



BOARD OF DIRECTORS

Katherine Burnworth, President | Laura Goodsell, Vice-President | James Garcia, Treasurer | Enola Berker, Secretary | Rodolfo Valdez, Director | Felipe Irigoyen, Director | Arturo Proctor, Director

**AGENDA
SPECIAL MEETING OF THE BOARD OF DIRECTORS
TUESDAY, OCTOBER 13, 2026, 6:00 P.M.**

**El Centro Regional Medical Center | MOB Conference Room 1&2
1271 Ross Avenue, El Centro, CA. 92243**

[Join Microsoft Teams](#)

Meeting ID: 231 173 810 884 770

Passcode: pW9D5ga2

- 1. Call to Order**
- 2. Roll Call**
- 3. Pledge of Allegiance**
- 4. Approval of Request for Remote Appearance by Board Member(s), if Applicable**
- 5. Consider Approval of Agenda**

In the case of an emergency, items may be added to the agenda by a majority vote of the Board of Directors. An emergency is defined as a work stoppage, a crippling disaster, or other activity that severely imperils public health, safety, or both. Items on the agenda may be taken out of sequential order as their priority is determined by the Board of Directors. The Board may take action on any item appearing on the agenda.
- 6. Public Comments**

At this time the Board will hear comments on any agenda item. If any person wishes to be heard, they shall stand; address the president, identify themselves, and state the subject for comment. Time limit for each speaker is 3 minutes individually per item to address the Board. Individuals who wish to speak on multiple items will be allowed four (4) minutes in total. A total of 15 minutes shall be allocated for each item for all members of the public. The board may find it necessary to limit the total time allowable for all public comments on items not appearing on the agenda at anyone one meeting to one hour.

7. Items for Discussion and/or Board Action:

- a. Staff Recommends Action to Approve: Resolution No. 2026-1013, A Resolution of the Imperial Valley Healthcare District Board of Directors Approving the Amended and Restated Installment Purchase Agreement by and among El Centro Financing Authority and Imperial Valley Healthcare District; Continuing a Lien Upon Gross Revenues for the Payment of such Installment Purchase Agreement; Approving a Deed of Trust, an Amended and Restated Security Agreement and Other Related Documents as Described Herein, Authorizing the Execution and Delivery of Other Instruments, Documents or Agreements Appropriate to the Foregoing and Related Matters; and Waiving Certain Conditions Precedent to Closing Pursuant to the Asset Transfer Agreement.

8. Discussion Regarding Status of El Centro Merger

9. Adjournment

- a. The next regular meeting of the Board will be held on October 22, 2026, at 6:00 p.m. at 601 Heber Ave. Calexico, CA 92231.

POSTING STATEMENT

A copy of the agenda was posted October 12, 2026, at 1271 Ross Avenue, El Centro, CA. 92243 at 6:00 p.m. and other locations throughout the IVHD pursuant to CA Government code 54957.5. Disclosable public records and writings related to an agenda item distributed to all or a majority of the Board, including such records and written distributed less than 24 hours prior to this meeting are available for public inspection at the District Administrative Office where the IVHD meeting will take place. The agenda package and material related to an agenda item submitted after the packets distribution to the Board is available for public review in the lobby of the office where the Board meeting will take place.

In compliance with the Americans with Disabilities Act, if any individuals request special accommodations to attend and/or participate in District Board meetings please contact the District at (760)970- 6046. Notification of 48 hours prior to the meeting will enable the District to make reasonable accommodation to ensure accessibility to this meeting [28 CFR 35.102-35.104 ADA title II].

RESOLUTION NO. 2026-1013

A RESOLUTION OF THE IMPERIAL VALLEY HEALTHCARE DISTRICT BOARD OF DIRECTORS APPROVING THE AMENDED AND RESTATED INSTALLMENT PURCHASE AGREEMENT BY AND AMONG EL CENTRO FINANCING AUTHORITY AND IMPERIAL VALLEY HEALTHCARE DISTRICT; CONTINUING A LIEN UPON GROSS REVENUES FOR THE PAYMENT OF SUCH INSTALLMENT PURCHASE AGREEMENT; APPROVING A DEED OF TRUST, AN AMENDED AND RESTATED SECURITY AGREEMENT AND OTHER RELATED DOCUMENTS AS DESCRIBED HEREIN; AUTHORIZING THE EXECUTION AND DELIVERY OF OTHER INSTRUMENTS, DOCUMENTS OR AGREEMENTS APPROPRIATE TO THE FOREGOING AND RELATED MATTERS; AND WAIVING CERTAIN CONDITIONS PRECEDENT TO CLOSING PURSUANT TO THE ASSET TRANSFER AGREEMENT

WHEREAS, Imperial Valley Healthcare District (“**IVHD**”) is a California healthcare district established by the California Legislature pursuant to Assembly Bill 918 (2023) (“**AB 918**”), Health and Safety Code (the “**Code**”) section 32499.5 *et seq.*, that is duly organized and existing under the laws of the State of California;

WHEREAS, Code Section 32499.6(c)(4)(A) directed the IVHD Board of Directors (the “**Board**”) to enter into negotiations with the El Centro Regional Medical Center, a municipal hospital, separate agency and enterprise operation of the City of El Centro, California, a charter city duly organized and existing under and by virtue of the laws of the State of California (the “**City**”) duly organized and existing under and by virtue of the laws of the State of California (“**ECRMC**”) to decide the terms of the acquisition of its 161-bed hospital located in the Imperial Valley (the “**ECRMC Hospital**”). The Board finalized terms to acquire the ECRMC Hospital on or before November 5, 2024, and IVHD made a written offer to acquire all assets of ECRMC, including the ECRMC Hospital and associated other rural health clinics and certain other healthcare facilities in Imperial County, California (collectively, the “**Healthcare Establishment**”);

WHEREAS, the initial board of directors of IVHD, having chosen to acquire the El Centro Regional Medical Center, Code Section 32499.6(c)(4)(A) required IVHD to acquire the ECRMC Hospital from ECRMC and the City with all of its assets and liabilities;

WHEREAS, the liabilities of the ECRMC Hospital and ECRMC include the obligations of ECRMC pursuant to that certain Installment Purchase Agreement by and among ECRMC, the City and the El Centro Financing Authority, a public entity duly organized and existing as a joint exercise of powers authority under and by virtue of the laws of the State of California (the “**Authority**”) dated as of April 1, 2018 (the “**Original Installment Purchase Agreement**”). The obligations of ECRMC and the City pursuant to the Original Installment Purchase Agreement are secured by, among other things (i) a Security and Assignment Agreement dated as of April 19, 2018 by and between MUFG Union Bank, N.A., a national banking association duly organized and existing under and by virtue of the laws of the United States of America (as predecessor-in-

interest to U.S. Bank Trust Company, National Association) (the “**Original Security Agreement**”) and (ii) a pledge of the Gross Revenues (as defined in the Original Installment Purchase Agreement) of ECRMC and the Gross Revenue Fund (as defined in the Original Installment Purchase Agreement) of ECRMC held at Wells Fargo Bank, National Association (the “**ECRMC Gross Revenue Fund**”);

WHEREAS, the payments made pursuant to the Original Installment Purchase Agreement pay the debt service on those certain El Centro Financing Authority Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project) Series 2018 (the “**2018 Bonds**”) issued in order to finance the costs of certain additions, betterments, extensions and improvements to the ECRMC Hospital pursuant to that certain Trust Agreement between the Authority and MUFG Union Bank, N.A. (as predecessor-in-interest to U.S. Bank Trust Company, National Association), as trustee dated as of April 1, 2018 (the “**Original Trust Agreement**”);

WHEREAS, IVHD, the City and ECRMC previously entered into that certain Asset Transfer Agreement dated as of August 1, 2025 (the “**Asset Transfer Agreement**”) consistent with AB 918 and Resolution 2025-0626 of this Board, pursuant to which IVHD agreed to acquire all of the assets and liabilities of the Healthcare Establishment, including, but not limited to, the obligations of the City and ECRMC pursuant to the Original Installment Purchase Agreement;

WHEREAS, in order to obtain the consent of a majority of the holders of the 2018 Bonds, to approve IVHD’s assumption of the Original Installment Purchase Agreement, PHCC LLC (d/b/a Preston Hollow Community Capital) (“**Preston Hollow**”), the current holder of a majority of the 2018 Bonds, has required, consistent with that term sheet among IVHD, ECRMC and Preston Hollow dated on or about July 23, 2026 that IVHD (i) enter into an Amended and Restated Installment Purchase Agreement, substantially in the form attached hereto as Exhibit A (“**Amended and Restated Installment Purchase Agreement**”); (ii) pledge its Gross Revenues (as defined in the Amended and Restated Installment Purchase Agreement) to secure the obligations of IVHD pursuant to the Amended and Restated Installment Purchase Agreement and to cause the deposit of such Gross Revenues into the Gross Revenue Funds (as defined in the in the Amended and Restated Installment Purchase Agreement), (iii) provide security interests to the Trustee (as hereinafter defined) in the real and personal property associated with the Healthcare Establishment (the “**ECRMC Property**”); (iv) enter into such deposit account sweep agreements and deposit account control agreements as are necessary or appropriate to perfect Trustee’s security interests in the Gross Revenues, ECRMC Gross Revenue Fund (as the same is or shall be assigned to and assumed by IVHD) and a Gross Revenue Fund, held at Mechanics Bank (together with the ECRMC Gross Revenue Fund, the “**Gross Revenue Funds**”)); (v) provide indemnifications from certain environmental liabilities; and (vi) agree to certain continuing disclosure obligations to the holders of the 2018 Bonds;

