date
_____%	March 1, _____	

Registered Owner: KEY GOVERNMENT FINANCE, INC.

Principal Amount: _________________________________ DOLLARS

The **EL CENTRO FINANCING AUTHORITY**, a joint exercise of powers authority, duly organized and validly existing under and pursuant to the laws of the State of California (the "Authority"), for value received, hereby promises to pay, but only out of the Revenues (as such term is defined in the Trust Agreement hereinafter mentioned) and the other assets pledged therefor under the Trust Agreement, to the registered owner identified above or registered assigns, on the maturity date specified above (subject to any right of prior redemption hereinafter mentioned) the principal amount specified above, in lawful money of the United States of America, and to pay interest thereon (but only out of the Revenues and other assets pledged therefor) in like lawful money from the dated date hereof until payment of such principal amount shall be discharged as provided in the Trust Agreement, at the interest rate stated above, payable on _________ 1, 20__ and semiannually thereafter on March 1 and September 1 of each year (each, an "Interest Payment Date"). The principal or Redemption Price (as such term is defined in the Trust Agreement) is payable at the Principal Corporate Trust Office (as such term is defined in the Trust Agreement) of MUFG Union Bank, N.A. (together with any successor trustee under the Trust Agreement, herein called the "Trustee"). Interest is payable by check mailed by first class mail on each Interest Payment Date to the registered owner hereof as of the fifteenth (15th) day of the month preceding each Interest Payment Date (each a "Record Date") (except with respect to defaulted interest, for which a Special Record Date shall be established) at the address shown on the registration book maintained by the Trustee or, at the written request of any registered owner of at least one million dollars ($1,000,000) in aggregate principal amount of Series 2015 Bonds received by the Trustee prior to the applicable Record Date, by wire transfer to an account within the United States in accordance with the provisions of the Trust Agreement.

This Bond is one of a duly authorized issue of bonds of the Authority designated as the "El Centro Financing Authority Hospital Revenue Bonds (El Centro Regional Medical Center Project)" (the

"Bonds"), unlimited in aggregate principal amount, except as otherwise provided in the hereinafter mentioned Trust Agreement, which-issue consists or may consist of one or more series of varying denominations, dates, maturities, interest rates, redemption and other provisions, all issued or to be issued pursuant to the provisions of the Joint Exercise of Powers Act (being Chapter 5 of Division 7 of Tide 1 of the Government Code of the State of California, as amended) and all laws amendatory thereof or supplemental thereto (the "Act") and pursuant to the provisions of a Trust Agreement, dated as of February 1, 2015 (the "Trust Agreement"), between the Authority and the Trustee. This Bond is also one of a duly authorized series of Bonds additionally designated as the "El Centro Financing Authority Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project), Series 2015A" (the "Series 2015A Bonds") in the aggregate principal amount of $__________. All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Trust Agreement.

The Series 2015A Bonds are issued for the benefit of the El Centro Regional Medical Center (the "Medical Center"), a municipal hospital and agency of the City of El Centro (the "City"), to assist in the financing and/or refinancing certain improvements to the Medical Center (the "Series 2015 Medical Center Projects"). In connection with the issuance of the Series 2015A Bonds, the Authority, the City and the Medical Center have entered into an Installment Purchase Agreement, dated as of February 1, 2015 (the "Installment Purchase Agreement"), pursuant to which the City and the Medical Center will purchase the Series 2015 Medical Center Projects from the Authority.

Reference is hereby made to the Trust Agreement (a copy of which is on file at the Principal Corporate Trust Office of the Trustee) and all trust agreements supplemental thereto and to the Act for a description of the rights thereunder of the registered owners of the Bonds, of the nature and extent of the security, of the rights, duties and immunities of the Trustee and the rights and obligations of the Authority hereunder and thereunder. The registered owner of this Series 2015 Bond, by acceptance hereof, assents and agrees to all provisions of the Trust Agreement.

The principal of the Bonds and the interest thereon are payable solely from the Revenues and are secured by a pledge and assignment of said Revenues and of amounts held in the funds and accounts established pursuant to the Trust Agreement (other than the Rebate Fund), subject only to the provisions of the Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth in the Trust Agreement. The Bonds are further secured by an assignment of the right, title and interest of the Authority in the Installment Purchase Agreement (to the extent and as more particularly described in the Trust Agreement). Additional Bonds payable from the Revenues and secured by a pledge and assignment of said Revenues and of amounts held in the funds and account established pursuant to the Trust Agreement (other than the Rebate Fund) may be issued which will rank equally as to security with the Series 2015A Bonds, but only subject to the conditions and upon compliance with the procedures set forth in the Trust Agreement.

The Bonds are limited obligations of the Authority and are not a lien or charge upon the funds or property of the Authority, except to the extent of the aforementioned pledge and assignment. Neither the State of California nor the Authority shall be obligated to pay the principal of the Bonds, or redemption premium, if any, or the interest thereon, except from Revenues received by the Authority under the Installment Purchase Agreement and funds available pursuant to the Trust Agreement, and neither the faith and credit nor the taxing power of the State of California or of any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds. The Bonds are not a debt of the State of California and the State is not liable for the payment thereof.

