FISCAL AGENT AGREEMENT

Dated as of November 1, 2026

by and between

SOUTHERN HUMBOLDT COMMUNITY HEALTHCARE DISTRICT

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION
as Fiscal Agent

Authorizing the Issuance of

$10,000,000
Southern Humboldt Community Healthcare District
Revenue Bonds, Series 2026

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS; CONTENT OF CERTIFICATES AND OPINIONS

Section 1.01. Definitions 2
Section 1.02. Interpretation. 13

ARTICLE II

THE BONDS

Section 2.01. Authorization of Bonds 14
Section 2.02. Terms of the Bonds 14
Section 2.03. Transfer of Bonds 15
Section 2.04. Exchange of Bonds 15
Section 2.05. Registration Books 16
Section 2.06. Form and Execution of Bonds 16
Section 2.07. Temporary Bonds 16
Section 2.08. Bonds, Mutilated, Lost, Destroyed or Stolen 17

ARTICLE III

ISSUANCE OF BONDS AND APPLICATION OF PROCEEDS; PARITY OBLIGATIONS

Section 3.01. Issuance of the Bonds 19
Section 3.02. Application of the Bonds 19
Section 3.03. Establishment and Application of Costs of Issuance Fund 19
Section 3.04. Project Fund 19
Section 3.05. Validity of Bonds 20
Section 3.06. Senior Obligations; Parity Obligations 20
Section 3.07. Subordinate Obligations 21

ARTICLE IV

REDEMPTION OF BONDS

Section 4.01. Terms of Redemption 21
Section 4.02. Notice of Redemption 23
Section 4.03. Effect of Redemption 23

ARTICLE V

PLEDGE OF NET REVENUES; FUNDS AND ACCOUNTS; PAYMENT OF PRINCIPAL AND INTEREST

Section 5.01. Pledge and Assignment; Bond Fund. 24
Section 5.02. Net Revenues 24
Section 5.03. Application of Interest Account 25
Section 5.04. Application of Principal Account 25
Section 5.05. Application of Sinking Account 25
Section 5.06. Investments 25

TABLE OF CONTENTS
(continued)

Page

Section 5.07. Valuation of Investments....26

ARTICLE VI

PARTICULAR COVENANTS

Section 6.01. Punctual Payment....26
Section 6.02. Extension of Payment of Bonds....26
Section 6.03. Against Encumbrances....26
Section 6.04. Power to Issue Bonds and Make Pledge and Assignment....27
Section 6.05. Accounting Records and Financial Statements....27
Section 6.06. Rate Covenant....27
Section 6.07. Maintenance....27
Section 6.08. Operation of Enterprise....28
Section 6.09. Days' Cash on Hand....28
Section 6.10. Provisions Regarding Insurance....28
Section 6.11. Inability to Obtain Insurance....29
Section 6.12. Observance of Laws and Regulations....29
Section 6.13. Eminent Domain or Insurance Award....29
Section 6.14. Disclaimer of Warranties....29
Section 6.15. No Arbitrage....29
Section 6.16. Rebate Requirement....30
Section 6.17. Private Activity Bond Limitation....30
Section 6.18. Private Loan Financing Limitation....30
Section 6.19. Federal Guaranty Prohibition....30
Section 6.20. Maintenance of Tax-Exemption....30
Section 6.21. Waiver of Laws....30
Section 6.22. Protection of Security and Rights of Owners....30
Section 6.23. Continuing Disclosure....30
Section 6.24. Maintenance of Existence....30
Section 6.25. Further Assurances....31

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.01. Events of Default....31
Section 7.02. Remedies Upon Event of Default....31
Section 7.03. Application of Net Revenues and Other Funds After Default....32
Section 7.04. Fiscal Agent to Represent Bond Owners....32
Section 7.05. Bond Owners' Direction of Proceedings....33
Section 7.06. Limitation on Bond Owners' Right to Sue....33
Section 7.07. Absolute Obligation of District....34
Section 7.08. Termination of Proceedings....34
Section 7.09. Remedies Not Exclusive....34

ARTICLE VIII

THE FISCAL AGENT

TABLE OF CONTENTS
(continued)

Page

Section 8.01. Duties, Immunities and Liabilities of Fiscal Agent. 34
Section 8.02. Merger or Consolidation 36
Section 8.03. Liability of Fiscal Agent 36
Section 8.04. Right to Rely on Documents 38
Section 8.05. Preservation and Inspection of Documents 39
Section 8.06. Compensation and Indemnification 39

ARTICLE IX

MODIFICATION OR AMENDMENT OF THIS AGREEMENT

Section 9.01. Amendments Permitted. 40
Section 9.02. Effect of Supplemental Agreement 41
Section 9.03. Endorsement of Bonds; Preparation of New Bonds 41
Section 9.04. Amendment of Particular Bonds 42

ARTICLE X

DEFEASANCE

Section 10.01. Discharge of Agreement 42
Section 10.02. Discharge of Liability on Bonds 43
Section 10.03. Deposit of Money or Securities with Fiscal Agent 43
Section 10.04. Unclaimed Funds 44

ARTICLE XI

MISCELLANEOUS

Section 11.01. Liability of District Limited to Net Revenues 44
Section 11.02. Limitation of Rights to Parties; Bond Owners 44
Section 11.03. Funds and Accounts 45
Section 11.04. Waiver of Notice; Requirement of Mailed Notice 45
Section 11.05. Destruction of Bonds 45
Section 11.06. Severability of Invalid Provisions 45
Section 11.07. Notices 45
Section 11.08. Evidence of Rights of Bond Owners 46
Section 11.09. Disqualified Bonds 46
Section 11.10. Money Held for Particular Bonds 46
Section 11.11. Waiver of Personal Liability 46
Section 11.12. Successor Is Deemed Included in All References to Predecessor 46
Section 11.13. Execution in Several Counterparts 46
Section 11.14. Governing Law 46
Section 11.15. Electronic Transmission; Electronic Signatures 46
Section 11.16. Additional Rights of Original Purchaser 46

EXHIBIT "A" - FORM OF BOND A-1
EXHIBIT "B" – DESCRIPTION OF THE PROJECT B-1

FISCAL AGENT AGREEMENT

THIS FISCAL AGENT AGREEMENT (this "Agreement"), dated as of November 1, 2026, is by and between SOUTHERN HUMBOLDT COMMUNITY HEALTHCARE DISTRICT, a public healthcare district duly organized and existing under and by virtue of the laws of the State of California (the "District"), and U. S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association, duly organized and existing under the laws of the United States of America, as fiscal agent (the "Fiscal Agent").

W I T N E S S E T H:

WHEREAS, the Southern Humboldt Community Healthcare District (the "District") is a local health care district organized under the provisions of the California Local Health Care District Law, being California Health and Safety Code Section 32000 *et seq*.; and

WHEREAS, pursuant to the provisions of Section 32315 *et seq*. of the California Health and Safety Code (the "Act"), the District may issue revenue bonds to provide for the acquisition, construction, improvement and financing of its facilities; and

WHEREAS, the Board of Directors of the District (the "Board") proposes to issue its Southern Humboldt Community Healthcare District Revenue Bonds, Series 2026 (the "Bonds"), issued as a single, fully registered bond in an aggregate principal amount of $10,000,000 to provide funds to finance a portion of the acquisition, construction and modernization of certain District facilities, including but not limited to (i) the District's Redwood Drive properties, and (ii) a new hospital campus, and the related costs of issuance (the "Project"); and

WHEREAS, all things necessary to cause such bonds, when executed by the District and authenticated by the Fiscal Agent for the District and issued as in the Act, the Resolution (as hereinafter defined) and this Agreement provided, to be legal, valid and binding special obligations of the District in accordance with their terms, and all things necessary to cause the authorization, execution and delivery of this Agreement and the authorization, execution, authentication and delivery of such bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, in consideration of the covenants and provisions herein set forth and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows:

NOW, THEREFORE, THIS AGREEMENT WITNESSETH, that in order to secure the payment of the principal of and the interest and premium (if any) on all Bonds at any time issued and outstanding under this 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 considerations, the receipt whereof is hereby acknowledged, the District does hereby covenant and agree with the Fiscal Agent, for the benefit of the respective owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; CONTENT OF CERTIFICATES AND OPINIONS

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

"Aggregate Maximum Annual Debt Service" means the maximum amount of Debt Service payable in any Fiscal Year on all Bonds Outstanding and any Parity Obligations outstanding or to be issued during the period from the date of such calculation through the final maturity date of the Bonds and Parity Obligations, calculated using the assumptions set forth in the definition of Debt Service.

"Agreement" means this Fiscal Agent Agreement, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Agreement pursuant to the provisions hereof.

"Authorized Representative" means the District's Chief Executive Officer and Chief Financial Officer or any other person designated as an Authorized Representative of the District by a Written Certificate of the District signed by its Chief Executive Officer and filed with the Fiscal Agent.

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

"Bond Counsel" means (a) Best Best & Krieger LLP, or (b) any other attorney or firm of attorneys appointed by or acceptable to the District 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 Fund" means the fund by that name established and held by the Fiscal Agent pursuant to Section 5.01 hereof.

"Bond Law" means Chapter 5 of Division 23 (commencing with Section 32315) of the Health and Safety Code of the State, as in existence on the Closing Date or as thereafter amended from time to time.

"Bond Register" means the books for registration maintained by Fiscal Agent pursuant to Section 2.05 hereof.

"Bond Year" means each twelve-month period extending from November 2 in one calendar year to November 1 of the succeeding calendar year, both dates inclusive, the first such Bond Year for the Bonds commencing on the Closing Date and ending November 1, 2027.

"Bonds" or "Bond" means the $10,000,000 aggregate principal amount of Southern Humboldt Community Healthcare District Revenue Bonds, Series 2026 authorized by and at any

time Outstanding pursuant to the Bond Law and this Agreement. For all purposes of this Agreement, all references to "Bonds" shall mean the single, fully registered Bond issued under Section 2.01.

"Business Day" means a day (other than a Saturday or a Sunday) on which banks are not required or authorized to remain closed in California.

"Closing Date" means November 4, 2026, being the date of delivery of the Bonds to the Original Purchaser.

"Code" means the Internal Revenue Code of 1986, as amended.

"Contracts" means all contracts, lease agreements, installment purchase agreements or loan agreements of the District previously or hereafter authorized and executed by the District, the payments under which are payable from Net Revenues as described in Section 5.02 hereof; and excluding contracts entered into for operation and maintenance of the Enterprise.

"Costs of Issuance" means all expenses incurred in connection with the authorization, issuance, sale and delivery of the Bonds and the application of the proceeds 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 District, initial fees and expenses of the Fiscal Agent, title insurance premiums, municipal bond insurance premiums, appraisal fees, compensation to any financial consultants or underwriters, legal fees and expenses, filing and recording costs, rating agency fees, costs of preparation and reproduction of documents and costs of printing.

"Costs of Issuance Fund" means the fund by that name established and held by the Fiscal Agent pursuant to Section 3.03 hereof.

"Days' Cash on Hand" means: Cash plus Short-Term Investments plus Unrestricted Long-Term Investments divided by the Average Daily Operating Expenses (excluding depreciation, interest and amortization).