WHEREAS, in connection with the assumption of IVHD of the obligations of ECRMC related to the Original Purchase Agreement, the Original Trust Agreement is being amended and restated pursuant to that certain Amended and Restated Trust Agreement between the Authority and U.S. Bank Trust Company, National Association, as successor-in-interest to MUFG Union Bank, N.A., an a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as trustee (the “**Trustee**”) dated as of April 1, 2018 and

amended and restated as of October 15, 2026 and effective on the Effective Date defined therein (the “**Amended and Restated Trust Agreement**”);

NOW, THEREFORE, this Board of Directors of IVHD (the “**Board**”) does hereby find, resolve, and order as follows:

Section 1. The Amended and Restated Installment Purchase Agreement attached hereto as Exhibit A is hereby approved. The interim chief executive officer and the chief executive officer of IVHD are hereby authorized to execute and deliver the Amended and Restated Installment Purchase Agreement subject to such modifications and amendments thereto as they determine to be necessary and appropriate, as evidenced by their execution thereof;

Section 2. In order to cause the perfection of the security interest in the Gross Revenues and Gross Revenue Funds, the interim chief executive officer and the chief executive officer of IVHD are hereby authorized to execute and deliver each Deposit Account Control Agreement (as defined in the Amended and Restated Installment Purchase Agreement) and such agreements necessary or appropriate to cause any account with governmental receivables constituting Gross Revenues to be swept into one of the Gross Revenue Funds (collectively with the Deposit Account Control Agreements, the “**Deposit Account Agreements**”) substantially in the form provided to the Board prior to the adoption of this Resolution, subject to such modifications and amendments thereto as they determine to be necessary and appropriate, as evidenced by their execution thereof.

Section 3. The (i) Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing in substantially the form attached hereto as Exhibit B (the “**Deed of Trust**”), (ii) the Amended and Restated Security and Assignment Agreement in substantially the form attached hereto as Exhibit C (the “**Amended and Restated Security Agreement**”), (iii) the Environmental Indemnity substantially in the form attached hereto as Exhibit D (the “**Environmental Indemnity**”), (iv) the Amended and Restated Continuing Disclosure Agreement in substantially the form attached hereto as Exhibit E (the “**Continuing Disclosure Agreement**”) and (v) a Bringdown Certificate substantially in the form attached hereto as Exhibit F (the “**Bringdown Certificate**” and, together with the Deed of Trust, the Amended and Restated Security Agreement, the Environmental Indemnity, the Deposit Account Agreements and the Default Interest Letter (as hereinafter defined) and the Continuing Disclosure Agreement, the “**Related Documents**”) are hereby approved, subject to such amendments and modifications thereto as the interim chief executive officer and the chief executive officer deem necessary and appropriate, as evidenced by their execution thereof. The interim chief executive officer and the chief executive officer are both authorized to execute each of the Related Documents, subject to such modifications and amendments as they deem to be necessary and appropriate as evidenced by their execution thereof.

Section 4. The officers of IVHD, including, by way of example, but not as a limitation, the interim chief executive officer of IVHD, the chief executive officer of IVHD, the President of the Board, and the Secretary of the Board are hereby further authorized and directed to take such further actions and to execute and deliver any agreements, certificates, financing statements, documents or other instruments, and the interim chief executive officer is further authorized to designate additional officers or employees of IVHD to take such actions as are consistent with this Resolution and the Amended and Restated Installment Purchase Agreement or the Related

Documents and as are necessary or appropriate in the judgment of such officers to consummate or perfect the transactions contemplated herein and the Amended and Restated Installment Purchase Agreement and in the Related Documents, or to protect the rights and interests of IVHD or the holders of the 2018 Bonds including, but not limited to, such certificates as necessary and appropriate for Snell & Wilmer LLP to render its legal opinions with respect to the Amended and Restated Installment Purchase Agreement and the Related Documents and such certificates, including but not limited to the First Supplement to Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986, substantially in the form attached hereto as Exhibit G (the “**Supplemental Tax Certificate**”) as necessary and appropriate for Kutak Rock LLP to render its legal opinion regarding the tax status of the 2018 Bonds after the effectiveness of the Amended and Restated Installment Purchase Agreement and the Amended and Restated Trust Agreement. To the extent the officers and employees of IVHD have previously taken actions consistent with this Resolution, such actions are hereby ratified and approved. Additionally, this Board expressly ratifies the execution of a letter from PHCC LLC dated as of October 8, 2026 by the interim chief executive officer, attached hereto as Exhibit H (the “**Default Interest Letter**”).

Section 5. The Board hereby authorizes the officers of IVHD to waive the condition set forth in Section 5.10 of the Asset Transfer Agreement.

Section 6. The Board hereby adopts the policy set forth in Schedule I to Exhibit G attached hereto as IVHD’s written policy for post issuance tax compliance applicable to tax advantaged loans, bonds, notes, leases, certificates of participation, installment purchase agreements or similar obligations (collectively, “**Obligations**”) heretofore and hereafter issued or executed and delivered by it or on its behalf.

Section 7. Adriana S. Ochoa, as legal counsel for IVHD, or her designee(s), acting alone or together, is (are) hereby authorized and directed to make such non-substantive corrections or revisions, as appropriate, and to take or cause to be taken all such other actions as may be required to fulfill the purposes of this Resolution; and

Section 8. This Resolution shall take effect immediately upon its adoption.

IT IS SO RESOLVED. PASSED, ADOPTED AND SIGNED ON THIS 13th DAY OF OCTOBER 2026.

SECRETARY’S CERTIFICATE

I, Enola Berker, Secretary of the Board of Directors of Imperial Valley Healthcare District, a California healthcare district, County of Imperial, California, hereby certify as follows:

The attached is a full, true, and correct copy of the resolution(s) duly adopted at a special meeting of the Board of Directors of Imperial Valley Healthcare District, which was duly held on October 13, 2026, notice of which was provided in accordance with applicable law and at which meeting a quorum of the members of the Board of Directors was present; and at such meeting such resolution(s) was/were adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

I have carefully compared the same with the original minutes of such meeting on file and of record in my office; the attached resolution is a full, true, and correct copy of the original resolution adopted at such meeting and entered in such minutes; and such resolution has not been amended, modified, or rescinded since the date of its adoption, and the same is now in full force and effect.

WITNESS my hand this 13th day of October 2026.

Secretary
Imperial Valley Healthcare District

EXHIBIT A

Amended and Restated Installment Purchase Agreement

[See attached.]

AMENDED AND RESTATED INSTALLMENT PURCHASE AGREEMENT

among

IMPERIAL VALLEY HEALTHCARE DISTRICT,

as Purchaser

and

EL CENTRO FINANCING AUTHORITY,

as Seller

for the

El Centro Regional Medical Center Project

Dated as of April 1, 2018

and

Amended and Restated as of October 15, 2026 and Effective on the Effective Date

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AMENDED AND RESTATED INSTALLMENT PURCHASE AGREEMENT

This **AMENDED AND RESTATED INSTALLMENT PURCHASE AGREEMENT**, dated as of April 1, 2018 and amended and restated as of October 15, 2026 and effective on the Effective Date defined herein (as amended and restated, this “Installment Purchase Agreement”), is made among the **IMPERIAL VALLEY HEALTHCARE DISTRICT**, a California healthcare district duly organized and existing under and by virtue of the laws of the State of California (the “Purchaser”) (as successor-in-interest to the El Centro Regional Medical Center, a municipal hospital, separate agency and enterprise operation of the City of El Centro duly organized and existing under and by virtue of the laws of the State of California (“ECRMC”)), and the **EL CENTRO FINANCING AUTHORITY**, a public entity duly organized and existing as a joint exercise of powers authority under and by virtue of the laws of the State of California (the “Authority”);

W I T N E S S E T H:

WHEREAS, in 2015, the Authority issued its \$25,000,000 Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project) Series 2015A and \$25,000,000 Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project) Series 2015B (together, the “Series 2015 Bonds”);

WHEREAS, to refund the Series 2015 Bonds and to assist ECRMC in financing the costs of certain additions, betterments, extensions and improvements more fully described in Exhibit B to this Installment Purchase Agreement (such improvements being hereinafter referred to as the “Series 2018 Medical Center Projects”), the Authority issued its Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project), Series 2018 (the “Series 2018 Bonds”), pursuant to the terms of a Trust Agreement, dated as of April 1, 2018 (the “Original Trust Agreement”), between the Authority and MUFG Union Bank, N.A. (as predecessor-in-interest to U.S. Bank Trust Company, National Association), as trustee (the “Trustee”);