No payments of Installment Purchase Payments, Supplemental Payments or principal, interest, insurance premium, inspection fees or any other costs incurred in connection with the issuance of Bonds shall be made from the City's power to tax.

The Series 2015A Bonds are subject to mandatory purchase and redemption prior to their respective stated maturities as provided in the Trust Agreement.

If this Series 2015A Bond is called for redemption and payment therefor is duly provided as specified in the Trust Agreement, interest shall cease to accrue hereon from and after the date fixed for redemption.

If an Event of Default shall occur, the principal of all Series 2015 Bonds (and any Additional Bonds authorized by the Trust Agreement) may be declared due and payable upon the conditions, in the manner and with the effect provided in the Trust Agreement. The Trust Agreement provides that in certain events such declaration and its consequences may be rescinded by the holders of not less than a majority in aggregate principal amount of Bonds then Outstanding or by the Trustee.

The Series 2015A Bonds are issuable as fully registered Bonds in Authorized Denominations. Subject to the limitations and upon payment of the charges, if any, provided in the Trust Agreement, Bonds may be exchanged at the Principal Corporate Trust Office of the Trustee, for a like aggregate principal amount of Bonds of the same Series and maturity of other Authorized Denominations.

This Series 2015A Bond is transferable by the registered owner hereof, in person, or by his 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 Trust Agreement, and upon surrender and cancellation of this Series 2015A Bond. Upon such transfer a new Series 2015A Bond of Authorized Denominations, of the same aggregate principal amount, will be issued to the transferee in exchange herefor.

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

The Trust Agreement and the rights and the obligations of the Authority, the Trustee and the holders of the Bonds 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 Trust Agreement (which provides, in certain circumstances, for modifications and amendments without the consent of the holder hereof); provided, that 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 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 holder of each Bond so affected, or (ii) reduce the aforesaid percentage of Bonds the consent of the holders of which is required to effect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under the Trust Agreement prior to or on a parity with the lien created by the Trust Agreement, or deprive the holders of the Bonds of the lien created by the Trust Agreement on such Revenues and other assets (except as expressly provided in the Trust Agreement and the Installment Purchase Agreement), without the consent of the holders of the Bonds at the time Outstanding, all as more fully set forth in the Trust Agreement.

It is hereby certified that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of this Series 2015A Bond do exist, have happened and have been performed in due time, form and manner as required by the Act and the Constitution and laws of the State of California, and that the amount of this Series 2015A Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Act, or by the

Constitution and laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Trust Agreement.

This Series 2015A Bond shall not be entitled to any benefit, protection or security under the Trust Agreement or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the **El Centro Financing Authority** has caused this Series 2015A Bond to be executed in its name and on its behalf by the manual or facsimile signature of the Chair of the Authority and countersigned by the manual or facsimile signature of the Secretary of the Authority.

EL CENTRO FINANCING AUTHORITY

By: ____
Chair

Countersigned:

By ____
Secretary

[FORM OF CERTIFICATE OF AUTHENTICATION]

This is one of the Bonds described in the within mentioned Trust Agreement which has been authenticated on ___________________.

MUFG Union Bank, N.A.,
as Trustee

By: ____
Authorized Officer

[FORM OF ASSIGNMENT]

For value received the undersigned hereby sells, assigns and transfers unto ________________________________ the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints ________________________________ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ____________________

____

Note: The-signature to this Assignment must correspond with the name as written on the face of the Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed:

____

Notice: Signature must be guaranteed by an eligible guarantor.

Social Security Number,
Taxpayer Identification
Number or Other Identifying
Number of Assignee:

____

EXHIBIT B-1

FORM OF SERIES 2015B BOND (LIBOR-BASED RATE)

BY POSSESSION OF THIS BOND, THE OWNER OR, IN THE CASE OF A BOOK-ENTRY BOND, THE BENEFICIAL OWNER CERTIFIES THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" OR AN "ACCREDITED INVESTOR" AS DEFINED IN AND TO THE EXTENT REQUIRED BY THE TRUST AGREEMENT. THIS BOND OR, IF THIS BOND IS A BOOK-ENTRY BOND, THE BENEFICIAL INTEREST IN THIS BOND MAY ONLY BE TRANSFERRED IN THE MANNER AND SUBJECT TO THE CONDITIONS SET FORTH IN THE TRUST AGREEMENT

EL CENTRO FINANCING AUTHORITY
HOSPITAL REVENUE REFUNDING BOND
(EL CENTRO REGIONAL MEDICAL CENTER PROJECT)
SERIES 2015B

No. BR-___ $___________

Interest Rate	Maturity Date	Dated Date
LIBOR-based Rate	March 1, _____	

Registered Owner: COMERICA BANK.