"Debt Service" means, for any period of calculation, the sum of:

(1) the interest payable during such period on all outstanding Obligations, assuming that all outstanding serial Obligations are retired as scheduled and that all outstanding term Obligations are redeemed or paid from sinking fund payments as scheduled (except to the extent that such interest is capitalized or is reasonably anticipated to be reimbursed to the District by the United States of America pursuant to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, 123 Stat. 115 (2009), enacted February 17, 2009)), or any future similar program);

(2) those portions of the principal amount or accreted value of all outstanding serial Obligations maturing in such period;

(3) those portions of the principal amount of all outstanding term Obligations required to be redeemed or paid in such period; and

(4) those portions of the Contracts required to be made during such period, (except to the extent that the interest evidenced and represented thereby is capitalized or is reasonably anticipated to be reimbursed to the District by the United States of America pursuant to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, 123 Stat. 115 (2009), enacted February 17, 2009)), or any future similar program);

but less the earnings to be derived from the investment of moneys on deposit in debt service reserve funds established for Obligations or Contracts;

provided that, as to any such Obligations or Contracts bearing or comprising interest at other than a fixed rate, the rate of interest used to calculate Debt Service shall, for all purposes, be assumed to bear interest at a fixed rate equal to the higher of:

(i) the then current variable interest rate borne by such Obligations or Contracts plus 1%; and

(ii) the highest variable rate borne over the preceding 24 months by outstanding variable rate debt issued by the District or, if no such variable rate debt is at the time outstanding, by variable rate debt of which the interest rate is computed by reference to an index comparable to that to be utilized in determining the interest rate for the debt then proposed to be issued; and

provided further that if any series or issue of such Obligations or Contracts have twenty-five percent (25%) or more of the aggregate principal amount of such series or issue due in any one year, Debt Service shall be determined for the period of determination as if the principal of and interest on such series or issue of such Obligations or Contracts were being paid from the date of incurrence thereof in substantially equal annual amounts over a period of twenty-five (25) years from the date of calculation; and

provided further that the amount on deposit in a debt service reserve fund on any date of calculation of Debt Service shall be deducted from the amount of principal due at the final maturity of the Obligations and Contracts for which such debt service reserve fund was established and to the extent the amount in such debt service reserve fund is in excess of such amount of principal, such excess shall be applied to the full amount of principal due, in each preceding year, in descending order, until such amount is exhausted.

"Direct Costs" means the reasonable and necessary costs and expenses paid or accrued for maintaining and operating the Enterprise, determined in accordance with generally accepted accounting principles applicable to governmental health care entities, including but not limited to (a) salaries, wages, and employee benefits (including payments for pension, retirement, health, and other benefit plans) of personnel employed in the operation of the Enterprise, (b) costs of medical, surgical, pharmaceutical, and other supplies, equipment rentals, and services used in the operation of the Enterprise, (c) costs of electricity and other forms of energy and utilities supplied to the Enterprise, (d) premiums for insurance, including professional and general liability insurance, and payments into any self-insurance reserves or programs maintained by the District with respect to the Enterprise, (e) fees and charges payable under management, professional services, physician

services, and similar contracts relating to the operation of the Enterprise, (f) the reasonable expenses of management and repair and other costs and expenses necessary to maintain and preserve the Enterprise in good repair and working order and in compliance with applicable licensing, accreditation, and regulatory requirements, (g) taxes, assessments, fees, and other governmental charges lawfully imposed on the Enterprise or the operation thereof, and (h) the reasonable administrative costs of the District attributable to the operation and maintenance of the Enterprise, but in all cases excluding (i) debt service payable on obligations incurred by the District with respect to the Enterprise, (ii) depreciation, replacement, and obsolescence charges or reserves therefor, (iii) amortization of intangibles or other bookkeeping entries of a similar nature, (iv) non-cash expenses or losses, including unrealized losses on investments and non-cash pension and other post-employment benefit expense recognized under applicable governmental accounting standards to the extent exceeding amounts actually paid, (v) extraordinary, unusual, or nonrecurring losses, including losses on the sale or other disposition of assets not in the ordinary course of business, and (vi) costs of capital additions, replacements, betterments, or improvements that are capitalized under generally accepted accounting principles.

"District" means the Southern Humboldt Community Healthcare District, a healthcare district duly organized and existing under the laws of the State.

"Enterprise" means all hospitals, skilled nursing facilities or other facilities, including land and easements thereof, owned by the District including all properties, structures or works hereafter acquired and constructed by the District and determined to be a part of the Enterprise, including the Project, together with all additions, betterments, extensions or improvements to such facilities, properties, structures or works or any part thereof hereafter acquired and constructed.

"Enterprise Fund" means the fund by that name held by the District.

"Event of Default" means any of the events specified in Section 7.01 hereof.

"Federal Securities" means bills, certificates of indebtedness, notes, bonds, or other similar securities which are direct, non-callable obligations of the United States of America, CATS, STRPS, or defeased municipal bonds rated "AAA" by S&P and "Aaa" by Moody's.

"Fiscal Agent" means U. S. Bank Trust Company, National Association, the Fiscal Agent, acting as fiscal agent with the duties and powers herein provided, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in Section 8.01 hereof.

"Fiscal Year" means any twelve-month period extending from July 1 in one calendar year to June 30 of the succeeding calendar year, both dates inclusive, or any other twelve-month period selected and designated by the District as its official fiscal year period.

"Gross Revenues" means all revenues, income, receipts, and money received by the District in any period and all rights to receive the same, whether in the form of accounts receivable, contract rights, chattel paper, instruments, general intangibles or other rights (excluding, however, donor-restricted gifts, grants, bequests, donations and contributions to the extent that the restriction imposed by the donor or maker thereof prohibits the application thereof to the payment of principal of or interest on the Bonds), including, but without limiting the generality of the foregoing: (a)

gross revenues derived from its operation and possession of and pertaining to its properties, (b) proceeds with respect to, arising from, or relating to its properties and derived from (i) insurance (including business interruption insurance) or condemnation proceeds, (ii) accounts, including but not limited to, accounts receivable, (iii) securities and other investments, (iv) inventory and intangible property, (v) payment/reimbursement programs and agreements, (vi) contract rights, accounts, instruments, claims for the payment of moneys and other rights and assets now or hereafter owned, held or possessed by or on behalf of the District, and (vii) parcel tax assessment revenue, and (c) rentals received from the lease of the District's properties or space in its facilities.

"Independent Financial Consultant" or "Independent Certified Public Accountant" means any individual or firm engaged in the profession involved, appointed by District, and who, or each of whom, has a favorable reputation in the field in which his/her opinion or certificate will be given, and:

(1) is in fact independent and not under domination of District;

(2) does not have any substantial interest, direct or indirect, with District; and

(3) is not connected with District as an officer or employee of District, but who may be regularly retained to make reports to District.

"Interest Account" means the account by that name established in the Bond Fund pursuant to Section 5.02 hereof.

"Interest Payment Date" means the 4th day of each month, commencing December 4, 2027.

"Net Revenues" means, for any Fiscal Year, an amount equal to all of the Gross Revenues received with respect to such Fiscal Year, minus the amount required to pay all Direct Costs becoming payable with respect to such Fiscal Year, and including the sum total net operating revenues, plus net non-operating revenues as shown on the District's financial statements, determined in accordance with generally accepted accounting principles ("GAAP"), plus any investment income which is offset against interest expense in accordance with GAAP and as a result is not included in total operating revenues or non-operating revenues.

"Obligations" means all revenue bonds, certificates of participation, or notes authorized, executed, issued and delivered by the District, the payments of which are payable from Net Revenues on a parity with the Bonds and which are secured by a pledge of and lien on Net Revenues as described in Section 5.01 hereof.

"Original Purchaser" means Columbia Bank, as the original purchaser of the Bonds upon their delivery by the Fiscal Agent on the Closing Date.

"Outstanding," when used as of any particular time with reference to Bonds, means, subject to the provisions of Article X of this Agreement, all Bonds except:

(a) Bonds theretofore canceled by the Fiscal Agent or surrendered to the Fiscal Agent for cancellation;

(b) Bonds paid or deemed to have been paid pursuant to Section 10.02 of this Agreement; and

(c) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by District pursuant to this Agreement.

"Owner," whenever used herein with respect to a Bond, means the person in whose name the ownership of such Bond is registered on the Registration Books. For all purposes of this Agreement, all references to "Owners" shall mean the registered Owner of the single, fully registered Bond issued hereunder.

"Parity Obligations" means Obligations issued pursuant to Section 3.06 hereof, and, with respect only to any parcel tax assessment revenue received by the District, that certain Healthcare Expansion Loan Program II (HELP II) Loan and Security Agreement, by and between the District and California Health Facilities Financing Authority, dated as of January 1, 2023.

"Permitted Investments" means:

1. (a) Cash (fully insured by the Federal Deposit Insurance Corporation), (b) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("U.S. Treasury Obligations"), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated. THE ABOVE REFERENCED OBLIGATIONS MAY CONSTITUTE DEFEASANCE OBLIGATIONS.

Any security used for defeasance must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption of the rated debt (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

2. Federal Housing Administration debentures.

3. The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:

(a) Federal Home Loan Mortgage Corporation (FHLMC) senior debt obligations and Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts);

(b) Farm Credit System (formerly Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) consolidated system-wide bonds and notes;

(c) Federal Home Loan Banks (FHL Banks) consolidated debt obligations; and

(d) Federal National Mortgage Association (FNMA) senior debt obligations and mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts).

4. Unsecured certificates of deposit, time deposits, and banker acceptances (having maturities of not more than 365 days) of any bank, which may include the Fiscal Agent and its affiliates, the short-term obligations of which are rated "A-1" or better by S&P and "Prime-1" by Moody's.

5. Deposits, the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation, in banks which may include the Fiscal Agent and its affiliates which have capital and surplus of at least $15 million.

6. Commercial paper (having original maturities of not more than 270 days) rated at the time of purchase "A-1+" by S&P and "Prime-1" by Moody's.

7. Money market funds rated "Aam" or "AAm-G" by S&P, or better and if rated by Moody's rated "Aa2" or better, including such funds for which the Fiscal Agent, its affiliates or subsidiaries provide investment advisory or other management services or for which the Fiscal Agent or an affiliate of the Fiscal Agent serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Fiscal Agent or an affiliate of the Fiscal Agent receives fees from funds for services rendered, (ii) the Fiscal Agent collects fees for services rendered pursuant to this Agreement, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Agreement may at times duplicate those provided to such funds by the Fiscal Agent or an affiliate of the Fiscal Agent.

8. "State Obligations," which means:

(a) Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state or any subdivision or agency thereof, the unsecured general obligation debt of which is rated at least "A3" by Moody's and/or at least "A-" by S&P, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

(b) Direct general short-term obligations of any state agency or subdivision or agency thereof described in (a) above and rated "A-1+" by S&P and/or "MIG-1" by Moody's.

(c) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state or any subdivision or agency described in (a) above and rated "AA-" or better by S&P and/or "Aa3" or better by Moody's.

9. Pre-refunded municipal obligations rated "AAA" by S&P and "Aaa" by Moody's which are (i) not subject to redemption prior to maturity or (ii) the Fiscal Agent for the municipal

obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions.

10. Repurchase agreements with (i) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least "A-" by S&P and "A3" Moody's; or (ii) any broker-dealer with "retail customers" or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least "A-" by S&P and "A3" by Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (iii) any other entity rated at least "A-" by S&P and "A3" Moody's (each an "RA Eligible Provider"), provided that:

(a) (i) permitted collateral shall include U.S. Treasury Obligations, or senior debt obligations of GNMA, FNMA or FHLMC (no collateralized mortgage obligations shall be permitted for these providers), and (ii) collateral levels must be at least 102% of the total principal when the collateral type is U.S. Treasury Obligations, 103% of the total principal when the collateral type is GNMA's and 104% of the total principal when the collateral type is FNMA and FHLMC ("Eligible Collateral");

(b) the Fiscal Agent or a third party acting solely as agent therefore or for the issuer (the "Custodian") has possession of the collateral or the collateral has been transferred to the Custodian in accordance with applicable state and federal laws (other than by means of entries on the transferor's books) and such collateral shall be marked to market;

(c) the collateral shall be marked to market on a daily basis and the provider or Custodian shall send monthly reports to the Fiscal Agent, the issuer setting forth the type of collateral, the collateral percentage required for that collateral type, the market value of the collateral on the valuation date and the name of the Custodian holding the collateral;

(d) the repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Custodian has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof;

(e) the repurchase agreement shall provide that if during its term the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below "A-" by S&P or "A3" by Moody's, as appropriate, the provider must, notify the issuer and the Fiscal Agent within five (5) days of receipt of such notice. Within ten (10) days of receipt of such notice, the provider shall either: (i) post Eligible Collateral, or (ii) assign the agreement to an RA Eligible Provider. If the provider does not perform a remedy within ten (10) business days, the provider shall, at the direction of the Fiscal Agent repurchase all collateral and terminate the repurchase agreement, with no penalty or premium to the issuer or the Fiscal Agent.