WHEREAS, KeyBank Capital Markets (the “Underwriter”) purchased the Series 2018 Bonds pursuant to a purchase contract, dated April 4, 2018 (the “Purchase Contract”), among the Authority, ECRMC, the City of El Centro (the “City”), and the Underwriter, for resale of the Series 2018 Bonds to an investor pursuant to a limited public offering, as described in the Limited Offering Memorandum related to the Series 2018 Bonds (the “2018 Limited Offering Memorandum”);

WHEREAS, pursuant to the terms of that certain Installment Purchase Agreement, dated as of April 1, 2018 (the “Original Installment Purchase Agreement”), between the City, ECRMC, and the Authority, the City agreed to purchase the Series 2018 Medical Center Projects from the Authority and the Authority agreed to sell the Series 2018 Medical Center Projects to the City;

WHEREAS, to pay the purchase price due under the Original Installment Purchase Agreement (the “Series 2018 Purchase Price”), the City, on behalf of ECRMC, but only from the gross revenues of ECRMC, determined to make installment purchase payments (the “Series 2018 Installment Purchase Payments”) to the Authority;

WHEREAS, pursuant to that certain Asset Transfer Agreement (the “Asset Transfer Agreement”) among the City, ECRMC, and the Purchaser, effective August 1, 2025, the City and ECRMC (together, the “Sellers”) agreed to sell, assign, transfer, convey and deliver to the Purchaser, and the Purchaser agreed to purchase, acquire and accept from the Sellers, Sellers’ right, title and interest in, to and under the Assets (as defined in the Asset Transfer Agreement), which includes the real and personal property of ECRMC;

WHEREAS, pursuant to the Asset Transfer Agreement, the Purchaser agreed to assume and to pay, perform, and discharge the Assumed Liabilities (as defined in the Asset Transfer Agreement), which includes the Sellers’ obligations under the Original Installment Purchase Agreement;

WHEREAS, the assumption by the Purchaser of the Sellers’ obligations under the Original Installment Purchase Agreement does not satisfy the requirements of the Original Installment Purchase Agreement, including Section 5.01 thereof, and accordingly, the Original Installment Purchase Agreement is being amended and restated by this Installment Purchase Agreement to reflect certain amendments required by the Owners of at least a majority in aggregate principal amount of Bonds Outstanding as a condition to providing the consent described below;

WHEREAS, in addition, the Purchaser desires to formally join the Original Installment Purchase Agreement as Purchaser and assume all obligations of the Sellers thereunder as evidenced by the Purchaser’s execution of this Installment Purchase Agreement effective on the Effective Date;

WHEREAS, concurrently with the execution of this Installment Purchase Agreement, the Trustee and the Authority are entering into that certain Amended and Restated Trust Agreement, dated as of April 1, 2018 and amended and restated as of October 15, 2026 (the “Trust Agreement”);

WHEREAS, concurrently with the Purchaser’s execution and delivery of this Installment Purchase Agreement, the Purchaser will execute and deliver the Deed of Trust (as defined in the Trust Agreement) and will amend and restate the Security Agreement (as defined in the Trust Agreement), in each case on the Effective Date, to secure, among other things, the obligations of the Purchaser under this Installment Purchase Agreement;

WHEREAS, pursuant to Section 10.07(a) of the Original Installment Purchase Agreement, the Purchaser and the Authority are amending and restating the Original Installment Purchase Agreement as set forth herein and releasing the Sellers from any obligations hereunder concurrently with the Purchaser’s assumption thereof, with the written consent of the Owners of at least a majority in aggregate principal amount of Bonds Outstanding (with no consent of any Parity Debt holders as no Parity Debt is outstanding) and the written consent of the Sellers;

WHEREAS, the written consent of the Owners of at least a majority in aggregate principal amount of Bonds Outstanding and the written consent of the Sellers have been delivered to the Trustee; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this

Installment Purchase Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Installment Purchase Agreement;

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

ARTICLE I

DEFINITIONS; INTERPRETATIONS; CONTENTS OF CERTIFICATES AND OPINIONS

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

SECTION 1.02. Interpretations.

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

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

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

Any such certificate or opinion made or given by an Authorized Authority Representative, an Authorized Purchaser Representative may be based, insofar as it relates to legal, accounting or health care matters, upon a certificate or opinion of or representation by counsel, an Independent Certified Public Accountant, an internal senior accounting officer, or a Management Consultant, unless such Authorized Representative knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or opinion may be based, as aforesaid, is erroneous. Any such certificate or

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

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE AUTHORITY AND THE PURCHASER

SECTION 2.01. Representations of the Authority. The Authority makes the following representations as of the Closing Date and as of the Effective Date:

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

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

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

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

(a) The Purchaser is a local healthcare district and political subdivision of the State of California duly organized and validly existing and in good standing under and by virtue of the laws of the State, has full legal right, power and authority to enter into this Installment Purchase Agreement, the Deed of Trust, the Environmental Indemnity Agreement, the Security Agreement, each Deposit Account Control Agreement, the Continuing Disclosure Agreement and

the Tax Certificate (collectively, the “Transaction Documents”) and to carry out and consummate all transactions contemplated by this Installment Purchase Agreement and the other Transaction Documents, and by proper official action has duly authorized the execution and delivery of this Installment Purchase Agreement and the other Transaction Documents.

(b) The officers of the Purchaser executing this Installment Purchase Agreement and the other Transaction Documents are fully authorized to execute the same.

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

(d) The execution and delivery of this Installment Purchase Agreement and the other Transaction Documents, the consummation of the transactions herein contemplated and the fulfillment of or compliance with the terms and conditions hereof, will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law, administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, note, loan agreement, lease, contract or other agreement or instrument to which the Purchaser is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Purchaser, which conflict, violation, breach, default, lien, charge or encumbrance might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Installment Purchase Agreement and the other Transaction Documents or the financial condition, assets, properties, or operations of the Purchaser. Subject to compliance with Section 5.03(b) of this Installment Purchase Agreement, no Purchase Agreement Default hereunder or Event of Default under the Trust Agreement exists as of the Effective Date.

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

(f) The Series 2018 Medical Center Projects constitute “public capital improvements” as such term is defined in the Act.

(g) There is no action, suit, proceeding, inquiry or investigation, before or by any court or federal, state, municipal or other governmental authority, pending or, to the knowledge of the Purchaser, after reasonable inquiry and investigation, threatened against or affecting the Purchaser or the assets, properties or operations of the Purchaser which, if determined adversely to the Purchaser or its interests, could have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of this Installment Purchase Agreement or the other Transaction Documents, and the Purchaser is not in default (and no event has occurred and is continuing which, with the giving of notice or the passage of time or both, could constitute a default) with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would reasonably be expected to materially and adversely affect the consummation of the transactions contemplated by this Installment Purchase Agreement or the other Transaction Documents, or the financial condition, assets, properties or operations of the Purchaser or its properties. All tax returns (federal, state and local) required to be filed by or on behalf of the Purchaser have been filed, and all taxes shown thereon to be due and payable, if any, including interest and penalties, except such, if any, as are being actively contested in good faith, have been paid or adequate reserves have been made for the payment thereof, which reserves, if any, are reflected in the financial statements described in Section 5.06. The Purchaser enjoys the peaceful and undisturbed possession of all the premises upon which the ECRMC is operating as a health facility.

(h) To Purchaser's actual knowledge, the Purchaser has good and marketable title to the Facilities (other than the ECRMC Property) free and clear from all material encumbrances other than Permitted Encumbrances. The Purchaser has good and marketable title to the ECRMC Property free and clear from all material encumbrances other than Permitted Encumbrances. The ECRMC Property consists of all of the "Assets" purchased under the Asset Transfer Agreement (other than the Deferred Parcels described in Section 5.15(b) hereof) and the ECRMC Property is subject to the lien of the Deed of Trust and the Security Agreement. There are no liens on the Gross Revenues or the Gross Revenue Fund other than this lien granted by the Purchaser pursuant to Section 4.03 of this Installment Purchase Agreement and the Permitted Encumbrance described in clause (p) of the definition thereof. As of the Effective Date, other than the obligations under this Installment Purchase Agreement or as otherwise disclosed in the pro forma combination of unaudited financial statements for the Purchaser and ECRMC described in Section 5.03(b), the Purchaser has no outstanding indebtedness for borrowed money (including any bonds, notes, certificates of participation, loans, installment purchase or installment sale obligations, or other evidences of indebtedness, and any guaranty of the indebtedness of any other person) and is not a party, as lessee, to any finance lease (or any lease that is classified as a finance lease under GAAP).