Principal Amount: _________________________________ DOLLARS

The **EL CENTRO FINANCING AUTHORITY**, a joint exercise of powers authority, duly organized and validly existing under and pursuant to the laws of the State of California (the "Authority"), for value received, hereby promises to pay, but only out of the Revenues (as such term is defined in the Trust Agreement hereinafter mentioned) and the other assets pledged therefor under the Trust Agreement, to the registered owner identified above or registered assigns, on the maturity date specified above (subject to any right of prior redemption hereinafter mentioned) the principal amount specified above, in lawful money of the United States of America, and to pay interest thereon (but only out of the Revenues and other assets pledged therefor) in like lawful money from the dated date hereof until payment of such principal amount shall be discharged as provided in the Trust Agreement, at the interest rate stated above, payable on the first Business Day of each month (each, an "Interest Payment Date"). The principal or Redemption Price (as such term is defined in the Trust Agreement) is payable at the Principal Corporate Trust Office (as such term is defined in the Trust Agreement) of MUFG Union Bank, N.A. (together with any successor trustee under the Trust Agreement, herein called the "Trustee"). Interest is payable by check mailed by first class mail on each Interest Payment Date to the registered owner hereof as of the Business Day immediately preceding the first Business Day of the month, unless the Series 2015B Bonds bear interest at a Fixed Rate in which case Record Date means the fifteenth (15th) day of the calendar month immediately preceding such Interest Payment Date, whether or not such day is a Business Day (each a "Record Date") (except with respect to defaulted interest, for which a Special Record Date shall be established) at the address shown on the registration book maintained by the Trustee or, at the written request of any registered owner of at least one million dollars ($1,000,000) in aggregate principal amount of Series 2015 Bonds received by the Trustee prior to the applicable Record Date, by wire transfer to an account within the United States in accordance with the provisions of the Trust Agreement.

This Bond is one of a duly authorized issue of bonds of the Authority designated as the "El Centro Financing Authority Hospital Revenue Bonds (El Centro Regional Medical Center Project)" (the "Bonds"), unlimited in aggregate principal amount, except as otherwise provided in the hereinafter mentioned Trust Agreement, which-issue consists or may consist of one or more series of varying denominations, dates, maturities, interest rates, redemption and other provisions, all issued or to be issued pursuant to the provisions of the Joint Exercise of Powers Act (being Chapter 5 of Division 7 of Tide 1 of the Government Code of the State of California, as amended) and all laws amendatory thereof or supplemental thereto (the "Act") and pursuant to the provisions of a Trust Agreement, dated as of February 1, 2015 (the "Trust Agreement"), between the Authority and the Trustee. This Bond is also one of a duly authorized series of Bonds additionally designated as the "El Centro Financing Authority Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project), Series 2015B" (the "Series 2015B Bonds") in the aggregate principal amount of $__________. All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Trust Agreement.

The Series 2015B Bonds are issued for the benefit of the El Centro Regional Medical Center (the "Medical Center"), a municipal hospital and agency of the City of El Centro (the "City"), to assist in the financing and/or refinancing certain improvements to the Medical Center (the "Series 2015 Medical Center Projects"). In connection with the issuance of the Series 2015B Bonds, the Authority, the City and the Medical Center have entered into an Installment Purchase Agreement, dated as of February 1, 2015 (the "Installment Purchase Agreement"), pursuant to which the City and the Medical Center will purchase the Series 2015 Medical Center Projects from the Authority.

Reference is hereby made to the Trust Agreement (a copy of which is on file at the Principal Corporate Trust Office of the Trustee) and all trust agreements supplemental thereto and to the Act for a description of the rights thereunder of the registered owners of. the Bonds, of the nature and extent of the security, of the rights, duties and immunities of the Trustee and the rights and obligations of the Authority hereunder and thereunder. The registered owner of this Series 2015B Bond, by acceptance hereof, assents and agrees to all provisions of the Trust Agreement.

The principal of the Bonds and the interest thereon are payable solely from the Revenues and are secured by a pledge and assignment of said Revenues and of amounts held in the funds and accounts established pursuant to the Trust Agreement (other than the Rebate Fund), subject only to the provisions of the Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth in the Trust Agreement. The Bonds are further secured by an assignment of the right, title and interest of the Authority in the Installment Purchase Agreement (to the extent and as more particularly described in the Trust Agreement). Additional Bonds payable from the Revenues and secured by a pledge and assignment of said Revenues and of amounts held in the funds and account established pursuant to the Trust Agreement (other than the Rebate Fund) may be issued which will rank equally as to security with the Series 2015 Bonds, but only subject to the conditions and upon compliance with the procedures set forth in the Trust Agreement.

The Bonds are limited obligations of the Authority and are not a lien or charge upon the funds or property of the Authority, except to the extent of the aforementioned pledge and assignment. Neither the State of California nor the Authority shall be obligated to pay the principal of the Bonds, or redemption premium, if any, or the interest thereon, except from Revenues received by the Authority under the Installment Purchase Agreement and funds available pursuant to the Trust Agreement, and neither the faith and credit nor the taxing power of the State of California or of any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds. The Bonds are not a debt of the State of California and the State is not liable for the payment thereof.

No payments of Installment Purchase Payments, Supplemental Payments or principal, interest, insurance premium, inspection fees or any other costs incurred in connection with the issuance of Bonds shall be made from the City's power to tax.

The Series 2015B Bonds are subject to mandatory purchase and redemption prior to their respective stated maturities as provided in the Trust Agreement.

If this Series 2015B Bond is called for redemption and payment therefor is duly provided as specified in the Trust Agreement, interest shall cease to accrue hereon from and after the date fixed for redemption.