11. Investment agreements with a domestic or foreign bank or corporation the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is

rated at least "AA-" by S&P or "Aa3" by Moody's (each an "IA Eligible Provider"); provided that:

(a) interest payments are to be made to the Fiscal Agent at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) on the Bonds;

(b) the invested funds are available for withdrawal without penalty or premium, to pay debt service (or, if the investment agreement is for the construction fund, to pay construction costs) at any time upon not more than seven (7) days' prior notice; the issuer and the Fiscal Agent hereby agree to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

(c) the provider shall send monthly reports to the Fiscal Agent, the issuer setting forth the balance the issuer or Fiscal Agent has invested with the provider and the amounts and dates of interest accrued and paid by the provider;

(d) the investment agreement shall state that it is an unconditional and general obligation of the provider, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks pari passu with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;

(e) the issuer, the Fiscal Agent shall receive an opinion of domestic counsel to the provider that such investment agreement is legal, valid, binding and enforceable against the provider in accordance with its terms;

(f) the issuer, the Fiscal Agent shall receive an opinion of foreign counsel to the provider (if applicable) that (i) the investment agreement has been duly authorized, executed and delivered by the provider and constitutes the legal, valid and binding obligation of the provider, enforceable against the provider in accordance with its terms, (ii) the choice of law of the state set forth in the investment agreement is valid under that country's laws and a court in such country would uphold such choice of law, and (iii) any judgment rendered by a court in the United States would be recognized and enforceable in such country;

(g) the investment agreement shall provide that if during its term:

(i) the provider's (or guarantor's) rating by either S&P or Moody's falls below "AA-" or "Aa3," the provider shall, at its option, within ten (10) days of receipt of publication of such downgrade, either (1) post Eligible Collateral with the District, the Fiscal Agent or a third party acting solely as agent therefore (the "Custodian") free and clear of any third party liens or claims, or (2) assign the agreement to an IA Eligible Provider, or (3) repay the principal of and accrued but unpaid interest on the investment;

(ii) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3," the provider must, at the direction of the District or the Fiscal Agent, within ten (10) days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the issuer or Fiscal Agent.

(h) in the event the provider is required to collateralize, permitted collateral shall include U.S. Treasury Obligations, or senior debt obligations of GNMA, FNMA or FHLMC (no collateralized mortgage obligations shall be permitted for these providers) and collateral levels must be 102% of the total principal when the collateral type is U.S. Treasury Obligations, 103% of the total principal when the collateral type is GNMA's and 104% of the total principal when the collateral type is Eligible Collateral. In addition, the collateral shall be marked to market on a daily basis and the provider or Custodian shall send monthly reports to the Fiscal Agent and the issuer setting forth the type of collateral, the collateral percentage required for that collateral type, the market value of the collateral on the valuation date and the name of the Custodian holding the collateral;

(i) the investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Custodian has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof;

(j) the investment agreement must provide that if during its term (1) the provider defaults in its payment obligations, and fails to cure such default within one Business Day, then, at the direction of the issuer or the Fiscal Agent, the payment obligations shall be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the issuer or Fiscal Agent, as appropriate, and (2) the provider becomes insolvent, does not pay its debts as they become due, be declared or petition to be declared bankrupt, or other similar event occurs (each an "event of insolvency"), and such proceeding is not dismissed, vacated, stayed, or bonded pending appeal within ninety (90) days, the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the issuer or Fiscal Agent, as appropriate.

12. State of California Local Agency Investment Fund (LAIF).

13. Forward Delivery or Forward Purchase Agreements and with underlying securities outlined in (1), (2) and (3) above.

"Principal Account" means the account by that name established in the Bond Fund pursuant to Section 5.02 hereof.

"Project" means certain improvements to the Enterprise, including equipment, all as more fully described in Exhibit B hereto or such improvements or betterments to the Enterprise as may be permitted hereunder.

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

"Rebate Regulations" means the Proposed and Temporary Treasury Regulations issued under Section 148(f) of the Code.

"Record Date" means, with respect to any Interest Payment Date, the fifteenth (15th) calendar day of the month preceding such Interest Payment Date.

"Registration Books" means the records maintained by the Fiscal Agent pursuant to Section 2.05 hereof for the registration and transfer of ownership of the Bonds.

"Responsible Trust Officer" means an authorized representative of the Fiscal Agent.

"State" means the State of California.

"Supplemental Agreement" means any Agreement hereafter duly authorized and entered into between the District and the Fiscal Agent, supplementing, modifying or amending this Agreement; but only if and to the extent that such Supplemental Agreement is specifically authorized hereunder.

"Tax Certificate" means that certain Tax Certificate executed on the Closing Date by the District with respect to the Bonds.

"Tax Regulations" means temporary and permanent regulations promulgated under or with respect to Sections 103 and 141 through 150, inclusive, of the Code.

"Written Certificate," "Written Request" and "Written Requisition" of the District mean, respectively, a written certificate, request or requisition signed in the name of the District by its Authorized Representative. 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.

Section 1.02. 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 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 Agreement. The words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

THE BONDS

Section 2.01. Authorization of Bonds. The District hereby authorizes the issuance hereunder of the Bonds, which shall constitute special obligations of the District, for the purpose of providing funds to enable the District to finance the acquisition and construction of the Project and pay costs of issuance of the Bonds. The Bonds are hereby designated the "Southern Humboldt Community Healthcare District Revenue Bonds, Series 2026." The aggregate principal amount of Bonds initially issued and Outstanding under this Agreement shall equal Ten Million Dollars ($10,000,000). This Agreement constitutes a continuing agreement with the Fiscal Agent and the Owners from time to time of the Bonds to secure the full payment of the principal of and interest and premium (if any) on the Bonds, subject to the covenants, provisions and conditions herein contained.

Section 2.02. Terms of the Bonds. The Bonds shall be issued as a single, fully registered bond without coupons in the denomination of the principal amount thereof, payable as set forth in Exhibit C. The Bonds shall be dated as of the Closing Date and interest thereon shall be payable monthly on each Interest Payment Date. The Bonds shall mature on March 4, 2046.

Interest on the Bonds shall be payable monthly calculated based on a 360-day year of twelve (12) thirty-day months on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Fiscal Agent mailed by first class mail to the Owner on the Interest Payment Date at the address of such Owner as its appears on the Registration Books; provided however, that payment of interest may be by wire transfer in immediately available funds to an account in the continental United States of America to any Owner of Bonds in the aggregate principal amount of $1,000,000 or more who shall furnish written wire instructions to the Fiscal Agent prior to the applicable Record Date. Principal of the Bond and any premium upon redemption shall be paid by check of the Fiscal Agent without the requirement for presentation and surrender thereof. Principal of and interest and premium (if any) on the Bonds shall be payable in lawful money of the United States of America.

Each Bond shall be dated as of the Closing Date and shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (b) unless it is authenticated on or before November 15, 2026, in which event it shall bear interest from the Closing Date; provided, however, that if, as of the date of authentication of any Bond, interest thereon is in default, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Section 2.03. Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred on the Registration Books by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Fiscal Agent. Whenever any Bond or Bonds shall be surrendered for transfer, the District shall execute and the

Fiscal Agent shall authenticate and shall deliver a new Bond or Bonds for a like aggregate principal amount and of like maturity. The Fiscal Agent may require the Bond Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer. The cost of printing Bonds and any services rendered or expenses incurred by the Fiscal Agent in connection with any transfer shall be paid by the District. The cost of printing Bonds and any services rendered or expenses incurred by the Fiscal Agent in connection with any exchange shall be paid by the District.

Section 2.04. Exchange of Bonds. Any Bond may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations and of like maturity. The Fiscal Agent shall require the Bond Owner requesting such exchange to pay any tax or other governmental charge required to be paid with respect to such exchange. The Fiscal Agent shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Section 2.05. Registration Books. The Fiscal Agent will keep or cause to be kept sufficient records for the registration and transfer of ownership of the Bonds, which shall at all reasonable times be open to inspection during regular business hours by the District and the Owners with reasonable prior notice; and, upon presentation for such purpose, the Fiscal Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such records, the ownership of the Bonds as hereinbefore provided. The Fiscal Agent shall pay all principal of and interest on the Bonds only to or upon the order of the respective Owners, as shown in the Bond Register on the applicable Record Date, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to satisfy and discharge fully the obligations with respect to the payment of principal of and interest on the Bonds under this Agreement and the Bonds to the extent of the sums so paid.

Section 2.06. Form and Execution of Bonds. The Bonds shall be substantially in the form attached hereto as Exhibit A and hereby made a part hereof. The Bonds shall be signed in the name and on behalf of the District with the manual or facsimile signatures of its Chief Executive Officer and attested with the manual or facsimile signature of its Secretary or any assistant duly appointed by the Board, and shall be delivered to the Fiscal Agent for authentication by it. In case any officer of the District who shall have signed any of the Bonds shall cease to be such officer before the Bonds so signed shall have been authenticated or delivered by the Fiscal Agent or issued by the District, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issuance, shall be as binding upon the District as though the individual who signed the same had continued to be such officer of the District. Also, any Bond may be signed on behalf of the District by any individual who on the actual date of the execution of such Bond shall be the proper officer although on the nominal date of such Bond such individual shall not have been such officer.

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

Section 2.07. Temporary Bonds. The Bonds may be issued in temporary form exchangeable for definitive Bonds when ready for delivery. Any temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the District, shall be in fully registered form without coupons and may contain such reference to any of the provisions of this Agreement as may be appropriate. Every temporary Bond shall be executed by the District and authenticated by the Fiscal Agent upon the same conditions and in substantially the same manner as the definitive Bonds. If the District issues temporary Bonds it will execute and deliver definitive Bonds as promptly thereafter as practicable, and thereupon the temporary Bonds may be surrendered, for cancellation, at the Trust Office and the Fiscal Agent shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Agreement as definitive Bonds authenticated and delivered hereunder.

Section 2.08. Bonds, Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the District, at the expense of the Owner of said Bond, shall execute, and the Fiscal Agent shall thereupon authenticate and deliver, a new Bond of like tenor in exchange and substitution for the Bond so mutilated, but only upon surrender to the Fiscal Agent of the Bond so mutilated. Every mutilated Bond so surrendered to the Fiscal Agent shall be canceled by it and destroyed. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the District and the Fiscal Agent and, if such evidence be satisfactory to them and indemnity satisfactory to the District and the Fiscal Agent shall be given, the District, at the expense of the Owner of such lost, destroyed or stolen Bond, shall execute, and the Fiscal Agent shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Bond, the Fiscal Agent may pay the same without surrender thereof) upon receipt of the aforementioned indemnity. The District may require payment by the Owner of a sum not exceeding the actual cost of preparing each new Bond issued under this Section 2.08 and of the expenses which may be incurred by the District and the Fiscal Agent in the premises. Any Bond issued under the provisions of this Section 2.08 in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the District whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Agreement with all other Bonds secured by this Agreement.

ARTICLE III

ISSUANCE OF BONDS AND APPLICATION OF PROCEEDS; PARITY OBLIGATIONS

Section 3.01. Issuance of the Bonds. At any time after the execution of this Agreement, the District may execute and the Fiscal Agent shall authenticate and, upon the Written Request of the District, deliver Bonds in the aggregate principal amount of Ten Million Dollars ($10,000,000).

Section 3.02. Application of the Bonds. The proceeds received from the sale of the Bonds in the amount of $10,000,000 shall be deposited in trust with the Fiscal Agent, who shall forthwith set aside such proceeds as follows:

(a) The Fiscal Agent shall deposit the amount of $135,000.00 in the Costs of Issuance Fund;

(b) The Fiscal Agent shall deposit the amount of $9,865,000.00 to the Project Fund;

(c) The Fiscal Agent may establish and maintain for so long as is necessary one or more temporary funds and accounts under this Agreement, including but not limited to a temporary fund for holding the proceeds of the Bonds.