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

(j) The Purchaser further represents, except as disclosed in writing to the Authority, the Trustee, and the Majority Owner, as follows:

(i) there have been no notices, directives, violations, reports or actions by any local, state or federal department or agency concerning environmental laws or

regulations applicable to the Facilities, and the Purchaser is in compliance with all applicable state and federal environmental laws in all respects material to its ability to perform its obligations under this Installment Purchase Agreement or the other Transaction Documents;

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

(iii) with respect to (A) the ECRMC Property, to Purchaser's actual knowledge after due inquiry based on the Environmental Reports (as defined in the Environmental Indemnity Agreement), copies of which the Purchaser has provided to the Majority Owner, and (B) all other Facilities, to Purchaser's actual knowledge there has been no spill, discharge, release, cleanup, contamination of or by any Hazardous Substances or toxic waste or substances used, generated, treated, stored, disposed or handled by the Purchaser at the Facilities or the Series 2018 Medical Center Projects which spill, discharge, release, cleanup or contamination is material to the ability of the Purchaser to perform its obligations under this Installment Purchase Agreement or the other Transaction Documents;

(iv) with respect to (A) the ECRMC Property, to Purchaser's actual knowledge after due inquiry based on the Environmental Reports (as defined in the Environmental Indemnity Agreement) and (B) all other Facilities, to Purchaser's actual knowledge, except as otherwise disclosed in such Environmental Reports, there are not now, nor have there ever been any underground storage tanks located at, on, or under the Facilities or the Series 2018 Medical Center Projects; and

(v) except for such Hazardous Substances or toxic substances or wastes as occur, are produced, used or handled, and are disposed of in the ordinary course of business of the Purchaser, with respect to (A) the ECRMC Property, to the actual knowledge of the Purchaser after due inquiry based on the Environmental Reports (as defined in the Environmental Indemnity Agreement) and (B) all other Facilities, to Purchaser's actual knowledge, no Hazardous Substances or toxic substances or wastes are located at, or have been removed from the Facilities or the Series 2018 Medical Center Projects.

(k)

(i) To Purchaser's actual knowledge after due inquiry, the audited balance sheet of ECRMC for the year ended June 30, 2025, the unaudited balance sheet of ECRMC for the year ended June 30, 2026 and for the twelve months ended September 30, 2026, and the related statement of income and change in fund balance for each, fairly state the financial position of ECRMC at June 30, 2025, June 30, 2026 and September 30, 2026, respectively, and the results of operations for the fiscal years and twelve months ended on

such date, respectively, and since September 30, 2026, there has been no material adverse change in the financial condition or results of operation of ECRMC.

(ii) To Purchaser's actual knowledge after due inquiry, the audited balance sheet of the Purchaser for the year ended June 30, 2025, the unaudited balance sheet of the Purchaser for the year ended June 30, 2026 and for the twelve months ended September 30, 2026, and the related statement of income and change in fund balance for each, fairly state the financial position of the Purchaser at June 30, 2025, June 30, 2026 and September 30, 2026, respectively, and the results of operations for the fiscal years and twelve months ended on such date, and since September 30, 2026, there has been no material adverse change in the financial condition or results of operation of the Purchaser.

(l) No written information, exhibit or certificate furnished to the Authority by the Purchaser pursuant to this Installment Purchase Agreement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

SECTION 2.03. Reserved.

ARTICLE III

SERIES 2018 MEDICAL CENTER PROJECTS; PURCHASE PRICE; APPROVAL OF TRUST AGREEMENT; INVESTMENT OF MONEYS

SECTION 3.01. Design, Acquisition, Construction and Sale of the Series 2018 Medical Center Projects. The Authority hereby agrees to design, acquire and construct the Series 2018 Medical Center Projects for, and to sell the Series 2018 Medical Center Projects to, the Purchaser. To implement this provision, the Authority hereby appoints the Purchaser as its agent for the purpose of such design, acquisition and construction, and the Purchaser hereby agrees to enter into such design, architectural and construction contracts and purchase orders as may be necessary, as agent for the Authority, to provide for the complete design, acquisition and construction of the Series 2018 Medical Center Projects. The Purchaser hereby agrees that as such agent it will cause the Series 2018 Medical Center Projects to be diligently completed after the deposit of funds in the Series 2018 Project Account of the Project Fund for such purpose pursuant to Section 3.02 of the Trust Agreement.

In consideration of the Series 2018 Purchase Price set forth in Section 3.02 hereof the Authority hereby agrees to sell, and hereby sells, the Series 2018 Medical Center Projects to the Purchaser. The Purchaser hereby agrees to purchase, and hereby purchases, the Series 2018 Medical Center Projects from the Authority. Notwithstanding the foregoing, it is hereby expressly understood and agreed that the Authority shall be under no liability of any kind or character whatsoever for the payment of any costs or expenses incurred by the Purchaser (whether as agent for the Authority or otherwise) for the acquisition and construction of the Series 2018 Medical Center Projects and that all such costs and expenses shall be paid by the Purchaser, regardless of whether the funds deposited in the Series 2018 Project Account of the Project Fund are sufficient to cover all such costs.

SECTION 3.02. Purchase Price.

(a) The Series 2018 Purchase Price to be paid by the Purchaser to the Authority is the sum of the principal amount of the Purchaser's obligation hereunder in connection with the financing of the Series 2018 Medical Center Projects and the refunding of the Series 2015 Bonds, plus the interest to accrue on the unpaid balance of such principal amount from the date hereof over the term hereof, in accordance with the installment purchase payment schedule set forth in Exhibit A hereto, subject to prepayment as provided in Section 4.05, plus such other amount as shall be necessary to produce an amount sufficient for the payment in full of all obligations to the Owners from time to time Outstanding under the Trust Agreement, including total interest due on the Series 2018 Bonds, total principal due on the Series 2018 Bonds, including principal due in connection with redemption of Series 2018 Bonds, and the redemption premium, if any, that shall be payable in connection with any redemption of Series 2018 Bonds pursuant to Section 4.01(b) of the Trust Agreement, less the amount of other funds available for such payment as provided in the Trust Agreement. The Purchaser agrees to pay the Series 2018 Purchase Price by paying the Series 2018 Installment Purchase Payments as provided in Section 4.01 hereof.

(b) The original principal amount of the Series 2018 Purchase Price is \$125,000,000.

(c) The interest to accrue on the unpaid balance of such principal amount shall be paid by the Purchaser as and shall constitute interest paid on the principal amount of the Series 2018 Purchase Price obligation hereunder.

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

SECTION 3.03. Title to the Series 2018 Medical Center Projects. Purchaser is vested with all right, title and interest in the Series 2018 Medical Center Projects.

SECTION 3.04. Purchaser Ingress and Egress by Authority. The Authority shall have the right of ingress and egress to and from all such land and easements of Purchaser for the purpose of fulfilling its obligations with respect to the Series 2018 Medical Center Projects without the necessity of any party hereto executing further documentation relevant or appertaining thereto.

SECTION 3.05. Approval of Trust Agreement, Deed of Trust and Security Agreement. The Purchaser hereby approves the Trust Agreement, the Deed of Trust and the Security Agreement, including the assignment under the Trust Agreement to the Trustee of the right, title and interest of the Authority (except for the right to receive any Administrative Fees and Expenses to the extent payable to the Authority, the right to receive any amounts paid by the Purchaser pursuant to Sections 6.02 and 7.04 hereof, and the right to receive the Certificate of the Purchaser required by Section 5.09 hereof) in this Installment Purchase Agreement, the Deed of Trust and the Security Agreement. The Purchaser shall have the rights granted to the Purchaser under the Trust Agreement, including, without limitation, the right to request that the Authority

issue additional Series of Bonds under Section 3.05 of the Trust Agreement, and the right to redeem the Series 2018 Bonds pursuant to Article IV of the Trust Agreement.

SECTION 3.06. Investment of Moneys. Upon written direction of the Purchaser, any moneys in any fund or account held by the Trustee under the Trust Agreement shall be invested or reinvested by the Trustee in Investment Securities as provided in the Trust Agreement, and the Purchaser hereby approves such provisions of the Trust Agreement.

ARTICLE IV

PAYMENT PROVISIONS

SECTION 4.01. Payment of Series 2018 Installment Purchase Payments.

(a) The Purchaser shall, subject to prepayment as provided in Section 4.05, pay the Authority the Series 2018 Purchase Price, without offset or deduction of any kind. On the first Business Day of each month, prior to paying any Operating Expenses in such month, the Purchaser shall, subject to prepayment as provided in Section 4.05 and the provisions of subsection (c) of this Section 4.01 pay to the Trustee, as assignee of the Authority, a Series 2018 Installment Purchase Payment in the amount set forth for such month in Exhibit A; provided, however, that during any period in which an Event of Default or Determination of Taxability has occurred and is continuing, the amount of such Series 2018 Installment Purchase Payments set forth in Exhibit A shall be increased to reflect the increased amount of debt service payable on the Series 2018 Bonds resulting from the increase in the interest rate thereon required pursuant to Section 2.02 of the Trust Agreement upon such Event of Default or Determination of Taxability. Notwithstanding the foregoing, if five (5) Business Days prior to any interest or principal payment date on the Series 2018 Bonds, the aggregate amount in the Revenue Fund (other than the Bond Reserve Account) is for any reason insufficient or unavailable to make required payments of principal (or Redemption Price) of or interest on the Series 2018 Bonds then becoming due (whether by maturity, redemption or acceleration), the Purchaser shall forthwith pay the amount of any such deficiency to the Trustee. Each payment made hereunder by the Purchaser shall be made in lawful money of the United States of America, shall be made to the Trustee at its Principal Corporate Trust Office and shall be held, invested, disbursed and applied as provided in the Trust Agreement.