If an Event of Default shall occur, the principal of all Series 2015 Bonds (and any Additional Bonds authorized by the Trust Agreement) may be declared due and payable upon the conditions, in the manner and with the effect provided in the Trust Agreement. The Trust Agreement provides that in certain events such declaration and its consequences may be rescinded by the holders of not less than a majority in aggregate principal amount of Bonds then Outstanding or by the Trustee.

The Series 2015B Bonds are issuable as fully registered Bonds in Authorized Denominations. Subject to the limitations and upon payment of the charges, if any, provided in the Trust Agreement, Bonds may be exchanged at the Principal Corporate Trust Office of the Trustee, for a like aggregate principal amount of Bonds of the same Series and maturity of other Authorized Denominations.

This Series 2015B Bond is transferable by the registered owner hereof, in person, or by his 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 Trust Agreement, and upon surrender and cancellation of this Series 2015B Bond. Upon such transfer a new Series 2015B Bond of Authorized Denominations, of the same aggregate principal amount, will be issued to the transferee in exchange herefor.

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

The Trust Agreement and the rights and the obligations of the Authority, the Trustee and the holders of the Bonds 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 Trust Agreement (which provides, in certain circumstances, for modifications and amendments without the consent of the holder hereof); provided, that 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 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 holder of each Bond so affected, or (ii) reduce the aforesaid percentage of Bonds the consent of the holders of which is required to effect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under the Trust Agreement prior to or on a parity with the lien created by the Trust Agreement, or deprive the holders of the Bonds of the lien created by the Trust Agreement on such Revenues and other assets (except as expressly provided in the Trust Agreement and the Installment Purchase Agreement), without the consent of the holders of the Bonds at the time Outstanding, all as more fully set forth in the Trust Agreement.

It is hereby certified that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of this Series 2015B Bond do exist, have happened and have been performed in due time, form and manner as required by the Act and the Constitution and laws of the State of California, and that the amount of this Series 2015B Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Act, or by the Constitution and laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Trust Agreement.

This Series 2015B Bond shall not be entitled to any benefit, protection or security under the Trust Agreement or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the **El Centro Financing Authority** has caused this Series 2015B Bond to be executed in its name and on its behalf by the manual or facsimile signature of the Chair of the Authority and countersigned by the manual or facsimile signature of the Secretary of the Authority.

EL CENTRO FINANCING AUTHORITY

By: ______________________________________
Chair

Countersigned:

By ______________________________________
Secretary

[FORM OF CERTIFICATE OF AUTHENTICATION]

This is one of the Bonds described in the within mentioned Trust Agreement which has been authenticated on ___________________.

MUFG Union Bank, N.A.,
as Trustee

By: ____
Authorized Officer

[FORM OF ASSIGNMENT]

For value received the undersigned hereby sells, assigns and transfers unto ________________________________ the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints ________________________________ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ____________________

____

Note: The-signature to this Assignment must correspond with the name as written on the face of the Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed:

____

Notice: Signature must be guaranteed by an eligible guarantor.

Social Security Number,
Taxpayer Identification
Number or Other Identifying
Number of Assignee:

____

EXHIBIT B-2

FORM OF SERIES 2015B BOND (FIXED RATE)

BY POSSESSION OF THIS BOND, THE OWNER OR, IN THE CASE OF A BOOK-ENTRY BOND, THE BENEFICIAL OWNER CERTIFIES THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" OR AN "ACCREDITED INVESTOR" AS DEFINED IN AND TO THE EXTENT REQUIRED BY THE TRUST AGREEMENT. THIS BOND OR, IF THIS BOND IS A BOOK-ENTRY BOND, THE BENEFICIAL INTEREST IN THIS BOND MAY ONLY BE TRANSFERRED IN THE MANNER AND SUBJECT TO THE CONDITIONS SET FORTH IN THE TRUST AGREEMENT

EL CENTRO FINANCING AUTHORITY
HOSPITAL REVENUE REFUNDING BOND
(EL CENTRO REGIONAL MEDICAL CENTER PROJECT)
SERIES 2015B

No. BR-___ $___________

Interest Rate	Maturity Date	Dated Date
%	March 1, _____	

Registered Owner: _______________

Principal Amount: _________________________________ DOLLARS

The **EL CENTRO FINANCING AUTHORITY**, a joint exercise of powers authority, duly organized and validly existing under and pursuant to the laws of the State of California (the "Authority"), for value received, hereby promises to pay, but only out of the Revenues (as such term is defined in the Trust Agreement hereinafter mentioned) and the other assets pledged therefor under the Trust Agreement, to the registered owner identified above or registered assigns, on the maturity date specified above (subject to any right of prior redemption hereinafter mentioned) the principal amount specified above, in lawful money of the United States of America, and to pay interest thereon (but only out of the Revenues and other assets pledged therefor) in like lawful money from the dated date hereof until payment of such principal amount shall be discharged as provided in the Trust Agreement, at the interest rate stated above, payable on _________ 1, 20__ and semiannually thereafter on March 1 and September 1 of each year (each, an "Interest Payment Date"). The principal or Redemption Price (as such term is defined in the Trust Agreement) is payable at the Principal Corporate Trust Office (as such term is defined in the Trust Agreement) of MUFG Union Bank, N.A. (together with any successor trustee under the Trust Agreement, herein called the "Trustee"). Interest is payable by check mailed by first class mail on each Interest Payment Date to the registered owner hereof as of the fifteenth (15th) day of the month preceding each Interest Payment Date (each a "Record Date") (except with respect to defaulted interest, for which a special record date shall be established) at the address shown on the registration book maintained by the Trustee or, at the written request of any registered owner of at least one million dollars ($1,000,000) in aggregate principal amount of Series 2015 Bonds received by the Trustee prior to the applicable Record Date, by wire transfer to an account within the United States in accordance with the provisions of the Trust Agreement.