Section 3.03. Establishment and Application of Costs of Issuance Fund. The Fiscal Agent shall establish, maintain and hold in trust a separate fund designated as the "Costs of Issuance Fund." The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Fiscal Agent to pay the Costs of Issuance upon submission of Written Requisitions of the District stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred, and that such payment is a proper charge against said fund. Each such written request of the District shall be sufficient evidence to the Fiscal Agent of such facts stated therein and the Fiscal Agent shall have no duty to confirm the accuracy of such facts. On February 1, 2027, or upon the earlier Written Request of the District, all amounts remaining in the Costs of Issuance Fund shall be transferred by the Fiscal Agent to the Project Fund.

Section 3.04. Project Fund. The Fiscal Agent shall establish, maintain and hold in trust a separate fund to be known as the "Project Fund." Except as otherwise provided herein, moneys in the Project Fund shall be used solely for the acquisition and construction by the District of the Project. The Fiscal Agent shall disburse moneys in the Project Fund from time to time to pay Project Costs (or to reimburse the District for payment of Project Costs) upon receipt by the Fiscal Agent of a Written Requisition of the District which: (a) states with respect to each disbursement to be made (i) the requisition number, (ii) the name and address of the person, firm or corporation to whom payment will be made, (iii) the amount to be disbursed, (iv) that each obligation mentioned therein is a proper charge against the Project Fund and has not previously been disbursed by the Fiscal Agent from amounts in the Project Fund, and (v) that the amount of such disbursement is for a Project Cost, and (b) specifies in reasonable detail the nature of the obligation. The Fiscal Agent shall not be responsible for the representations made in such Written Requisitions and may conclusively rely thereon and shall be under no duty to investigate or verify any statements made therein. The description of the Project, and Exhibit B hereto, may be amended, upon the direction of the District. Upon the filing with the Fiscal Agent of a certificate confirming completion with respect to the Project, the Fiscal Agent shall withdraw all amounts then on deposit in the Project Fund and transfer such amounts to the Bond Fund.

Notwithstanding the foregoing provisions of this Section 3.04, upon the occurrence and continuation of an Event of Default under and as defined in Section 7.01(a) or (b), the Fiscal Agent shall immediately withdraw all amounts then on deposit in the Project Fund and apply such amounts in accordance with the provisions of Section 7.03 hereof.

Section 3.05. Validity of Bonds. The recital contained in the Bonds that the same are issued pursuant to 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 and shall not be affected in any way with respect to or in connection with any other agreement.

Section 3.06. Senior Obligations; Parity Obligations. After the Closing Date, as long as any Bonds are outstanding and payable, the District shall not issue or incur any bond, note, warrant, evidence of indebtedness, contract, instrument or other agreement payable from Net Revenues the payment of which is prior and senior to the payment of the Bonds.

The District may issue or incur any bond, note, warrant, evidence of indebtedness, contract, instrument or other agreement secured by a pledge of and lien on Net Revenues equally and ratably with the Bonds (referred to herein as "Parity Obligations") subject to the following provisions:

(a) The District is not in default under the terms of this Agreement.

(b) (i) Net Revenues, as certified by the District, for the most recent audited Fiscal Year preceding the date of execution of the Parity Obligations, plus (ii) projected Net Revenues (as described below) are at least equal to 125% of Aggregate Maximum Annual Debt Service.

The projections described in (b)(ii) above may take into account (1) increases in the charges made for service from the Enterprise which have been adopted by the District prior to the date of issuance or incurrence of such Parity Obligations, but which were not in effect for all or part of such preceding Fiscal Year, and which are scheduled to be effective in the period of Debt Service shown for such Parity Obligations, and (2) an allowance for estimated additional average annual Net Revenues from any additions or connections to or improvements or extensions of the Enterprise which have occurred from the end of Fiscal Year preceding the date of execution of the Parity Obligations.

(c) Notwithstanding the requirements described above, Parity Obligations may be issued or incurred to refund outstanding Parity Obligations if, after giving effect to the application of the proceeds thereof, total Debt Service will not be increased in any Fiscal Year in which Parity Obligations (outstanding on the date of issuance or incurrence of such refunding Parity Obligations, but excluding such refunding Parity Obligations) not being refunded are outstanding.

(d) The District may but shall not be required to fund a reserve fund or obtain a reserve fund surety or instrument with respect to any Parity Obligations. If a reserve fund is funded for any Parity Obligations or a qualified reserve fund surety or instrument is obtained with respect to any Parity Obligations, such funded reserve fund or qualified reserve fund surety or instrument shall secure only the related Parity Obligations and shall not support the Bonds or any other Parity Obligations.

Section 3.07. Subordinate Obligations. The District further covenants that the District shall not issue or incur any Subordinate Obligations unless Net Revenues or projected Net Revenues, calculated in the same manner as described in Section 3.06(b) hereof, are equal to at least 100% of the sum of Debt Service on all Parity Obligations and Subordinate Obligations outstanding immediately subsequent to the incurring of such additional obligations.

ARTICLE IV

REDEMPTION OF BONDS

Section 4.01. Terms of Redemption.

(a) Optional Redemption. The Bonds are subject to redemption prior to their stated maturity date on any Interest Payment Date in whole at the option of the District from moneys derived by the District from any source, at redemption prices (expressed as percentages of the outstanding principal amounts of the Bonds), together with accrued interest to the date of redemption, as follows:

Redemption Periods	Redemption Price
Any Interest Payment Date through November 4, 2028	103%
December 4, 2028 through November 4, 2029	101
December 4, 2029 and any Interest Payment Date thereafter	100

Section 4.02. Notice of Redemption. The District shall give the Fiscal Agent notice of its intent to redeem Bonds pursuant to Section 4.01(a) hereof no less than thirty (30) days prior to the date set for redemption.

Section 4.03. Effect of Redemption. Notice of redemption having been duly given as aforesaid, the Bonds so called for redemption shall become due and payable, interest on the Bonds so called for redemption shall cease to accrue, said Bonds shall cease to be entitled to any benefit or security under this Agreement, and the Owners of said Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof.

All Bonds redeemed pursuant to the provisions of this Article shall be canceled by the Fiscal Agent upon surrender thereof and disposed of in accordance with its customary procedures.

ARTICLE V

PLEDGE OF NET REVENUES; FUNDS AND ACCOUNTS; PAYMENT OF PRINCIPAL AND INTEREST

Section 5.01. Pledge and Assignment; Bond Fund.

(a) Subject only to the provisions of this Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein, all of the Net Revenues and any other amounts (including proceeds of the sale of the Bonds) held in any fund or account established pursuant to this Agreement (other than a Rebate Account) are hereby pledged to secure the payment of the principal of and interest on the Bonds in accordance with their terms and the provisions of this Agreement. Said pledge, charge, and assignment shall constitute a first lien on and security interest in the Net Revenues and such other amounts held in any fund or account

established pursuant to this Agreement (other than a Rebate Account) and shall attach, be perfected, and be valid and binding from and after the Closing Date, without any physical delivery thereof or further act.

(b) The Enterprise Fund shall be held by the District. The District shall deposit all of the Gross Revenues immediately upon receipt in the Enterprise Fund. On or after the first day of each month, amounts deposited in the Enterprise Fund shall be disbursed in the following order of priority:

(1) payment of Direct Costs for the preceding month; and

(2) payment of Debt Service coming due on any bonds, notes or obligations of the District relating to the Enterprise; and

(3) all payments required to meet any other obligations of District.

Amounts remaining in the Enterprise Fund immediately after making the transfers required to be made pursuant to this Section shall be used by the District for any lawful purpose of the District.

(c) The District hereby transfers in trust, grants a security interest in, and assigns to the Fiscal Agent, for the benefit of the Owners from time to time of the Bonds, all of the Net Revenues and all of the rights of the District hereunder (but none of its duties or obligations hereunder). The Fiscal Agent shall be entitled to and shall collect and receive all of the Net Revenues, and any Net Revenues collected or received by the District shall be deemed to be held, and to have been collected or received, by the District as the agent of the Fiscal Agent and shall forthwith be paid by the District to the Fiscal Agent. The Fiscal Agent also shall be entitled to and shall, subject to the provisions of Article VIII, take all steps, actions and proceedings which the Fiscal Agent determines to be reasonably necessary in its judgment to enforce all of the rights of the Fiscal Agent hereunder.

(d) All Net Revenues shall be promptly deposited by the Fiscal Agent upon receipt thereof in a special fund designated as the "Bond Fund" which the Fiscal Agent shall establish, maintain and hold in trust. All Net Revenues deposited with the Fiscal Agent shall be held, disbursed, allocated and applied by the Fiscal Agent only as provided in this Agreement. Amounts remaining in the Bond Fund in excess of amounts needed for Debt Service shall be transferred to the District for any lawful purpose of the District.

Section 5.02. Net Revenues. Not later than the first Business Day preceding each date on which principal of or interest on the Bonds becomes due and payable, the Fiscal Agent shall transfer from the Bond Fund and deposit into the following respective accounts (each of which the Fiscal Agent shall establish and maintain within the Bond Fund), the following amounts in the following order of priority, the requirements of each such account at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority:

(a) The Fiscal Agent shall deposit in the Interest Account an amount required to cause the aggregate amount on deposit in the Interest Account to be at least equal to the

amount of interest becoming due and payable on such date on all Bonds then Outstanding; and

(b) The Fiscal Agent shall deposit in the Principal Account an amount required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of the Bonds coming due and payable on such date.

Section 5.03. Application of Interest Account. All amounts in the Interest Account shall be used and withdrawn by the Fiscal Agent 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 Agreement).

Section 5.04. Application of Principal Account. All amounts in the Principal Account shall be used and withdrawn by the Fiscal Agent solely to pay the principal amount of the Bonds at their respective maturity dates or upon redemption of any Bonds.

Section 5.05. Investments. All moneys in any of the funds or accounts established with the Fiscal Agent pursuant to this Agreement shall be invested by the Fiscal Agent solely in Permitted Investments. Such investments shall be directed by the District pursuant to a Written Request of the District filed with the Fiscal Agent at least two (2) Business Days in advance of the making of such investments. In the absence of any such directions from the District, such moneys shall be held in cash, uninvested, until specific investment directions are provided by the District to the Fiscal Agent. Permitted Investments purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account. The Fiscal Agent may rely on any Written Request of the District as to the suitability and legality of any Permitted Investments selected for investment hereunder.

For purposes of acquiring any investments hereunder, the Fiscal Agent may commingle funds held by it hereunder. The Fiscal Agent may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Fiscal Agent shall incur no liability for losses arising from any investments made pursuant to this Section 5.05. Ratings of Permitted Investments referred to herein shall be determined at the time of purchase of such Permitted Investments. The Fiscal Agent shall have no responsibility to monitor the ratings of Permitted Investments after the initial purchase of such Permitted Investments, or the responsibility to validate the ratings of Permitted Investments prior to the initial purchase.

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

Section 5.06. Valuation of Investments. For the purpose of determining the amount in any fund or account, the value of Permitted Investments credited to such fund shall be valued quarterly by the Fiscal Agent at the market value thereof (excluding any accrued interest). The Fiscal Agent may utilize valuation services (including brokers and dealers in securities) and

computer pricing services as are available to it in making such valuations. Any deficiency in a fund or account resulting from a decline in market value shall be restored by the District no later than the next scheduled quarterly valuation date.

ARTICLE VI

PARTICULAR COVENANTS

Section 6.01. Punctual Payment. The District shall punctually pay or cause to be paid the principal of and interest and premium (if any) on all the Bonds in strict conformity with the terms of the Bonds and of this Agreement, according to the true intent and meaning thereof, but only out of Net Revenues and other assets pledged for such payment as provided in this Agreement.