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

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

redemption premium, if any, that shall be payable in connection with any redemption of Bonds pursuant to Section 4.01(b) and Section 4.01(c) of the Trust Agreement.

(d) The obligation of the Purchaser to pay the Series 2018 Purchase Price due in connection with the Series 2018 Medical Center Projects by paying the Series 2018 Installment Purchase Payments and the Purchase Price due in connection with any Additional Medical Center Project by paying the Installment Purchase Payments due in connection with the acquisition of such Additional Medical Center Project is, subject to Section 7.02, absolute and unconditional, and until such time as the Series 2018 Installment Purchase Payments and such other Installment Purchase Payments shall have been paid in full (or provision for the payment thereof shall have been made pursuant to Section 9.01), the Purchaser shall not discontinue or suspend any Installment Purchase Payments, including, without limitation, the Series 2018 Installment Purchase Payments, required to be paid by it under this Section when due, whether or not the Series 2018 Medical Center Projects or any Additional Medical Center Project is completed, the Facilities or any part thereof is operating or operable, or the use of the Facilities is suspended, interfered with, reduced, curtailed or terminated in whole or in part, and such payments shall not be subject to reduction whether by offset or otherwise and shall not be conditional upon the performance or nonperformance by any party to any agreement for any cause whatsoever.

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

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

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

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

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

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

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

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

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

SECTION 4.03. Gross Revenues; Gross Revenue Fund; Limited Obligation. The Purchaser hereby covenants and agrees that so long as any Installment Purchase Payments or Supplemental Payments remain unpaid, all of the Gross Revenues of the Purchaser shall be deposited, held and maintained in one or more funds (collectively, the “Gross Revenue Fund”), established at a trust company, banking corporation, national banking association or bank having trust powers (each, a “Depository Bank”), as the Purchaser shall designate to the Trustee as the Gross Revenue Fund. The Gross Revenue Fund shall be held and administered in accordance herewith and a Deposit Account Control Agreement, executed and delivered by the Purchaser, the applicable Depository Bank and the Trustee, shall be executed for each of the funds constituting the Gross Revenue Fund. Subject only to the provisions of this Installment Purchase Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein, the Purchaser hereby pledges, which pledge shall constitute a first lien on and security interest in all of the Gross Revenues and amounts in the Gross Revenue Fund to secure the payment of the Installment Purchase Payments and the Supplemental Payments and the performance by the

Purchaser of its other obligations under this Installment Purchase Agreement and any payment with respect to any Parity Debt. Such pledge shall be effective, binding and enforceable against the Purchaser, each of its successors, assigns, purchasers and all other creditors asserting rights in the Gross Revenues to the extent permitted by law. The effective date of this pledge is April 19, 2018, the date of execution and delivery of the Original Installment Purchase Agreement and the Purchaser is assuming the pledge originally made by ECRMC as of and on the Effective Date.

SECTION 4.04. Obligations of the Purchaser Unconditional; Net Contract. The obligations of the Purchaser to make the Installment Purchase Payments and Supplemental Payments required hereunder and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional, and shall not be abated, rebated, setoff, reduced, abrogated, terminated, waived, diminished, postponed or otherwise modified in any manner or to any extent whatsoever, while any Bonds remain Outstanding or any Supplemental Payments remain unpaid, regardless of any contingency, act of God, event or cause whatsoever, including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, the taking by eminent domain or destruction of or damage to the Facilities, commercial frustration of purpose, any changes in the laws of the United States of America or of the State or any political subdivision of either or in the rules or regulations of any governmental authority, or any failure of the Authority or the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Installment Purchase Agreement or the Trust Agreement. This Installment Purchase Agreement shall be deemed and constructed to be a “net contract,” and the Purchaser shall pay absolutely net the Installment Purchase Payments, Supplemental Payments and all other payments required hereunder, regardless of any rights of setoff, recoupment, abatement or counterclaim that the Purchaser might otherwise have against the Authority or the Trustee or any other party or parties.

SECTION 4.05. Prepayment of 2018 Installment Purchase Payments.

(a) The Purchaser shall pay unpaid Series 2018 Installment Purchase Payments as, when and in the manner that the Series 2018 Bonds are subject to mandatory redemption pursuant to Section 4.01(a), (c) or (d) of the Trust Agreement at a prepayment price equal to the applicable Redemption Price for the Series 2018 Bonds set forth in the Trust Agreement.

(b) The Purchaser may pay unpaid Series 2018 Installment Purchase Payments as, when and in the manner that the Series 2018 Bonds are subject to optional redemption pursuant to Section 4.01(b) of the Trust Agreement at a prepayment price equal to the applicable Redemption Price for the Series 2018 Bonds set forth in the Trust Agreement.

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

(d) All such prepayments (including the additional amount necessary to pay the applicable premium, if any, payable upon redemption of the Series 2018 Bonds being redeemed) shall be deposited upon receipt by the Trustee in the Redemption Fund established pursuant to Section 5.01 of the Trust Agreement and used for the redemption or purchase of Outstanding Series 2018 Bonds in the manner and subject to the terms and conditions set forth in the Trust Agreement. Notice of such prepayment shall be in accordance with the terms of the Trust Agreement.

ARTICLE V

PARTICULAR COVENANTS

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

(a) The Purchaser shall maintain its existence as a local healthcare district and political subdivision of the State duly organized and existing under and by virtue of the laws of the State. Subject to the other provisions contained in this Section 5.01, the Purchaser covenants and agrees that the Purchaser shall not dissolve, sell or otherwise dispose of all or substantially all of the assets of the Purchaser, nor consolidate the operations of the Purchaser with or merge the operations of the Purchaser into another Person, nor grant a right to or permit any Person other than the Purchaser and its members of the Board of Directors of the Purchaser to appoint or designate a majority of the members of the Board of Directors of the Purchaser, nor permit one or more other Persons to consolidate with or merge into the operations of the Purchaser; provided that the Purchaser may, without violating the covenants contained in this Section 5.01, consolidate the operations of the Purchaser with or merge the operations of the Purchaser into another Person, or permit one or more other Persons to consolidate with or merge into the operations of the Purchaser, or sell or otherwise transfer to another Person such assets, or grant a right to or permit any Person other than the Purchaser and its officers to appoint or designate a majority of the members of the Board of Directors of the Purchaser, if the following are satisfied; provided, however, subsection 5.01(a)(i), (a)(iv) and (a)(v) shall not apply on and as of the Effective Date:

(i) The surviving, resulting or transferee Person has a public rating of at least “Baa2” by Moody’s or “BBB” by S&P or Fitch Ratings;

(ii) The Authority and the Trustee shall have received an Opinion of Bond Counsel to the effect that such merger, consolidation, sale or other transfer or the grant of any such right to appoint or designate a majority of the members of the Board of Directors of the Purchaser will not cause the interest on the Series 2018 Bonds to be included in gross income for federal income tax purposes under Section 103 of the Code;

(iii) The surviving, resulting or transferee Person:

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

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

(C) complies with applicable law;

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

(E) shall have fund balances at least equal to the fund balances of the Purchaser prior to such transaction;

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

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

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

(b) Notwithstanding the foregoing provisions of this Section 5.01, the Purchaser may, without complying with the provisions of subsection (a) of this Section 5.01, enter into and perform its obligations under any agreement with another Person providing for the management or lease by such other Person of all or any portion of the assets or operations of the Purchaser, or for the affiliation of the clinical operations of the Purchaser with the clinical operations of such other Person, provided that in any such instance after the date hereof:

(i) The Authority and the Trustee shall have received an Opinion of Bond Counsel to the effect that the entry by the Purchaser into such agreement and the performance by the Purchaser of its respective obligations thereunder will not cause the interest on the Series 2018 Bonds to be included in the gross income for federal income tax purposes under Section 103 of the Code; and

(ii) Upon the execution and delivery by the Purchaser of any such agreement, the Purchaser are in compliance with the provisions of this Installment Purchase Agreement.

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

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

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

(a) The Purchaser shall operate the Facilities as revenue producing health care facilities. The Purchaser shall fix, charge and collect, or cause to be fixed, charged and collected, subject to applicable requirements or restrictions imposed by law, rates, fees and charges that are sufficient: (1) in each Fiscal Year, commencing with the Fiscal Year ended June 30, 2027, to (i) pay the Cash Operating Expenses for such Fiscal Year, (ii) produce Net Income Available for Debt Service for such Fiscal Year equal to at least 1.25 times Aggregate Debt Service on Senior Indebtedness for such Fiscal Year and (iii) maintain Days Cash on Hand as of the end of such Fiscal Year equal to at least 45 days; (2) in each Fiscal Quarter, commencing with the Fiscal Quarter ended December 31, 2026, to (i) pay the Cash Operating Expenses for such Fiscal Quarter, and (ii) produce Net Income Available for Debt Service (for the prior 12-month trailing period) for such Fiscal Quarter equal to at least 1.25 times Aggregate Debt Service on Senior Indebtedness for such Fiscal Quarter (on a rolling 12 month basis), and (3) as of each June 30 and December 31, commencing as of December 31, 2026 (each, a “Semi-Annual Testing Date”) to maintain Days Cash on Hand for such Semi-Annual Testing Date equal to at least 45 days.