This Bond is one of a duly authorized issue of bonds of the Authority designated as the "El Centro Financing Authority Hospital Revenue Bonds (El Centro Regional Medical Center Project)" (the

"Bonds"), unlimited in aggregate principal amount, except as otherwise provided in the hereinafter mentioned Trust Agreement, which-issue consists or may consist of one or more series of varying denominations, dates, maturities, interest rates, redemption and other provisions, all issued or to be issued pursuant to the provisions of the Joint Exercise of Powers Act (being Chapter 5 of Division 7 of Tide 1 of the Government Code of the State of California, as amended) and all laws amendatory thereof or supplemental thereto (the "Act") and pursuant to the provisions of a Trust Agreement, dated as of February 1, 2015 (the "Trust Agreement"), between the Authority and the Trustee. This Bond is also one of a duly authorized series of Bonds additionally designated as the "El Centro Financing Authority Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project), Series 2015B" (the "Series 2015B Bonds") in the aggregate principal amount of $__________. All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Trust Agreement.

The Series 2015B Bonds are issued for the benefit of the El Centro Regional Medical Center (the "Medical Center"), a municipal hospital and agency of the City of El Centro (the "City"), to assist in the financing and/or refinancing certain improvements to the Medical Center (the "Series 2015 Medical Center Projects"). In connection with the issuance of the Series 2015B Bonds, the Authority, the City and the Medical Center have entered into an Installment Purchase Agreement, dated as of February 1, 2015 (the "Installment Purchase Agreement"), pursuant to which the City and the Medical Center will purchase the Series 2015 Medical Center Projects from the Authority.

Reference is hereby made to the Trust Agreement (a copy of which is on file at the Principal Corporate Trust Office of the Trustee) and all trust agreements supplemental thereto and to the Act for a description of the rights thereunder of the registered owners of. the Bonds, of the nature and extent of the security, of the rights, duties and immunities of the Trustee and the rights and obligations of the Authority hereunder and thereunder. The registered owner of this Series 2015 Bond, by acceptance hereof, assents and agrees to all provisions of the Trust Agreement.

The principal of the Bonds and the interest thereon are payable solely from the Revenues and are secured by a pledge and assignment of said Revenues and of amounts held in the funds and accounts established pursuant to the Trust Agreement (other than the Rebate Fund), subject only to the provisions of the Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth in the Trust Agreement. The Bonds are further secured by an assignment of the right, title and interest of the Authority in the Installment Purchase Agreement (to the extent and as more particularly described in the Trust Agreement). Additional Bonds payable from the Revenues and secured by a pledge and assignment of said Revenues and of amounts held in the funds and account established pursuant to the Trust Agreement (other than the Rebate Fund) may be issued which will rank equally as to security with the Series 2015 Bonds, but only subject to the conditions and upon compliance with the procedures set forth in the Trust Agreement.

The Bonds are limited obligations of the Authority and are not a lien or charge upon the funds or property of the Authority, except to the extent of the aforementioned pledge and assignment. Neither the State of California nor the Authority shall be obligated to pay the principal of the Bonds, or redemption premium, if any, or the interest thereon, except from Revenues received by the Authority under the Installment Purchase Agreement and funds available pursuant to the Trust Agreement, and neither the faith and credit nor the taxing power of the State of California or of any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds. The Bonds are not a debt of the State of California and the State is not liable for the payment thereof.

No payments of Installment Purchase Payments, Supplemental Payments or principal, interest, insurance premium, inspection fees or any other costs incurred in connection with the issuance of Bonds shall be made from the City's power to tax.

The Series 2015B Bonds are subject to mandatory purchase and redemption prior to their respective stated maturities as provided in the Trust Agreement.

If this Series 2015B Bond is called for redemption and payment therefor is duly provided as specified in the Trust Agreement, interest shall cease to accrue hereon from and after the date fixed for redemption.

If an Event of Default shall occur, the principal of all Series 2015 Bonds (and any Additional Bonds authorized by the Trust Agreement) may be declared due and payable upon the conditions, in the manner and with the effect provided in the Trust Agreement. The Trust Agreement provides that in certain events such declaration and its consequences may be rescinded by the holders of not less than a majority in aggregate principal amount of Bonds then Outstanding or by the Trustee.

The Series 2015B Bonds are issuable as fully registered Bonds in Authorized Denominations. Subject to the limitations and upon payment of the charges, if any, provided in the Trust Agreement, Bonds may be exchanged at the Principal Corporate Trust Office of the Trustee, for a like aggregate principal amount of Bonds of the same Series and maturity of other Authorized Denominations.