Section 6.02. Extension of Payment of Bonds. The District shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds 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 Agreement, except subject to the prior payment in full of the principal of all of the Bonds then 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 District to issue Parity Obligations for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

Section 6.03. Against Encumbrances. The District shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Net Revenues and other assets pledged or assigned under this Agreement while any of the Bonds are Outstanding, except as permitted by this Agreement. Subject to this limitation, the District expressly reserves the right to enter into one or more other 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 District is duly authorized pursuant to law to issue the Bonds and to enter into this Agreement and to pledge and assign the Net Revenues and other assets purported to be pledged and assigned, respectively, under this Agreement in the manner and to the extent provided in this Agreement. The Bonds and the provisions of this Agreement are and will be the legal, valid and binding special obligations of the District in accordance with their terms, and the District and the Fiscal Agent shall at all times, subject to the provisions of Article VIII and to the extent permitted by law, defend, preserve and protect said pledge and assignment of Net Revenues and other assets and all the rights of the Bond Owners under this Agreement against all claims and demands of all persons whomsoever.

Section 6.05. Accounting Records and Financial Statements. The Fiscal Agent shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of Bonds, the Gross Revenues, the Net Revenues and all funds and accounts established pursuant to this Agreement. Such books of record and

account shall be available for inspection by the District, during business hours and under reasonable circumstances, upon reasonable notice.

The District shall submit the following financial information to the Original Purchaser:

(a) *Annual Budget*. Within 30 days of its adoption, the District shall provide a copy of its annual budget for each fiscal year in which Bonds are Outstanding. Said annual budget shall be prepared in accordance with generally accepted accounting principles and the requirements of the laws of the State. So long as the District's annual budget is posted on the District's website, such requirement for the applicable fiscal year is deemed satisfied.

(b) *Annual Audit*. Annually, after the end of the Fiscal Year, the District shall cause an audit to be made of the revenues received by the District for the preceding Fiscal Year by an Independent Certified Public Accountant to be employed for that purpose. Not later than 270 days after the end of the District's Fiscal Year that is the subject of the annual audit (commencing with the District's audit for its Fiscal Year ending June 30, 2026), the District shall provide a copy to the Original Purchaser. So long as the District's annual audit is posted on the District's website, such requirement for the applicable fiscal year is deemed satisfied.

Section 6.06. Rate Covenant. The District hereby covenants to fix, prescribe, revise and collect rates and charges for the services and facilities furnished by the Enterprise, during each Fiscal Year which (together with other funds accumulated from Gross Revenues and which are lawfully available to the District for payment of any of the following amounts during such Fiscal Year) are at least sufficient, after making allowances for contingencies and errors in estimates, to pay the following amounts in the following order:

(a) all Direct Costs of the Enterprise estimated by the District to become due and payable in such Fiscal Year;

(b) all Debt Service coming due and payable in such Fiscal Year; and

(c) all payments required to meet any other obligations of District which are charges, liens or encumbrances upon, or payable from, the Net Revenues.

The District shall fix, prescribe, revise and collect rates and charges for the services and facilities furnished by the Enterprise during each Fiscal Year which are sufficient to yield Net Revenues at least equal to one hundred and twenty-five percent (125%) of the amounts payable under the preceding clause (b) in such Fiscal Year.

Section 6.07. Maintenance. Throughout the term of this Agreement, all improvement, repair, and maintenance of the Project shall be the responsibility of the District, and the District shall pay for or otherwise arrange for the payment of all utility services supplied to the Project, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, water and all other utility services, and shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Project resulting from ordinary wear and tear.

Section 6.08. Operation of Enterprise. The District covenants and agrees to operate the Enterprise in an efficient and economical manner and to operate, maintain and preserve the Enterprise in at least as good repair and working order as on the effective date of this Agreement. The District covenants that, in order to fully preserve and protect the priority and security of the Net Revenues, the District shall pay from the Gross Revenues and discharge all lawful claims for labor, materials and supplies furnished for or in connection with the Enterprise which, if unpaid, may become a lien or charge upon the Gross Revenues or the Net Revenues prior or superior to the lien granted hereunder, or which may otherwise impair the ability of the District to pay the Net Revenues in accordance herewith. The District shall be responsible for any fines, liabilities, or other debts coming due as a result of the operation of the Enterprise.

Section 6.09. Days' Cash on Hand. The District hereby covenants to maintain Days' Cash on Hand equal to or greater than, for each Fiscal Year in which the Bonds are Outstanding, 60 days. Such covenant shall be tested by the District annually on each June 30, commencing June 30, 2029.

Section 6.10. Provisions Regarding Insurance. The District shall maintain or cause to be maintained the policies of insurance listed herein. The Fiscal Agent is entitled to rely on such certificate without undertaking to independently investigate the representations contained therein. The District shall maintain the following:

(a) Insurance against loss or damage to any structures constituting any part of the Enterprise, as is customarily maintained with respect to works and properties of a like character, which may be carried in conjunction with any other policies of fire and extended coverage insurance;

(b) Public Liability and Property Damage the minimum coverages of which shall be $1,000,000 for personal injury or death per person and $3,000,000 for personal injury or deaths of two or more persons in each accident or event, and property damage insurance in the minimum coverage of $100,000 per event, respectively, the property damage being subject to a maximum $25,000 deductible per accident. Such insurance may be maintained in the form of a minimum $3,000,000 single limit policy covering all such risks;

(c) Workers' compensation insurance issued by a responsible carrier authorized under the laws of the State of California to insure employers against liability for compensation under the Workers' Compensation Insurance and Safety Act now in force in California, or any act hereafter enacted as an amendment or supplement thereto or in lieu thereof, such workers' compensation insurance to cover all persons employed in connection with the Enterprise and to cover full liability for compensation under any such act aforesaid, based upon death or bodily injury claims made by, for or on behalf of any person incurring or suffering injury or death during or in connection with the Enterprise.

(d) Any insurance required by this Agreement, except insurance required under Section 6.10(a) hereof, may be maintained by the District in the form of self-insurance. Such self-insurance shall be maintained on a basis which is actuarially sound as established by the District's risk manager or an independent insurance consultant which determination

shall be made annually. Any deficiency shall be corrected within 60 days of the District becoming aware of such deficiency.

Section 6.11. Inability to Obtain Insurance. Notwithstanding the provisions of Section 6.10 of this Agreement, if at any time District shall be unable to obtain or maintain insurance to the extent required by Section 6.10 on reasonable terms, either as to amounts or as to risks, the failure to maintain such insurance shall not constitute a default under this Agreement if the District shall cause the employment of an independent insurance consultant having a favorable reputation for skill and experience in such matters, for the purpose of reviewing such insurance requirements and making recommendations respecting the type, amounts and provisions of reasonably obtainable insurance, including self-insurance, or the establishment of other generally accepted forms of alternative protection that should be carried in lieu thereof, or the infeasibility of obtaining insurance, and if the District shall comply with the recommendations made in such report. A signed copy of the report of the insurance consultant shall be filed with the Fiscal Agent, and the insurance requirements specified in Section 6.10 shall be deemed to be modified to conform with the recommendations in such report.

Section 6.12. Observance of Laws and Regulations. The District will well and truly keep, observe and perform or cause to be kept, observed and performed all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States, or of the State of California, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by the District, including its right to exist and carry on business as a public body, corporate and political, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

Section 6.13. Eminent Domain or Insurance Award. The District shall cause amounts received as awards as a result of the taking of all or any part of the Enterprise by the lawful exercise of eminent domain or the receipt of insurance award for any casualty loss for any of the Enterprise to be used to repair or replace the Enterprise or portion thereof so damaged or taken by eminent domain. Alternatively, the District may amend Exhibit B hereto to add capital facilities to be constructed or acquired with the net proceeds of such insurance or condemnation award. If the District cannot repair, replace, or substitute the Enterprise, then the District may make a deposit pursuant to Section 10.03 hereof.

Section 6.14. Disclaimer of Warranties. The District has made no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for any particular purpose or fitness for the use contemplated by the District of the Enterprise, or any other representation or warranty with respect to the Enterprise. In no event shall the District be liable for incidental, indirect, special or consequential damages in connection with or arising out of this Agreement for the existence, furnishing, functioning or District's use of the Enterprise.

Section 6.15. No Arbitrage. The District shall not take, or permit to be taken by the Fiscal Agent or otherwise, any action with respect to the proceeds of the Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally

taken, on the date of issuance of the Bonds would have caused the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

Section 6.16. Rebate Requirement. The District shall take any and all actions necessary to assure compliance with Section 148(f) of the Code, relating to the rebate of excess investments earnings, if any, to the federal government.

Section 6.17. Private Activity Bond Limitation. The District shall assure that the proceeds of the Bonds are not so used as to cause the Bonds to satisfy the private business tests of Section 141(b) of the Code.

Section 6.18. Private Loan Financing Limitation. The District shall assure that the proceeds of the Bonds are not so used as to cause the Bonds to satisfy the private loan financing test of Section 141(c) of the Code.

Section 6.19. Federal Guaranty Prohibition. The District shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

Section 6.20. Maintenance of Tax-Exemption. The District shall take any and all actions necessary to assure the exclusion of interest on the Bonds from the gross income of the Owners of the Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Bonds.

Section 6.21. Waiver of Laws. The District shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in this Agreement or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the District to the extent permitted by law.

Section 6.22. Protection of Security and Rights of Owners. The District will preserve and protect the security of the Bonds and the rights of the Owners. From and after the date of issuance of any Bonds, such Bonds shall be incontestable by the District.

Section 6.23. Maintenance of Existence. The District hereby covenants and agrees to take any and all action on its part to maintain its existence.

Section 6.24. Further Assurances. The District will make, execute and deliver any and all such further Agreements, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Agreement and for the better assuring and confirming unto the Owners of the Bonds of the rights and benefits provided in this Agreement.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.01. Events of Default. The following events shall be Events of Default hereunder:

(a) Default in the due and punctual payment by the District of the principal of any Bonds when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by acceleration, or otherwise.

(b) Default in the due and punctual payment by the District of any installment of interest on any Bonds when and as the same shall become due and payable.

(c) Default by the District in the observance of any of the other material covenants, agreements or conditions on its part in this Agreement or in the Bonds contained, if such default shall have continued for a period of thirty (30) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the District by the Fiscal Agent; provided, however, that if in the reasonable opinion of the District the default stated in the notice can be corrected, but not within such thirty (30) day period, such default shall not constitute an Event of Default hereunder if the District shall commence to cure such default within such thirty (30) day period and thereafter diligently and in good faith cure such failure in a reasonable period of time.

Section 7.02. Remedies Upon Event of Default. If any Event of Default shall occur, then, and in each and every such case during the continuance of such Event of Default, the Fiscal Agent shall at the written direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, declare the principal of all of the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Agreement or in the Bonds contained to the contrary notwithstanding.

Any such declaration is subject to the condition that if, at any time after such declaration and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the District, to the extent of the proportionate share of the deficiency, shall deposit with the Fiscal Agent a sum sufficient to pay all the principal of and installments of interest on the Bonds payment of which is overdue, with interest on such overdue principal at the rate borne by the respective Bonds to the extent permitted by law, and the reasonable fees, charges and expenses (including those of its attorneys) of the Fiscal Agent, and any and all other Events of Default known to the Fiscal Agent (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 Fiscal Agent or provision deemed by the Fiscal Agent to be adequate shall have been made therefor, then, and in every such case, the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, by written notice to the District and the Fiscal Agent, or the Fiscal Agent if such declaration was made by the Fiscal Agent, may, on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its consequences and waive such Event 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. Application of Net Revenues and Other Funds After Default. If an Event of Default shall occur and be continuing, all Net Revenues and any other funds then held or thereafter received by the Fiscal Agent under any of the provisions of this Agreement shall be applied by the Fiscal Agent as follows and in the following order:

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

(b) To the payment of the principal of and interest then due on the Bonds (upon presentation of the Bonds to be paid, and stamping or otherwise noting thereon of the payment if only partially paid, or surrender thereof if fully paid) in accordance with the provisions of this Agreement, as follows:

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

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

Section 7.04. Fiscal Agent to Represent Bond Owners. The Fiscal Agent 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 Fiscal Agent) as Fiscal Agent 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 Agreement and applicable provisions of any law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Fiscal Agent to represent the Bond Owners, the Fiscal Agent in its discretion may, and upon the written request of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding and upon being indemnified to its satisfaction therefor, 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 Fiscal Agent or in such Owners under the Bonds, this Agreement or any other law; and upon instituting such proceeding, the Fiscal Agent shall be entitled, as a matter of right, to the appointment of a receiver of the Net Revenues and other assets

pledged under this Agreement, pending such proceedings. All rights of action under this Agreement or the Bonds or otherwise may be prosecuted and enforced by the Fiscal Agent 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 Fiscal Agent shall be brought in the name of the Fiscal Agent for the benefit and protection of all the Owners of such Bonds, subject to the provisions of this Agreement.