(b) On the Effective Date, the Purchaser shall furnish to the Trustee (i) a pro forma combination of unaudited financial statements for the Purchaser and ECRMC, in form and substance acceptable to the Majority Owners, for the twelve-months ended October 15, 2026¹ and (ii) a Statement from officers of the Purchaser confirming that (A) after the acquisition of ECRMC and the assumption of its obligations, the Purchaser has 45 Days Cash on Hand on the Effective Date and (B) ECRMC and the Purchaser, collectively, had Net Income Available for Debt Service for the trailing twelve months ended October 15, 2026 equal to at least 1.25 times Aggregate Debt Service on Senior Indebtedness for such Fiscal Year, provided that, for purposes of such calculation the Pioneers Memorial Healthcare District Revenue Bonds 2017 shall not be included in the Long-Term Indebtedness so long as such bonds are redeemed on October 14, 2026, together with a certification by the Purchaser that no Purchase Agreement Defaults hereunder or Events of Default under the Trust Agreement have occurred and remain outstanding and upon receipt thereof, no Purchase Agreement Default hereunder or Event of Default under the Trust Agreement shall exist as of the Effective Date.

(c) Within 150 days after the end of each Fiscal Year, commencing with the Fiscal Year ending June 30, 2027, the Purchaser shall (1) compute the covenants described in Section 5.03(a)(1) hereof based on the audited financial statements of the Purchaser for such Fiscal Year required under Section 5.06(b) hereof and (2) furnish to the Trustee a Statement setting forth

¹ The portion of the pro forma unaudited financial statements of the Purchaser and ECRMC for the period from October 1 through the Effective Date are based on the best information available to Purchaser but are not based on “closed” books for such period.

the results of such computations and such other information reasonably requested by the Majority Owner.

(d) Within 45 days after the end of each Fiscal Quarter, commencing with the Fiscal Quarter ending December 31, 2026, the Purchaser shall (1) compute the covenants described in Section 5.03(a)(2) and Section 5.03(a)(3) hereof based on unaudited financial statements of the Purchaser for such Fiscal Quarter (for the prior 12-month trailing period) and (2) furnish to the Trustee a Statement setting forth the results of such computations and such other information reasonably requested by the Majority Owner.

(e) The Purchaser further covenants and agrees that if at the end of such Fiscal Year or Fiscal Quarter, as applicable, the Net Income Available for Debt Service shall have been less than 1.25 times Aggregate Debt Service for such Fiscal Year or Fiscal Quarter, as applicable, or if on any Semi-Annual Testing Date, Days Cash on Hand shall be less than 45 days, it will within 30 days after delivery to the Trustee of a Statement with such computation employ a Management Consultant to make recommendations as to a revision of the rates, fees and charges of the Purchaser or the methods of operation of the Purchaser which will result in producing Net Income Available for Debt Service and Days Cash on Hand in the amounts required by subsection (a) of this Section for subsequent Fiscal Years or Fiscal Quarters or Semi-Annual Testing Dates, as applicable. Copies of the recommendations of the Management Consultant shall be filed with the Trustee. The Purchaser shall within 30 days after its receipt of such recommendations, subject to applicable requirements or restrictions imposed by law, revise its rates, fees and charges or its methods of operation or collections and shall take such other action as shall be in conformity with such recommendations.

If the Purchaser complies in all material respects with the reasonable recommendations of the Management Consultant in respect to rates, fees, charges and methods of operation or collection for the Fiscal Year succeeding the delivery of the recommendations of the Management Consultant, the Purchaser will be deemed to have complied with the covenants contained in this Section 5.03 for such Fiscal Years, or Fiscal Quarters or Semi-Annual Testing Dates, as applicable notwithstanding that Net Income Available for Debt Service or Days Cash on Hand shall be less than the amount required under subsection (a) of this Section; except as provided in subsection (g) of this Section 5.03.

(f) Notwithstanding the foregoing, the Purchaser may permit the rendering of service at, or the use of the Facilities without charge or at reduced charges, at the discretion of the Board; provided, that the Purchaser would continue to satisfy the requirements of this Section 5.03.

(g) Notwithstanding any other provision, a Purchase Agreement Default resulting for a failure to comply with the covenants set forth in this Section 5.03 shall exist for a given Fiscal Year or Fiscal Quarter or Semi-Annual Testing Date, as applicable, if either shall have occurred: (1) Net Income Available for Debt Service shall be less than 1.00 times Aggregate Debt Service for such Fiscal Year or Fiscal Quarter, as applicable, or (2) Days Cash on Hand shall be less than 30 days as of such Semi-Annual Testing Date.

SECTION 5.04. Limitations on Encumbrances. The Purchaser shall not create, assume or suffer to exist any mortgage, deed of trust, pledge, security interest,

encumbrance, lien, attachment or charge of any kind (including the charge upon property purchased under conditional sales or other title retention agreements) (a “security interest”) upon the Facilities (including the ECRMC Property), the Gross Revenues, the Gross Revenue Fund or any other assets of the Purchaser; provided, however, that notwithstanding the foregoing provision, the Purchaser may create, assume or suffer to exist Permitted Encumbrances subject to the terms hereof and of the Deed of Trust.

SECTION 5.05. Limitations on Indebtedness.

(a) The Purchaser shall not incur any Senior Indebtedness payable on a basis senior to the Series 2018 Installment Purchase Payments and any Parity Debt, without the consent of the Owners of at least a majority in aggregate principal amount of Bonds Outstanding.

(b) If no Event of Default has occurred and is continuing, the Purchaser may (i) incur liabilities for the purpose of obtaining working capital and for any other lawful purpose in an aggregate principal amount not to exceed \$10,000,000 (the “Permitted Additional Debt”), and (ii) bonds or notes of the Purchaser authorized by its voters or other indebtedness payable solely from parcel taxes levied within the jurisdiction of the Purchaser (the “Parcel Tax Secured Debt”).

(c) In addition to the Indebtedness permitted by Section 5.05(b), if no Event of Default has occurred and is continuing, the Purchaser may incur Subordinated Indebtedness from the California Health Facilities Financing Authority under the Distressed Hospital Loan Program or a similar State program for distressed hospitals, provided that such Subordinated Indebtedness is expressly subordinated in all respects to the Bonds in a manner satisfactory to the Trustee and the Owners of at least a majority in aggregate principal amount of Bonds Outstanding, and Purchaser shall provide the Trustee and the Owners with at least thirty (30) days prior written notice of the proposed incurrence, together with the material terms thereof, including a copy of the relevant subordination agreement. If the Owners of at least a majority in aggregate principal amount of Bonds Outstanding do not deliver to the Trustee a written objection to the proposed incurrence within such 30-day period, consent of the Owners of at least a majority in aggregate principal amount of Bonds Outstanding shall be deemed granted.

(d) If any Event of Default has occurred and is continuing, the written consent of the Owners of at least a majority in aggregate principal amount of Bonds Outstanding is required as a condition precedent to the Purchaser incurring any Indebtedness pursuant to Section 5.05(b) or Section 5.05(c) hereof.

(e) The prior written consent of the Owners of at least a majority in aggregate principal amount of Bonds Outstanding shall be required as a condition to the Purchaser incurring any Indebtedness other than as permitted by Section 5.05(b) or Section 5.05(c) hereof.

(f) The Purchaser shall be required to publish on EMMA a notice of the incurrence of any Indebtedness in accordance with this Section 5.05, together with the material terms thereof.

(g) The Purchaser shall not guarantee the debt of any Person.

SECTION 5.06. Accounting Records and Financial Statements. (a) The Purchaser shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with GAAP, in which complete and accurate entries shall be made of all transactions of or in relation to the business, properties and operations of the Purchaser. Such books of record and account shall be available for inspection by the Authority and the Trustee at reasonable hours and under reasonable circumstances.

(b) The Purchaser shall furnish to the Trustee, as soon as available and in any event within 150 days after the end of each Fiscal Year, audited financial statements of the Purchaser for the prior Fiscal Year, including an income statement, statement of cash flows and balance sheet, prepared in accordance with GAAP.

SECTION 5.07. Limitations on Disposition of Assets. The Purchaser shall not sell, in the aggregate, \$10,000,000 or more of the assets of the Purchaser without the prior written consent of the Owners of at least a majority in aggregate principal amount of Outstanding Bonds. The Purchaser, however, may sell less than \$10,000,000 in the aggregate (until the Series 2018 Installment Purchase Payments have been paid in full as provided herein) of the assets of the Purchaser; provided, that the Purchaser is in compliance with Section 5.03 and no Event of Default has occurred and is continuing.