This Series 2015B Bond is transferable by the registered owner hereof, in person, or by his 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 Trust Agreement, and upon surrender and cancellation of this Series 2015B Bond. Upon such transfer a new Series 2015 Bond or Bonds of Authorized Denominations, of the same aggregate principal amount, will be issued to the transferee in exchange herefor.

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

The Trust Agreement and the rights and the obligations of the Authority, the Trustee and the holders of the Bonds 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 Trust Agreement (which provides, in certain circumstances, for modifications and amendments without the consent of the holder hereof); provided, that 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 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 holder of each Bond so affected, or (ii) reduce the aforesaid percentage of Bonds the consent of the holders of which is required to effect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under the Trust Agreement prior to or on a parity with the lien created by the Trust Agreement, or deprive the holders of the Bonds of the lien created by the Trust Agreement on such Revenues and other assets (except as expressly provided in the Trust Agreement and the Installment Purchase Agreement), without the consent of the holders of the Bonds at the time Outstanding, all as more fully set forth in the Trust Agreement.

It is hereby certified that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of this Series 2015 Bond do exist, have happened and have been performed in due time, form and manner as required by the Act and the Constitution and laws of the State of California, and that the amount of this Series 2015 Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Act, or by the

Constitution and laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Trust Agreement.

This Series 2015 Bond shall not be entitled to any benefit, protection or security under the Trust Agreement or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the **El Centro Financing Authority** has caused this Series 2015B Bond to be executed in its name and on its behalf by the manual or facsimile signature of the Chair of the Authority and countersigned by the manual or facsimile signature of the Secretary of the Authority.

EL CENTRO FINANCING AUTHORITY

By: ____
Chair

Countersigned:

By ____
Secretary

[FORM OF CERTIFICATE OF AUTHENTICATION]

This is one of the Bonds described in the within mentioned Trust Agreement which has been authenticated on ___________________.

MUFG Union Bank, N.A.,
as Trustee

By: ____
Authorized Officer

[FORM OF ASSIGNMENT]

For value received the undersigned hereby sells, assigns and transfers unto _______________________________ the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _______________________________ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ____________________

____

Note: The-signature to this Assignment must correspond with the name as written on the face of the Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed:

____

Notice: Signature must be guaranteed by an eligible guarantor.

Social Security Number,
Taxpayer Identification
Number or Other Identifying
Number of Assignee:

____

EXHIBIT C

FORM OF INVESTOR LETTER

West Covina Public Financing Authority
1444 West Garvey Avenue
P.O. Box 1440
West Covina, California 91790

City of West Covina
1444 West Garvey Avenue
P.O. Box 1440
West Covina, California 91790

Ladies and Gentlemen:

______________________ (the "Investor") hereby acknowledges receipt of the _____________________ (herein, the "Bonds") in the aggregate principal amount of $________. This letter is being delivered by the Investor pursuant to the requirements of the Trust Agreement, dated as of February 1, 2015 (the "Trust Agreement"), between the El Centro Financing Authority (the "Authority") and the MUFG Union Bank, N.A..

In connection with the purchase of the Bonds by the Investor, the Investor hereby makes the following representations on which you may rely:

1. The Investor has authority to purchase the Bonds and to execute this letter, and any other instruments and documents required to be executed by the Investor in connection with the purchase of the Bonds. The undersigned is a duly appointed qualified and acting officer of the Investor and is authorized to execute this letter on behalf of the Investor.

2. The Investor has sufficient knowledge and experience in financial and business matters with respect to the evaluation of the financial position of public agencies such as the Authority and the City of El Centro (the "City") to be able to evaluate the risk and merits of the investment represented by the Bonds. The Investor is able to bear the economic risks of such investment.

3. The Investor acknowledges that it has either been supplied with or been given access to information, including financial statements, documents relating to the Bonds and other financial information, to which a reasonable investor would attach significance in making investment decisions. The Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Authority, the City and the El Centro Regional Medical Center (the "Medical Center"), the use of proceeds of the Bonds and the security therefor so that, as a reasonable investor, the Investor has been able to make its decision to purchase the Bonds.

4. The Investor is an Accredited Investor or Qualified Institutional Buyer.

5. The Investor acknowledges that the Bonds bear interest as provided in Section 2.02 of the Trust Agreement.

6. The Investor acknowledges that it is purchasing the Bonds for investment for its own account and not with a view toward resale or the distribution thereof, and the Investor intends to hold the Bonds for its own account.

7. The Investor understands that it may need to bear the risks of this investment for an indefinite time, since any sale or remarketing prior to maturity may not be possible. The Investor acknowledges and agrees that it may transfer the Bonds only in accordance with the Trust Agreement and applicable securities laws.

8. The Investor understands that (a) the Bonds are payable solely from funds and moneys pledged and assigned under the Trust Agreement, and that the liabilities and obligations of the Authority with respect to the Bonds are expressly limited as set forth in the Trust Agreement, (b) the Bonds shall be payable from Revenues, and (c) that the liability of the Authority with respect to the Bonds is subject to further limitations as set forth in the Bonds and the Trust Agreement.