Section 7.05. Bond Owners' Direction of Proceedings. Anything in this Agreement to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Fiscal Agent, and upon indemnification of the Fiscal Agent to its reasonable satisfaction, to direct the method of conducting all remedial proceedings taken by the Fiscal Agent hereunder, provided that such direction shall not be otherwise than in accordance with law and the provisions of this Agreement, and that the Fiscal Agent shall have the right to decline to follow any such direction which in the opinion of the Fiscal Agent would expose it to liability.

Section 7.06. Limitation on Bond Owners' Right to Sue. Notwithstanding any other provision hereof, no Owner of any Bonds 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 Agreement or any other applicable law with respect to such Bonds, unless (a) such Owner shall have given to the Fiscal Agent written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have made written request upon the Fiscal Agent to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) such Owner or Owners shall have tendered to the Fiscal Agent reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; (d) the Fiscal Agent shall have failed to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Fiscal Agent; and (e) no direction inconsistent with such written request shall have been given to the Fiscal Agent during such sixty (60) day period by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by 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 Agreement or the rights of any other Owners of Bonds, or to enforce any right under the Bonds, this Agreement, 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 Agreement.

Section 7.07. Absolute Obligation of District. Nothing in Section 7.06 or in any other provision of this Agreement or in the Bonds contained shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the principal of and interest and premium (if any) 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 Net 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 7.08. Termination of Proceedings. In case any proceedings taken by the Fiscal Agent, any one or more Bond 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 Fiscal Agent, or the Bond Owners, then in every such case the District, the Fiscal Agent and the Bond 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 District, the Fiscal Agent and the Bond Owners shall continue as though no such proceedings had been taken.

Section 7.09. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Fiscal Agent, 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 7.10. No Waiver of Default. No delay or omission of the Fiscal Agent, or of any Owner of the Bonds to exercise any right or power arising upon the occurrence of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein; and every power and remedy given by this Agreement to the Fiscal Agent, or the Owners of the Bonds may be exercised from time to time and as often as may be deemed expedient.

ARTICLE VIII

THE FISCAL AGENT

Section 8.01. Duties, Immunities and Liabilities of Fiscal Agent.

(a) U. S. Bank Trust Company, National Association is hereby appointed Fiscal Agent, registrar and paying agent for the Bonds. The Fiscal Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Fiscal Agent. The Fiscal Agent shall, prior to an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are expressly and specifically set forth in this Agreement and no implied duties or covenants shall be read into this Agreement against the Fiscal Agent. The Fiscal Agent shall, during the existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it by this Agreement, and use the same degree of care and skill in its exercise, as a reasonable Fiscal Agent would exercise or use under the circumstances in the conduct of his or her own affairs.

(b) The District may remove the Fiscal Agent at any time unless an Event of Default shall have occurred and then be continuing, and the District shall at any time upon the request of the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding

(or their attorneys duly authorized in writing) or if at any time the Fiscal Agent 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 Fiscal Agent or its property shall be appointed, or any public officer shall take control or charge of the Fiscal Agent 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 Fiscal Agent and the District and thereupon shall appoint a successor Fiscal Agent by an instrument in writing. Any such removal shall be made upon at least thirty (30) days' prior written notice to the Fiscal Agent.

(c) The Fiscal Agent may at any time resign by giving written notice of such resignation to the District and by giving the Bond Owners notice of such resignation by mail at the respective addresses shown on the Registration Books at least 45 days prior to the date of resignation. Upon receiving such notice of resignation, the District shall promptly appoint a successor Fiscal Agent by an instrument in writing.

(d) Any removal or resignation of the Fiscal Agent and appointment of a successor Fiscal Agent shall become effective upon acceptance of appointment by the successor Fiscal Agent. If no successor Fiscal Agent shall have been appointed and have accepted appointment within forty-five (45) days of giving notice of removal or notice of resignation as aforesaid, the District shall, and the Fiscal Agent may, petition any federal or state court for the appointment of a successor Fiscal Agent, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Fiscal Agent. Any successor Fiscal Agent appointed under this Agreement shall signify its acceptance of such appointment by executing and delivering to the District and to its predecessor Fiscal Agent a written acceptance thereof, and thereupon such successor Fiscal Agent, 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 Fiscal Agent, with like effect as if originally named Fiscal Agent herein; but, nevertheless at the Written Request of the District or the request of the successor Fiscal Agent, such predecessor Fiscal Agent 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 Fiscal Agent all the right, title and interest of such predecessor Fiscal Agent in and to any property held by it under this Agreement and shall pay over, transfer, assign and deliver to the successor Fiscal Agent any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Fiscal Agent, the District shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Fiscal Agent all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Fiscal Agent as provided in this subsection, the District shall mail or cause the successor Fiscal Agent to mail a notice of the succession of such Fiscal Agent to the trusts hereunder to each rating agency which is then rating the Bonds and to the Bond Owners at the respective addresses shown on the Registration Books. If the District fails to mail such notice within fifteen (15) days after acceptance of appointment by the successor Fiscal Agent, the successor Fiscal Agent shall cause such notice to be mailed at the expense of the District.

(e) Any Fiscal Agent appointed under this Agreement shall be a corporation or association organized and doing business under the laws of any state or the United States of America or the District of Columbia, authorized under such laws to exercise corporate trust

powers, which shall have (or, in the case of a corporation included in a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least Fifty Million Dollars ($50,000,000), and subject to supervision or examination by federal or State agency, so long as any Bonds are Outstanding. If such corporation or association publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining agency above referred to then for the purpose of this subsection (e), the combined capital and surplus of such corporation 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 Fiscal Agent shall cease to be eligible in accordance with the provisions of this subsection (e), the Fiscal Agent shall resign immediately in the manner and with the effect specified in this Section 8.01.

(f) The Fiscal Agent shall have no responsibility or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of these Bonds other than for statements provided by the Fiscal Agent which relate directly to the status of the Fiscal Agent's corporate trust business.

Section 8.02. Merger or Consolidation. Any bank, national banking association or trust company into which the Fiscal Agent may be merged or converted or with which it may be consolidated or any bank, national banking association or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank, national banking association or trust company to which the Fiscal Agent may sell or transfer all or substantially all of its corporate trust business, provided such bank, national banking association or trust company shall be eligible under subsection (e) of Section 8.01 shall be the successor to such Fiscal Agent, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 8.03. Liability of Fiscal Agent.

(a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the District, and the Fiscal Agent shall not assume responsibility nor liability for the correctness of the same, or make any representations as to the validity or sufficiency of this Agreement or the Bonds, nor shall the Fiscal Agent incur any responsibility nor liability therefore in respect thereof, other than as expressly stated herein in connection with the respective duties or obligations herein or in the Bonds assigned to or imposed upon it. The Fiscal Agent shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Fiscal Agent shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Fiscal Agent may become the Owner of Bonds with the same rights it would have if it were not Fiscal Agent, 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 Bond Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.

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

(c) The Fiscal Agent 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 of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Fiscal Agent, or exercising any trust or power conferred upon the Fiscal Agent under this Agreement.

(d) The Fiscal Agent 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 Agreement.

(e) The Fiscal Agent shall not be deemed to have knowledge of any Event of Default hereunder, or any other event which, with the passage of time, the giving of notice, or both, would constitute an Event of Default hereunder, unless and until the Responsible Trust Officer shall have actual knowledge thereof, or shall have received written notice thereof at its Trust Office. Except as otherwise expressly provided herein, the Fiscal Agent shall not be bound to ascertain or inquire as to the performance or observance by the District 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 an Event of Default or an event which would, with the giving of notice, the passage of time, or both, constitute an Event of Default. The Fiscal Agent shall not be responsible for the validity, effectiveness or priority of any collateral given to or held by it. Without limiting the generality of the foregoing, the Fiscal Agent shall not be required to ascertain or inquire as to the performance or observance by the District of the terms, conditions, covenants or agreements set forth herein, other than the covenants of the District to deliver Net Revenues to the Fiscal Agent when due and to file with the Fiscal Agent when due such reports and certifications as the District is required to file with the Fiscal Agent hereunder.

(f) No provision of this Agreement shall require the Fiscal Agent 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 any of its rights or powers, if it is not assured to its satisfaction that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(g) The Fiscal Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents or attorneys and shall not be responsible for the actions or omissions of such agents or attorneys if appointed by it with reasonable care.

(h) The Fiscal Agent shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement at the request or direction of Owners pursuant to this Agreement, unless such Owners shall have offered to the Fiscal Agent reasonable security or indemnity satisfactory to the Fiscal Agent against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction. No permissive power, right or remedy conferred upon the Fiscal Agent hereunder shall be construed to impose a duty to exercise such power, right or remedy.

(i) Whether or not therein expressly so provided, every provision of this Agreement relating to the conduct or affecting the liability of or affording protection to the Fiscal Agent shall be subject to the provisions of Section 8.01(a), this Section 8.03 and Section 8.04 hereof.

(j) The Fiscal Agent shall not be concerned with or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

(k) The Fiscal Agent makes no representation or warranty, expressed or implied as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose for the use contemplated by the District of the Project. In no event shall the Fiscal Agent be liable for incidental, indirect, special or consequential damages in connection with or arising from this Agreement for the existence, furnishing or use of the Project.

(l) The Fiscal Agent shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Fiscal Agent and could not have been avoided by exercising due care. Force majeure shall include acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics, pandemics, quarantine restrictions, acts of civil or military authority, or other similar occurrences beyond the control of the Fiscal Agent.

(m) The delivery of reports and other documents and information to the Fiscal Agent hereunder is for informational purposes only and the Fiscal Agent's receipt of such documents and information shall not constitute constructive notice of any information contained therein or determinable from information contained therein.

Section 8.04. Right to Rely on Documents. The Fiscal Agent shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bonds or other paper or document believed by them to be genuine and to have been signed or presented by the proper party or parties. The Fiscal Agent may consult with counsel, who may be counsel of or to the District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Fiscal Agent may treat the Owners of the Bonds appearing in the Registration Books as the absolute owners of the Bonds for all purposes and the Fiscal Agent shall not be affected by any notice to the contrary.

Whenever in the administration of the trusts imposed upon it by this Agreement the Fiscal Agent 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 Written Certificate, Written Request or Written Requisition of the District, and such Written Certificate, Written Request or Written Requisition shall be full warrant to the Fiscal Agent for any action taken or suffered in good faith under the provisions of this Agreement in reliance upon such Written Certificate, Written Request or Written Requisition, but in its discretion the Fiscal Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

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

Section 8.05. Preservation and Inspection of Documents. All documents received by the Fiscal Agent under the provisions of this Agreement shall be retained in their respective possession and shall be subject at all reasonable times to the inspection of the District and any Bond Owner, and their agents and representatives duly authorized in writing, at reasonable hours and under reasonable conditions.

The Fiscal Agent shall keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Fiscal Agent, in which complete and correct entries shall be made of all transactions made by it and with respect to the expenditure of amounts disbursed from the funds and accounts created hereby. Such books of record and accounts shall, upon reasonable notice, at all times during business hours be subject to the inspection of the District and the Owners of not less than ten percent (10%) of the aggregate principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing.