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

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

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

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

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

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

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

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

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

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

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

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

(b) **Not To Cause Interest Component To Fail To Be Excluded.** Neither the Purchaser nor the Authority shall use, permit the use of, or omit to use Gross Proceeds or any other amounts in respect of this Installment Purchase Agreement (including any amounts derived from the sale or offering of the Series 2018 Bonds), or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with such Gross Proceeds, in a manner that if made or omitted, respectively, would cause any Interest Component of Series 2018 Installment Purchase Payments to fail to be excluded pursuant to section 103(a) of the Code from the gross income of the Authority or its assigns for purposes of federal income taxation. Without limiting the generality of the foregoing, unless and until the Purchaser receives a written opinion of Bond Counsel to the effect that failure to comply with such covenant will not adversely affect the exclusion from gross income for federal income tax purposes of any Interest Component of Series 2018 Installment Purchase Payment, the Purchaser and Authority shall comply with each of the specific covenants in this Section. The Authority shall not assign this Installment Purchase Agreement, or any interest therein, unless the assignee, other than the Trustee, shall have assumed

and undertaken the obligations of the Authority under this Section 5.10; provided further, however, that no such assignment permitted unless the Authority shall have undertaken to cooperate with the assignee in its satisfaction of such obligations. Any assignment described in the previous sentence having been completed, each reference to “Authority” in this Section 5.10 then after shall be treated as a reference also to the assignee.

(c) **No Private Use or Private Payments.** Except as would not cause this Installment Purchase Agreement to become a “private activity bond” within the meaning of section 141 of the Code and the Tax Regulations and rulings thereunder, the Purchaser shall at all times prior to the making of the final Series 2018 Installment Payment and termination of this Installment Purchase Agreement:

(1) require that one or more state or local governmental agencies exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of this Installment Purchase Agreement, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds or the gross proceeds of any 2018 Bond in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(2) not permit the direct or indirect imposition of any charge or other payment on or by any person or entity that is treated as using Gross Proceeds of the 2018 Bonds or this Installment Purchase Agreement or any property the acquisition, construction or improvement of which was or is to be financed or refinanced directly or indirectly with Gross Proceeds or the gross proceeds of the 2018 Bonds, other than taxes of general application within the Purchaser.

(d) **No Private Loan.** Except as would not cause this Installment Purchase Agreement to become a “private activity bond” within the meaning of section 141 of the Code and the Tax Regulations and rulings thereunder, neither the Purchaser nor the Authority has used or permitted the use of, or shall use or permit the use of gross proceeds of the installment purchase agreement for the 2018 Bonds or the Gross Proceeds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be “loaned” to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction that creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction that is the economic equivalent of a loan.

(e) **Not To Invest at Higher Yield.** Except as would not cause this Installment Purchase Agreement to become an “arbitrage bond” within the meaning of section 148 of the Code and the Tax Regulations and rulings thereunder, neither the Purchaser nor the Authority shall

directly or indirectly invest or permit the investment of Gross Proceeds of this Installment Purchase Agreement at any time prior to the final payment of the Series 2018 Installment Purchase Payments and the termination of this Installment Purchase Agreement in any Investment, if as a result of such investment the Yield on Investments acquired with Gross Proceeds, whether then held or previously disposed of, materially exceeds the Yield of this Installment Purchase Agreement within the meaning of said section 148. For purposes of this paragraph, Yield on Investments shall be determined in accordance with the provisions of section 1.148-5 of the Tax Regulations (which, under certain circumstances, requires Yield to be determined separately for each Investment or class of Investments).

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

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

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

(1) The Purchaser shall account for all Gross Proceeds of this Installment Purchase Agreement (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day of final payment of the Series 2018 Installment Purchase Payments and termination of this Installment Purchase Agreement. However, to the extent permitted by law, the Purchaser may commingle Gross Proceeds of this Installment Purchase Agreement with other money of the Purchaser, provided that the Purchaser separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

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

(3) To assure the excludability of the Interest Component of Series 2018 Installment Purchase Payments from the gross income of the owners thereof for federal income tax purposes, the Purchaser shall make or cause to be made rebate payments at the times and in the amounts as are or may be required by section 148(f) of the Code and the Tax Regulations and rulings thereunder, which payments shall be accompanied by

Form 8038-T or such other forms and information as is or may be required by section 148(f) of the Code and the Tax Regulations and rulings thereunder.

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

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

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

(k) **Purchaser Compliance with Tax Certificate.** The Purchaser hereby agrees to assume the obligations of ECRMC and the City under the Tax Certificate. The Purchaser hereby acknowledges the Tax Certificate as to Arbitrage and the Provision of Sections 103 and 141-150 of the Internal Revenue Code of 1986, dated April 19, 2017, executed by the Authority and the Purchaser (as successor in interest to the City and ECRMC), and hereby agrees to take any and all actions necessary in order for the Authority and the Purchaser to comply with the agreements and covenants provided therein.

SECTION 5.11. Continuing Disclosure. The Purchaser hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement and any Continuing Disclosure Agreement delivered in connection with any Series of Bonds. Notwithstanding any other provision of this Installment Purchase Agreement, failure of the Purchaser to comply with any Continuing Disclosure Agreement shall not constitute a Purchase Agreement Default; however, any Owner or any Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Purchaser to comply with their obligations under this Section 5.11. The Continuing Disclosure Agreement delivered in connection with the Series 2018 Bonds shall not be amended, supplemented or otherwise modified without the written consent of the Majority Owners.

SECTION 5.12. Interest Rate Swaps. The Purchaser represents that it is not a party to any interest rate swaps or hedging arrangements as of the Closing Date relating to the Installment Purchase Payments. After the Closing Date, the Purchaser shall not enter into any swaps or hedging arrangements relating to the Installment Purchase Payments without the prior

written consent of the Owners of not less than a majority in aggregate principal amount of the Series 2018 Bonds at the time Outstanding.

SECTION 5.13. Additional Covenants Relating to the Series 2018 Bonds.

The Purchaser covenants and agrees, as follows:

(a) To execute and deliver the amended and restated Security Agreement and the Deed of Trust to secure its obligations under this Installment Purchase Agreement.

(b) Not to allow any liens, taxes, or special assessments on the Facilities in connection with a Property Assessed Clean Energy (“PACE”) financing, without the prior written consent of the Majority Owners.

(c) To cooperate with the Majority Owners in connection with any PACE refinancing that may be available with respect to the Series 2018 Medical Center Projects.

(d) To cooperate with the Majority Owners, and provide information to such Owners, in connection with the purchase of municipal bond insurance with respect to the Series 2018 Bonds.

(e) To update Appendix A within 120 days after the Effective Date as hereinafter described and thereafter once every two years at the request of the Majority Owners. The first draft of the updated Appendix A to the 2018 Limited Offering Memorandum, which shall reflect an update of a substantial majority of the disclosures contained in such Appendix A, shall be provided by the Purchaser to the Majority Owner and Trustee within 60 days after the Effective Date; the second draft of the Appendix A shall be provided by the Purchaser to the Majority Owner and Trustee within 90 days after the Effective Date and the final draft of the complete Appendix A shall be provided by the Purchaser to the Majority Owner and Trustee by no later than 120 days after the Effective Date, after which date a Purchase Agreement Default shall exist if an acceptable Appendix A is not completed by the Purchaser by such date. The updated Appendix A shall be in acceptable form to the Majority Owner and the Purchaser agrees to deliver to the Majority Owner a 10b5 opinion from a firm representing the Purchaser with federal securities law expertise, such as Snell & Wilmer, as to the Appendix A, and supporting certificates in customary form from the Purchaser in connection with the delivery of the Appendix A to the Majority Owner and the Trustee. The Purchaser agrees to post the updated Appendix A on EMMA within 10 days after completion and cooperate with the Majority Owner in connection with the update of the other parts of the 2018 Limited Offering Memorandum.

(f) To participate, at the request of the Majority Owners, in conference calls with any Rating Agency selected by the Majority Owners and apply for a rating on the Series 2018 Bonds at the expense of the Majority Owners. Annual rating maintenance fees, if any, not to exceed \$10,000, shall be paid by the Majority Owners.

(g) To, at the request of the Majority Owners, no more than once every quarter, within 15 days of such request, organize and hold a conference call to discuss the Purchaser’s recent financial and operating results and related matters with such Majority Owners.

(h) To provide to the Person designated by the Majority Owners each month no later than the twenty-fifth day of such month a draft income statement and draft balance sheet of the Purchaser for the preceding calendar month.

SECTION 5.14. Execution and Delivery of Deed of Trust and Security Agreement; Title Insurance.

(a) The Purchaser covenants and agrees to execute and deliver the Deed of Trust and the Security Agreement as of the Effective Date to secure its obligations under this Installment Purchase Agreement.

(b) The Purchaser shall obtain, at its own cost and expense, an ALTA Lender's policy of title insurance, with such endorsements as may be required by the Majority Owner, on the Effective Date and at the time of and dated as of the date of delivery of the Bonds or Parity Debt, in sufficient amount, to equal not less than the aggregate principal amount of the Bonds and Parity Debt to be outstanding after the issuance of such Bonds or Parity Debt, payable to the Trustee and the Authority, insuring the title of the Purchaser to the site of the ECRMC Property, subject only to Permitted Encumbrances, issued by a title insurance company admitted to do business in the State by the Department of Insurance of the State.