9. The Investor understands that the Bonds are not registered under the Securities Act of 1933, as amended, and that such registration is not legally required as of the date hereof; and further understands that the Bonds (a) are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) will not be listed on any stock or other securities exchange, (c) will not carry a rating from any rating agency and (d) will be delivered in a form that is not readily marketable or in book-entry only form. The Investor 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.

Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Trust Agreement.

___________, as Investor

By: ______________________________
Title: _____________________________

EXHIBIT D

FORM OF ACQUISITION ACCOUNT REQUISITION

MUFG Union Bank, N.A.

Re: ____________ Acquisition Account ("Acquisition Account") held pursuant to the Trust Agreement (defined below) relating to the El Centro Financing Authority Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project), Series 2015A and Series 2015B

The undersigned hereby states and certifies:

1. That I am the duly qualified [Authorized Medical Center Representative] of the EL CENTRO REGIONAL MEDICAL CENTER, a municipal hospital and agency of the City duly organized and existing under and by virtue of the laws of the State of California (the "Medical Center"), and as such, is familiar with the facts herein certified and is authorized and qualified to execute and deliver this certificate.

2. I, on behalf of the Medical Center, hereby request MUFG Union Bank, N.A. (the "Trustee"), pursuant to that certain Trust Agreement, dated as of February 1, 2015, (the "Indenture"), between the El Centro Financing Authority and the Trustee, to pay from the moneys in the Acquisition Account established pursuant to the Indenture, the amounts provided below to the payee identified below.

Item Number:	
Payee:	
Amount to be Paid:	
Payment Classification:	

3. That the obligations in the amounts stated above have been incurred by the Medical Center and are presently due and payable and that each item thereof is a proper charge against the Acquisition Account and has not been previously paid therefrom.

4. That there has not been filed with or served upon the City of El Centro or the Medical Center notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the amounts payable to any of the persons named in this requisition, which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen's or mechanics' liens accruing by mere operation of law.

5. That the balance remaining in the Acquisition Account after payment of the amounts identified above, together with any investment income reasonably anticipated to be deposited in the Acquisition Account pursuant and any other funds reasonably anticipated to be available therefor, will be sufficient to pay the costs of completing the Medical Center Project.

6. That such payments shall be made by check or wire transfer in accordance with the payment instructions set forth below and the Trustee shall rely on such payment instructions as though given by the Medical Center with no duty to investigate or inquire as to the authenticity of the payment instructions or the authority under which they were given.

   Payment Instructions:

Capitalized terms used and not defined herein shall have the meaning ascribed to such terms in the Trust Agreement.

Date:

EL CENTRO REGIONAL MEDICAL CENTER

By:______________________________________
Authorized Officer

RESOLUTION NO. 15-02

RESOLUTION OF THE BOARD OF TRUSTEES OF THE EL CENTRO REGIONAL MEDICAL CENTER APPROVING AN INSTALLMENT PURCHASE AGREEMENT AND AUTHORIZING THE TAKING OF CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, the El Centro Medical Center (the "Medical Center") is a municipal hospital and agency of the City of El Centro (the "City"), duly organized and existing pursuant to Section 37600 et seq. of the Government Code of the State of California (the "Government Code");

WHEREAS, the El Centro Financing Authority (the "Authority"), is a Joint Powers Authority (a public body, corporate and politic) duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the Joint Exercise of Powers Act (Articles 1 through 4 of Chapter 5, Division 7, Title 1 of the California Government Code) (the "Act") and the powers of such Authority include the power to issue bonds for any of its corporate purposes; and

WHEREAS, the City is a local agency that desires the assistance of the Authority in financing and/or refinancing certain public capital improvements for the benefit of the Medical Center;

WHEREAS, the Authority is empowered pursuant to Article 4 of Chapter 5 of Division 7 of Tide 1 of the Government Code to cause the design, acquisition and construction of certain additions, betterments, extensions and improvements to the Medical Center and to finance and/or refinance such additions, betterments, extensions and improvements through the issuance of revenue bonds in multiple series;

WHEREAS, pursuant to Section 6586.5 of the Government Code, a member of the Authority, which is not itself a joint powers authority, within whose boundaries the project being financed is to be located, is required to approve the financing and make a finding of significant public benefit in accordance with the criteria specified in Section 6586 of the Government Code after a public hearing, notice of which was published once at least five days prior to the hearing in a newspaper of general circulation;

WHEREAS, the projects to be financed and/or refinanced for the Medical Center are located within the City, a local agency and a member of the Authority;

WHEREAS, on the date hereof, the City Council of the City conducted a public hearing, notice of which hearing was published at least five days prior to the hearing in a newspaper of general circulation within the County of Imperial, and, following such public hearing, the City Council made a finding of significant public benefit in accordance with the criteria specified in Section 6586 of the Government Code and adopted a resolution authorizing and approving the financing and/or refinancing of certain public capital improvements for the benefit of the Medical Center; and

WHEREAS, the Authority desires to assist the Medical Center and the City and authorize the issuance of two series of revenue bonds to be designated as the El Centro Financing Authority Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project), Series 2015A (the "Series 2015A Bonds") and the El Centro Financing Authority Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project), Series 2015B (the "Series 2015B Bonds" and, together with the Series 2015A Bonds, the "Series 2015 Bonds") to assist in financing and/or refinancing of certain public capital improvements for the benefit of the Medical Center, including the refunding of the Authority's outstanding Insured Hospital Revenue Bonds (El Centro Regional Medical Center Project), Series 2001 (the "Refunded Bonds") and an outstanding loan from Rabobank, N.A. to the Medical Center;

NOW, THEREFORE, THE BOARD OF TRUSTEES OF THE EL CENTRO REGIONAL MEDICAL CENTER DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Board of Trustees of the Medical Center (the "Board") hereby finds and determines that the foregoing recitals are true and correct.