Section 8.06. Compensation and Indemnification. The District shall pay to the Fiscal Agent from time to time the compensation for all services rendered under this Agreement and also all reasonable expenses and disbursements, incurred in and about the performance of its powers and duties under this Agreement. In the event the Fiscal Agent advances its own funds for the payment of the Bonds or for the protection or benefit of the Owners of the Bonds, the District shall promptly reimburse the Fiscal Agent for such advances with interest at the maximum rate allowed by law.

The District shall indemnify, defend and hold harmless the Fiscal Agent (including its directors, officers, employees and agents) against any loss, liability or expense including legal fees and expenses incurred without gross negligence or willful misconduct on its part (as determined by a final non-appealable decision of a court of competent jurisdiction), arising out of or in connection with the acceptance or administration of this trust, including costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers hereunder. The rights of the Fiscal Agent and the obligations of the District under this Section 8.06 shall survive the resignation or removal of the Fiscal Agent or the discharge of the Bonds and this Agreement.

ARTICLE IX

MODIFICATION OR AMENDMENT OF THIS AGREEMENT

Section 9.01. Amendments Permitted.

(a) This Agreement and the rights and obligations of the District and of the Owners of the Bonds and of the Fiscal Agent may be modified or amended from time to time and at any time by an Agreement or Agreements supplemental thereto, which the District and the Fiscal Agent may enter into when the written consent of the Owners of a majority in aggregate principal amount of all Bonds then Outstanding, shall have been filed with the Fiscal Agent. No such modification or amendment shall (i) extend the fixed maturity of any Bonds, or reduce the amount of principal thereof or extend the time of payment, or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the Owner of each Bond so affected, or (ii) 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 Net Revenues and other assets pledged under this Agreement prior to or on a parity with the lien created by this Agreement except as permitted herein, or deprive the Owners of the Bonds of the lien created by this Agreement on Net Revenues and other assets (except as expressly provided in this Agreement), without consent of the Owners of all of the Bonds then Outstanding, or (iii) modify any of the rights or obligations of the Fiscal Agent hereunder without its written consent thereto. It shall not be necessary for the consent of the Bond Owners to approve the particular form of any Supplemental Agreement, but it shall be sufficient if such consent shall approve the substance thereof.

(b) This Agreement and the rights and obligations of the District, of the Fiscal Agent and the Owners of the Bonds may also be modified or amended from time to time and at any time by a Supplemental Agreement, which the District and the Fiscal Agent may enter into without the consent of any Bond Owners, if the Fiscal Agent has been furnished an opinion of counsel that the

provisions of such Supplemental Agreement shall not materially adversely affect the interests of the Owners of the Bonds, including, without limitation, for any one or more of the following purposes:

(i) to add to the covenants and agreements of the District in this 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 District;

(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 Agreement, or in regard to matters or questions arising under this Agreement, as the District may deem necessary or desirable, provided that such modification or amendment does not materially adversely affect the interests of the Bond Owners;

(iii) to modify, amend or supplement this 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;

(iv) to modify, amend or supplement this Agreement in such manner as to cause interest on the Bonds to remain excludable from gross income under the Code; or

(v) to facilitate the issuance of Parity Obligations.

(c) The Fiscal Agent may in its discretion, but shall not be obligated to, enter into any such Supplemental Agreement authorized by subsections (a) or (b) of this Section 9.01 which adversely affects the Fiscal Agent's own rights, duties or immunities under this Agreement or otherwise.

(d) Prior to the Fiscal Agent entering into any Supplemental Agreement hereunder, there shall be delivered to the Fiscal Agent an opinion of Bond Counsel stating, in substance, that such Supplemental Agreement is authorized or permitted by this Agreement and has been adopted in compliance with all conditions precedent of this Agreement and that the adoption of such Supplemental Agreement will not, in and of itself, adversely affect the exclusion from gross income for purposes of federal income taxes of interest on the Bonds.

(e) Notice of any modification hereof or amendment hereto shall be given by the District to each rating agency which then maintains a rating on the Bonds, if applicable, at least fifteen (15) days prior to the effective date of the related Supplemental Agreement.

Section 9.02. Effect of Supplemental Agreement. Upon the execution of any Supplemental Agreement pursuant to this Article IX, this Agreement shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Agreement of the District, the Fiscal Agent and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental

Agreement shall be deemed to be part of the terms and conditions of this Agreement for any and all purposes.

Section 9.03. Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after the execution of any Supplemental Agreement pursuant to this Article may, and if the District so determines shall, bear a notation by endorsement or otherwise in form approved by the District and the Fiscal Agent as to any modification or amendment provided for in such Supplemental Agreement, and, in that case, upon demand on the Owner of any Bonds Outstanding at the time of such execution and presentation of his Bonds for the purpose at the Trust Office or at such additional offices as the Fiscal Agent may select and designate for that purpose, a suitable notation shall be made on such Bonds. If the Supplemental Agreement shall so provide, new Bonds so modified as to conform, in the opinion of the District and the Fiscal Agent, to any modification or amendment contained in such Supplemental Agreement, shall be prepared and executed by the District and authenticated by the Fiscal Agent, and upon demand on the Owners of any Bonds then Outstanding shall be exchanged at the Trust Office, without cost to any Bond Owner, for Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amount of the same series and maturity.

Section 9.04. Amendment of Particular Bonds. The provisions of this Article IX shall not prevent any Bond Owner from accepting any amendment as to the particular Bonds held by him.

ARTICLE X

DEFEASANCE

Section 10.01. Discharge of Agreement. Any portion or all of the Outstanding Bonds may be paid by the District in any of the following ways, provided that the District also pays or causes to be paid any other sums payable hereunder by the District with respect to such Bonds:

(a) by paying or causing to be paid the principal of and interest and premium (if any) on such Bonds, as and when the same become due and payable;

(b) by depositing with the Fiscal Agent, in trust, at or before maturity, money or non-callable Federal Securities in the necessary amount (as provided in Section 10.03) to pay or redeem such Bonds; or

(c) by delivering such Bonds to the Fiscal Agent for cancellation.

The District shall defease such portion of the Bonds outstanding when so directed by the District and upon receipt of cash or securities sufficient to defease such specified amount of Bonds.

If the District shall also pay or cause to be paid all other sums payable hereunder (including all amounts payable to the Fiscal Agent), then and in that case, at the election of the District (evidenced by a Written Certificate of the District, filed with the Fiscal Agent, signifying the intention of the District to discharge such Bonds and this Agreement with respect to such Bonds), and notwithstanding that any of such Bonds shall not have been surrendered for payment, this Agreement and the pledge of Net Revenues and other assets made under this Agreement with

respect to such Bonds and all covenants, agreements and other obligations of the District under this Agreement with respect to such Bonds shall cease, terminate, become void and be completely discharged and satisfied. In such event, upon the Written Request of the District, the Fiscal Agent shall be authorized to take such actions and execute and deliver to the District all such instruments as may be necessary or desirable to evidence such discharge and satisfaction. In the event all Outstanding Bonds are paid as provided in this Section 10.01, the Fiscal Agent shall pay over, transfer, assign or deliver to the District all moneys or securities or other property held by it pursuant to this Agreement which are not required for the payment or redemption of any Bonds not theretofore surrendered for such payment or redemption and after payment of amounts due to the Fiscal Agent under the Agreement.

Prior to the defeasance of the Bonds, the District shall obtain the following items:

a. An opinion of Bond Counsel to the effect (i) that the defeasance will not adversely impact the exclusion from gross income for federal income tax purposes of interest on the Bonds or refunded bonds and (ii) that the Bonds are no longer "Outstanding" under the Agreement;

b. If the Bonds are being advance-refunded, a refunding trust or escrow agreement and an opinion of counsel regarding the validity and enforceability of the escrow agreement. In addition, such escrow agreement shall provide that:

i. Any substitution of securities shall require verification by an Independent Certified Public Accountant.

ii. The District will not exercise any redemption other than mandatory sinking fund redemptions unless the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds.

Section 10.02. Discharge of Liability on Bonds. Upon the deposit with the Fiscal Agent, in trust, at or before maturity, of money or non-callable Federal Securities in the necessary amount (as provided in Section 10.03) to pay or redeem any Outstanding Bonds (whether upon or prior to the maturity of such Bonds), provided that, if such Bonds are to be defeased prior to maturity, notice of such defeasance shall have been given or provision satisfactory to the Fiscal Agent shall have been made for the giving of such notice, then all liability of the District in respect of such Bonds shall cease, terminate and be completely discharged, and the Owners thereof shall thereafter be entitled only to payment out of such money or securities deposited with the Fiscal Agent as aforesaid for their payment, subject, however, to the provisions of Section 10.04.

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

Section 10.03. Deposit of Money or Securities with Fiscal Agent. Whenever in this Agreement it is provided or permitted that there be deposited with or held in trust by the Fiscal Agent money or non-callable Federal Securities in the necessary amount to pay or redeem any Bonds, the money or non-callable Federal Securities so to be deposited or held may include money

or non-callable Federal Securities held by the Fiscal Agent in the funds and accounts established pursuant to this Agreement 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, provided that, in the case of Bonds which are to be defeased prior to maturity, notice of such defeasance shall have been given or provision satisfactory to the Fiscal Agent shall have been made for the giving of such notice; or

(b) non-callable Federal Securities, the principal of and interest on which when due will, in the written opinion of an Independent Certified Public Accountant filed with the District and the Fiscal Agent, provide money sufficient to pay the principal of and interest and premium (if any) on the Bonds to be paid or redeemed, as such principal, interest and premium become due, provided that in the case of Bonds which are to be defeased prior to the maturity thereof, notice of such defeasance shall have been given or provision satisfactory to the Fiscal Agent shall have been made for the giving of such notice;

provided, in each case, that (i) the Fiscal Agent shall have been irrevocably instructed (by the terms of this Agreement or by Written Request of the District) to apply such money to the payment of such principal, interest and premium (if any) with respect to such Bonds, (ii) the District shall have delivered to the Fiscal Agent an opinion of Bond Counsel to the effect that such Bonds have been discharged in accordance with this Agreement, and (iii) a report of an Independent Certified Public Accountant verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity date; and a certificate of discharge of the Fiscal Agent with respect to the Bonds.

Section 10.04. Unclaimed Funds. Notwithstanding any provisions of this Agreement, and subject to applicable provisions of State law, any moneys held by the Fiscal Agent in trust for the payment of the principal of, or interest on, any Bonds and remaining unclaimed for two (2) 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 Agreement), if such moneys were so held at such date, or two (2) 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 District free from the trusts created by this Agreement and at the request of the Fiscal Agent an indemnification agreement acceptable to the District and the Fiscal Agent indemnifying the Fiscal Agent with respect to claims of Owners of Bonds which have not yet been paid, and all liability of the Fiscal Agent with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to the District as aforesaid, the Fiscal Agent shall (at the cost of the District) first mail to the Owners of Bonds which have not yet been paid, at the addresses shown on the Registration Books, a notice, in such form as may be deemed appropriate by the Fiscal Agent with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the District of the moneys held for the payment thereof.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Liability of District Limited to Net Revenues. Notwithstanding anything in this Agreement or in the Bonds contained, the District shall not be required to advance any moneys derived from any source other than the Net Revenues and other assets pledged under this Agreement for any of the purposes in this Agreement mentioned, whether for the payment of the principal of or interest on the Bonds or for any other purpose of this Agreement. Nevertheless, the District may, but shall not be required to, advance for any of the purposes hereof any funds of the District which may be made available to it for such purposes.

Section 11.02. Limitation of Rights to Parties; Bond Owners. Nothing in this Agreement or in the Bonds expressed or implied is intended or shall be construed to give to any person other than the District, the Fiscal Agent, and the Owners of the Bonds any legal or equitable right, remedy or claim under or in respect of this 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 District, the Fiscal Agent, and the Owners of the Bonds.