Section 2. The Board hereby approves the issuance and delivery of the Series 2015A Bonds in an amount not to exceed $25,000,000 and the Series 2015B Bonds in an amount not to exceed $25,000,000 in accordance with the terms and conditions of a Trust Agreement to be executed and delivered by the Authority and a trustee to be named therein.

Section 3. The Board hereby approves the Installment Purchase Agreement, substantially in the form on file with the Secretary, with such revisions, amendments and completions as shall be approved by the President of the Board, the Chief Executive Officer of the Medical Center, the Chief Financial Officer of the Medical Center, or their respective designee (each, a "Responsible Officer") with the advice of counsel to the Medical Center, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. Any Responsible Officer is hereby authorized and directed to execute and deliver any and all documents, including escrow agreements, conveyance instruments and termination agreements and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution, including but not limited to retaining the services of an independent certified public accountant as verification agent if necessary or desirable in connection with the refunding of the Refunded Bonds and paying all fees incurred in connection with the issuance of the Series 2015 Bonds and the other transactions contemplated by this Resolution. All prior actions by any Responsible Officer and any other officer of the Medical Center relating to the Series 2015 Bonds and the transactions contemplated by this Resolution are hereby approved, ratified and confirmed.

Section 5. The Secretary shall certify to the adoption of this Resolution, and thenceforth and thereafter the same shall be in full force and effect. Notwithstanding the foregoing, such certification and any of the other duties and responsibilities assigned to the Secretary pursuant to this Resolution may be performed by a Deputy or Assistant Secretary with the same force and effect as if performed by the Secretary hereunder.

PASSED AND ADOPTED at a special meeting of the Board of Trustees of El Centro Regional Medical Center held on the 16th day of February, 2015.

EL CENTRO REGIONAL MEDICAL CENTER

By ______________________
Alejandro Calderon, President

ATTEST:

By ______________________
Oliver Alvarado, Secretary

APPROVED AS TO FORM:
General Counsel for ECRMC

By ______________________
Elizabeth Balfour, General Counsel

STATE OF CALIFORNIA)
COUNTY OF IMPERIAL) ss
CITY OF EL CENTRO)

I, Carmen S. Woolf, Board Executive Secretary of El Centro Regional Medical Center, El Centro, California, do hereby certify that the foregoing Resolution No. ECRMC 15-02 was duly and regularly adopted at a special meeting of the El Centro Regional Medical Center, held on the 16th day of February, 2015 by the following vote:

AYES: ALVARADO, BROOKE, CALDERON, HUMPHREY, PICAZO, SANDERS

NOES: NONE

ABSENT: EDNEY

ABSTAINED: NONE

By ______________________
Carmen S. Woolf, Board Executive Secretary

Attachment: Resolution No. ECRMC 15-02 (1245 : REQUEST APPROVAL OF BOND ISSUE FOR REFINANCING OF EXISTING CAL MORTGAGE BONDS AND FUNDING OF CAPITAL)

El Centro Regional Medical Center

Sources and Uses of Funds Summary

	2015 Seies A Key Bank	2015 Series B Comerica Bank	Total
Sources of Funds			
Par Amount of Bonds	$ 25,000,000	$ 25,000,000	$ 50,000,000
2001 Debt Service Reserve Fund		2,980,348	2,980,348
Total Sources of Funds	$ 25,000,000	$ 27,980,348	$ 52,980,348
Uses of Funds			
2001 Principal Outstanding 3-1-15	$ -	$ 24,314,000	$ 24,314,000
Interest Due 3-1 to 4-14		154,721	154,721
Rabobank Clinic Loan Repayment	381,237	3,172,871	3,554,108
CUP Project	10,000,000		10,000,000
Medical Plaza Project	10,000,000		10,000,000
Reimbursement	2,000,000		2,000,000
Furutre Projects	2,277,871		2,277,871
Costs of Issuance	337,500	337,500	675,000
Misc	3,392	1,255	4,647
Total Uses	$ 25,000,000	$ 27,980,348	$ 52,980,348
Issuance Costs			
Bond Counsel			$ 210,000
Comerica Bank Fee			125,000
Comerica Counsel Fee			20,000
Key Bank Fee			25,000
Key Bank Counsel Fee			20,000
Escrow, Trustee & Counsel			8,900
Wulff, Hansen & Co			200,000
Hospital Counsel			10,000
Miscellaneous			56,100
Total Estimated Issuance Costs			$ 675,000
Per Series			$ 337,500