Section 11.03. Funds and Accounts. Any fund or account required by this Agreement to be established and maintained by the Fiscal Agent may be established and maintained in the accounting records of the Fiscal Agent, 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 and accounts shall at all times be maintained in accordance with corporate trust industry standards to the extent practicable, and with due regard for the requirements of Section 6.05 and for the protection of the security of the Bonds and the rights of every Owner thereof.

Section 11.04. Waiver of Notice; Requirement of Mailed Notice. Whenever in this 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. Whenever in this Agreement any notice shall be required to be given by mail, such requirement shall be satisfied by the deposit of such notice in the United States mail, postage prepaid, by first class mail.

Section 11.05. Destruction of Bonds. Whenever in this Agreement provision is made for the cancellation by the Fiscal Agent and the delivery to the District of any Bonds, the Fiscal Agent shall, in lieu of such cancellation and delivery, destroy such Bonds as may be allowed by law, and, upon written request of the District, deliver a certificate of such destruction to the District.

Section 11.06. Severability of Invalid Provisions. If any one or more of the provisions contained in this 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 Agreement and such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The District hereby declares that it would have entered into this 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 Agreement may be held illegal, invalid or unenforceable.

Section 11.07. Notices. All written notices to be given under this Agreement shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective either (a) upon transmission by Electronic Means or other form of telecommunication confirmed by the recipient (b) 48 hours after deposit in the United States mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The District or the Fiscal Agent may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the District:	**Southern Humboldt Community Healthcare District** 733 Cedar Street Garberville, CA 95542 Attn: Chief Executive Officer
If to the Fiscal Agent:	U. S. Bank Trust Company, National Association 633 West Fifth Street, 24th Floor LM-CA-T24T Los Angeles, CA 90071 Attention: Global Corporate Trust Reference: Southern Humbolt CHCD 2026 RBs

Section 11.08. Evidence of Rights of Bond Owners. Any request, consent or other instrument required or permitted by this Agreement to be signed and executed by Bond Owners may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Bond 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 Agreement and shall be conclusive in favor of the Fiscal Agent and the District 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 Bonds shall be proved by the Registration Books.

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 Fiscal Agent or the District 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 Agreement, Bonds which are known by the Fiscal Agent to be owned or held by or for the account of the District, or by any other obligor on the Bonds, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the District or any other obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section 11.09 if the pledgee shall certify to the Fiscal Agent the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the District or any other obligor on the Bonds. In case of a dispute as to such right, any decision by the Fiscal Agent taken upon the advice of counsel shall be full protection to the Fiscal Agent. Upon request of the Fiscal Agent, the District shall certify to the Fiscal Agent those Bonds which are disqualified pursuant to this Section 11.09 and the Fiscal Agent may conclusively rely on a certificate.

Section 11.10. Money Held for Particular Bonds. The money held by the Fiscal Agent for the payment of the interest or principal due on any date with respect to the Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto, *subject, however*, to the provisions of Section 10.04 hereof but without any liability for interest thereon.

Section 11.11. Waiver of Personal Liability. No member, officer, agent or employee of the District shall be individually or personally liable for the payment of the principal of or interest or premium (if any) 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 Agreement.

Section 11.12. Successor Is Deemed Included in All References to Predecessor. Whenever in this Agreement either the District or the Fiscal Agent 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 Agreement contained by or on behalf of the District or the Fiscal Agent shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 11.13. Execution in Several Counterparts. This 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 District and the Fiscal Agent shall preserve undestroyed, shall together constitute but one and the same instrument. The delivery of copies of this Agreement as executed by PDF or other electronic transmission shall constitute effective execution and delivery as to the parties and may be used in lieu of originals for all purposes.

Section 11.14. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State

Section 11.15. Electronic Transmission; Electronic Signatures. The Fiscal Agent shall not have any duty to confirm that the person sending any notice, instruction or other communication (a "Notice") by electronic transmission (including by e-mail, web portal or other electronic methods) is, in fact, a person authorized to do so. Electronic signatures believed by Fiscal Agent to comply with the ESIGN Act of 2000 or other applicable law (including electronic images of handwritten signatures and digital signatures provided by DocuSign, Orbit, Adobe Sign or any other digital signature provider acceptable to Fiscal Agent) shall be deemed original signatures for all purposes. Each other party assumes all risks arising out of the use of electronic signatures and electronic methods to send Notices to the Fiscal Agent, including without limitation the risk of Fiscal Agent acting on an unauthorized Notice, and the risk of interception or misuse by third parties. Notwithstanding the foregoing, Fiscal Agent may in any instance and in its sole discretion require that an original document bearing a manual signature be delivered to Fiscal Agent in lieu of, or in addition to, any such electronic Notice.

Section 11.16. Additional Rights of Original Purchaser. The following provisions shall apply so long as the Original Purchaser or its affiliate or a successor by merger owns 100% of the Bonds:

(A) Notwithstanding any other provision of this Agreement, the Original Purchaser shall have the right to consent to the appointment of a successor Fiscal Agent appointed by the District after the resignation or removal of the Fiscal Agent.

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

(C) The District shall inform the Original Purchaser promptly upon the occurrence of a default under this Agreement.

(D) The Original Purchaser is hereby expressly made a third party beneficiary of this Agreement..

IN WITNESS WHEREOF, the SOUTHERN HUMBOLDT COMMUNITY HEALTHCARE DISTRICT has caused this Agreement to be signed in its name by its Chief Executive Officer and attested to by its Secretary, and U.S. Bank Trust Company, National Association in token of its acceptance of the trusts created hereunder, has caused this Agreement to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

SOUTHERN HUMBOLDT COMMUNITY HEALTHCARE DISTRICT

By:_____
Matthew Rees, Chief Executive Officer

-Signature Page-
Fiscal Agent Agreement

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Fiscal Agent

By:_____
Authorized Officer

-Signature Page-
Fiscal Agent Agreement

EXHIBIT A

FORM OF BOND

No. R-1 $10,000,000

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

SOUTHERN HUMBOLDT COMMUNITY HEALTHCARE DISTRICT
REVENUE BONDS, SERIES 2026

INTEREST RATE	MATURITY DATE	ORIGINAL ISSUE DATE
____%	March 4, 2046	November 4, 2026

REGISTERED OWNER:

PRINCIPAL AMOUNT: TEN MILLION DOLLARS

The SOUTHERN HUMBOLDT COMMUNITY HEALTHCARE DISTRICT, a healthcare district, duly organized and existing under the laws of the State of California (the "District"), for value received, hereby promises to pay from Net Revenues to the Registered Owner specified above or registered assigns (the "Registered Owner"), on the Maturity Date specified above (subject to any right of prior redemption hereinafter provided for), the Principal Amount specified above, in lawful money of the United States of America, payable in principal installments as set forth in the Fiscal Agent Agreement (defined below), and to pay interest thereon in like lawful money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond unless (i) this Bond is authenticated on or before an Interest Payment Date and after the close of business on the fifteenth day of the month preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) this Bond is authenticated on or before November 15, 2026, in which event it shall bear interest from the Original Issue Date specified above; provided, however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on this Bond, at the Interest Rate per annum specified above, payable on the 4th day of each month, commencing December 4, 2026 (collectively, the "Interest Payment Dates"), calculated on the basis of a 360-day year composed of twelve 30-day months. Principal of and interest on this Bonds, and premium, if any, upon early redemption hereof are payable without the requirement for presentation and surrender hereof at the corporate trust office (the "Trust Office") of U.S. Bank Trust Company, National Association, as Fiscal Agent (the "Fiscal Agent"), or such other places as designated by the Fiscal Agent. Interest hereon is payable by check of the Fiscal Agent mailed on the Interest Payment Date by first class mail to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books of the Fiscal Agent as of the close of business on the fifteenth day of the month preceding each Interest Payment Date (a "Record

Date"), or, upon written request filed with the Fiscal Agent prior to such Record Date by a Registered Owner of at least $1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to an account in the continental United States of America designated by such Registered Owner in such written request.

This Bond constitutes the sole issue of a duly authorized issue of bonds of the District designated as the "Southern Humboldt Community Healthcare District Revenue Bonds, Series 2026 (the "Bonds"), in an aggregate principal amount of Ten Million Dollars ($10,000,000), issued pursuant to the provisions of the California Health and Safety Code and the California Government Code (the "Bond Law"), and pursuant to that certain Fiscal Agent Agreement, dated as of November 1, 2026, by and between the District and the Fiscal Agent (the "Agreement") and a resolution of the Board of Directors of the District adopted on October 29, 2026, authorizing the issuance of the Bonds. The Bonds are issued as one fully registered Bond in the total principal amount thereof. Reference is hereby made to the Agreement (copies of which are on file at the office of the District) and all supplements thereto for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Net Revenues (as defined in the Agreement), and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Fiscal Agent and the rights and obligations of the District thereunder, to all of the provisions of which the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds have been issued by the District to finance certain improvements to the District's Enterprise and pay costs of issuance of the Bonds.

This Bond and the interest and premium, if any, are special obligations of the District, and are payable from, and are secured by a charge and lien on the Net Revenues under the Agreement.

The rights and obligations of the District and the Registered Owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Agreement, but no such modification or amendment shall extend the fixed maturity of the Bonds, or reduce the amount of principal thereof or premium (if any) thereon, or extend the time of payment, or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the Registered Owner of the Bond.

This Bond is subject to redemption prior to the Maturity Date on any Interest Payment Date in whole at the option of the District from moneys derived by the District from any source, at redemption prices (expressed as percentages of the outstanding principal amount of the Bonds), together with accrued interest to the date of redemption, as follows:

Redemption Periods	**Redemption Price**
Any Interest Payment Date through November 4, 2028	103%
December 4, 2028 through November 4, 2029	101
December 4, 2029 and any Interest Payment Date thereafter	100

If this Bond is called for redemption and payment is duly provided therefor as specified in the Agreement, interest shall cease to accrue hereon from and after the date fixed for redemption. If an Event of Default, (as defined in the Agreement), shall occur, the principal of the Bonds may

be declared due and payable upon the conditions, in the manner and with the effect provided in the Agreement, but such declaration and its consequences may be rescinded and annulled as further provided in the Agreement.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Trust Office of the Fiscal Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the Agreement, and upon surrender and cancellation of this Bond. Upon registration of such transfer, a new Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange therefor. This Bond may be exchanged at the Trust Office or such other place as designated by the Fiscal Agent for Bonds of the same tenor, aggregate principal amount, interest rate and maturity, of other authorized denominations. Transfer or exchange of this Bond will not be permitted during the period established by the Fiscal Agent for selection of Bonds for redemption or if this Bond has been selected for redemption.

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

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

This Bond shall not be entitled to any benefit under the Agreement or become valid or obligatory for any purpose until the Fiscal Agent's Certificate of Authentication hereon endorsed shall have been signed by the Fiscal Agent.

IN WITNESS WHEREOF, the Southern Humboldt Community Healthcare District has caused this Bond to be executed in its name and on its behalf with the manual or facsimile signature of its Chief Executive Officer and attested to by the manual or facsimile signature of its Secretary, all as of the Original Issue Date specified above.

SOUTHERN HUMBOLDT COMMUNITY
HEALTHCARE DISTRICT

By _____
Chief Executive Officer

Attest:

_____
Secretary

CERTIFICATE OF AUTHENTICATION

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

Dated:

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Fiscal Agent

By _____
Authorized Signatory

(FORM OF ASSIGNMENT)

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

_____

_____

_____

_____

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

the within Bond and do(es) hereby irrevocably constitute and appoint _____

_____ attorney, to transfer the same on the books of the Fiscal Agent, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Note: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Fiscal Agent.	Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

EXHIBIT B

DESCRIPTION OF THE PROJECT

At the Closing Date, the Project consists of the following:

Enterprise improvements including design, construction and acquisition of a new hospital campus and the design, construction, acquisition, repair and replacement of improvements to the District's facilities located at Redwood Drive.

EXHIBIT C

PAYMENT SCHEDULE
[TO COME]