SECTION 5.15. Deed of Trust. (a) Any (i) amendment, modification or subordination of the Deed of Trust or (ii) release of the real property or improvements subject to the Deed of Trust shall require the prior written consent of all the Owners of all the Bonds at the time Outstanding.

(b) Deferred Parcels.

(i) The parties acknowledge and agree that, as of the Effective Date, the real property described as Assessor's Parcel No. 053-120-040 (commonly known as 135 S. 4th Street, El Centro, CA 92243) and Assessor's Parcel No. 053-120-039 (commonly known as 385 W. Main Street, El Centro, CA 92243) in the City of El Centro, County of Imperial, State of California (each a "Deferred Parcel" and together, the "Deferred Parcels") has not been included in the Deed of Trust. The parties further acknowledge that the Deferred Parcels are subject to the completion of additional due diligence as set forth in subsection (ii) below, to be provided by the Purchaser for review and approval by the Majority Owner. The parties further acknowledge that the Deferred Parcels are not, as of the Effective Date, subject to the lien of the Deed of Trust.

(ii) The Purchaser shall complete, or cause to be completed, such additional due diligence on the Deferred Parcels as the Majority Owner reasonably determines is necessary. Such due diligence shall include, at least: (A) a current preliminary title report or title commitment, together with copies of all exceptions listed in it; (B) an ALTA/NSPS survey; (C) a Phase I environmental site assessment and, if recommended in that assessment, a Phase II environmental site assessment; (D) a zoning report; and (E) proof of satisfaction of the insurance requirements pursuant to Section 6.05 herein (collectively, the "Deferred Parcel Due Diligence"). The Purchaser shall use commercially

reasonable efforts to complete the Deferred Parcel Due Diligence on or before December 16, 2026 (the “Outside Date”).

(iii) Upon the satisfactory completion of the Deferred Parcel Due Diligence as approved in writing by the Majority Owner, the Purchaser shall (A) execute, deliver, and record an amendment or supplement to the Deed of Trust, in form and substance reasonably satisfactory to the Majority Owner, that subjects the Deferred Parcel to the lien of the Deed of Trust; and (B) cause to be delivered an endorsement to the existing ALTA lender’s policy, insuring the lien of the Deed of Trust on the Deferred Parcels, subject only to Permitted Encumbrances.

SECTION 5.16. Prohibition on Abandonment of the Facilities. The Purchaser covenants and agrees not to abandon the Facilities, or any substantial part thereof; provided, however, that none of the following shall constitute an “abandonment” for purposes of this Section 5.16:

(a) a temporary closure of not more than 25% of the useable space of the Facilities (A) for the purpose of performing necessary or advisable capital improvements, repairs, maintenance, renovations, seismic retrofits, or construction of replacement facilities, (B) where the Purchaser has, at least one-hundred eighty (180) days prior to commencement of such closure, delivered to the Trustee and the Majority Owner a written plan (a “Restoration Plan”) describing in reasonable detail (1) the scope of the capital project or repair necessitating the closure, (2) the estimated timeline for completion and reopening (which shall not exceed thirty-six (36) months from commencement of closure, unless a longer period is approved by the Majority Owner), and (3) the source of funding for such capital project, (C) where the Purchaser is diligently pursuing completion of such capital project or repair in accordance with the Restoration Plan and provides quarterly progress reports to the Trustee and Majority Owner until reopening, and (D) where, concurrently with the delivery of the Restoration Plan, the Purchaser delivers to the Trustee and the Majority Owner projected financial statements of the Purchaser, in form and substance acceptable to the Majority Owner, together with supporting information reasonably requested by the Majority Owner, demonstrating that, after giving effect to such capital improvements, repairs, maintenance, renovations, seismic retrofits, or construction of replacement facilities, the Purchaser is projected to satisfy the financial covenants set forth in Section 5.03(a) hereof for the then-current Fiscal Year and each of the two succeeding Fiscal Years, together with a Statement by the Purchaser’s chief financial officer or other authorized officer certifying that such projections were prepared in good faith based on assumptions believed to be reasonable at the time of preparation; or

(b) a consolidation, relocation, or reduction of clinical services, departments, or functions between or among the Facilities or between the Facilities and any other healthcare facility operated by the Purchaser, provided that (A) the Purchaser provides at least sixty (60) days’ prior written notice to the Trustee and the Majority Owner of any such consolidation, relocation, or reduction (which notice shall describe the services affected and the rationale for such action), and (B) concurrently with the delivery of such notice, the Purchaser delivers to the Trustee and the Majority Owner projected financial statements of the Purchaser, in form and substance acceptable to the Majority Owner, together with supporting information reasonably requested by the Majority Owner, demonstrating that, after giving effect to such consolidation, relocation, or reduction, the

Purchaser is projected to satisfy the financial covenants set forth in Section 5.03(a) hereof for the then-current Fiscal Year and each of the two succeeding Fiscal Years, together with a Statement by the Purchaser's chief financial officer or other authorized officer certifying that such projections were prepared in good faith based on assumptions believed to be reasonable at the time of preparation.

The Majority Owner shall have the right to engage, at the Purchaser's sole expense, a consultant acceptable to the Majority Owner to review and validate the projections set forth in (a) and (b) above.

SECTION 5.17. Material Information. If (a) the Majority Owner obtains information about the Purchaser, the Facilities or the Bonds that the Majority Owner reasonably concludes is material information with respect thereto, (b) the Majority Owner provides or identifies such information to the Purchaser, and (c) the Majority Owner notifies the Purchaser of the Majority Owner's conclusion regarding such information, the Purchaser shall, within ten (10) Business Days of being so notified, file or cause to the Dissemination Agent to file, such information or a summary thereof, in such form as is reasonably agreed to by the Purchaser and the Majority Owner, with the Municipal Securities Rulemaking Board ("MSRB") in the manner provide for in the Continuing Disclosure Agreement. The Purchaser shall promptly, in writing, notify the Trustee of any and each such filing made, or caused to be made, by the Purchaser. If the Purchaser fails to make such filing, or cause such filing to be made, within such period, the Majority Owner may, on behalf of the Purchaser, file such information or summary, or cause the Dissemination Agent to file such information or summary, with the MSRB. The Majority Owner shall promptly, in writing, notify the Trustee and the Purchaser of any and each such filing made, or caused to be made, by the Majority Owner. Any filing with the MSRB made pursuant to this Section shall be accompanied by such identifying information as is prescribed by the MSRB.

ARTICLE VI

MAINTENANCE, TAXES, INSURANCE AND CONDEMNATION

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

SECTION 6.02. Taxes, Assessments, Other Governmental Charges and Utility Charges. The Purchaser shall pay and discharge all taxes, assessments, governmental charges of any kind whatsoever, water rates, meter charges and other utility charges which may be or have been assessed or which may have become liens upon the Facilities, the Gross Revenues or

the interests therein of the Trustee (as assignee of the Authority) or of the Owners, and will make such payments or cause such payments to be made, respectively, in due time to prevent any delinquency thereon or any forfeiture or sale of the Facilities or any part thereof and, upon request, will furnish to the Trustee receipts for all such payments, or other evidences satisfactory to the Trustee; provided, however, that the Purchaser shall not be required to pay any tax, assessment, rate or charge as herein provided as long as it shall in good faith contest the validity thereof, provided that the Purchaser shall have set aside adequate reserves with respect thereto.

SECTION 6.03. Insurance Required.

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

(i) **Property Insurance.**

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

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

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

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

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

(iv) **Commercial General Liability Insurance.** The Purchaser shall maintain Commercial General Liability Insurance for bodily injury and property damage, including non-owned and hired automobile coverage, with limits not less than \$1,000,000 per occurrence, and \$1,000,000 annual aggregate.

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

(vi) **Professional Liability.** The Purchaser shall maintain professional liability insurance with per occurrence and aggregate limits not less than \$10,000,000, subject to reasonable deductibles or self-insured retention.

(vii) **Cyber Liability.** The Purchaser shall maintain cyber liability insurance covering theft or unauthorized disclosure of personally identifiable non-public information maintained by the Purchaser, with limits not less than \$5,000,000.

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

(ix) **Extra Expense.** The Purchaser shall maintain extra expense insurance covering additional expenses for continuing operations or to resume normal business incurred by the Purchaser which result directly from damage to or destruction of any real or personal property constituting part of the Facilities from the risks covered by the insurance required above under subsection (i) Property Insurance, with limits not less than Maximum Aggregate Annual Debt Service.

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

(b) **Risk Management Consultant.** The Purchaser shall employ a risk Management Consultant to review the insurance requirements of the Purchaser from time to time

(but not less frequently than once every twenty-four (24) months). If the risk Management Consultant makes recommendations for the increase of any of the coverage required by subsection (a) of this Section, the Purchaser shall increase such coverage in accordance with such recommendations, subject to a good faith determination of the Board that such recommendations, in whole or in part, are in the best interests of the Purchaser. Notwithstanding anything in this Section to the contrary, the Purchaser shall have the right, without the giving rise to an event of default under this Installment Purchase Agreement solely on such account,

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

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

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

Any insurance provided through a captive insurance company, mutual or other cooperative insurance programs with other health care institutions or similar programs with which the Purchaser contracts for insurance shall be deemed to be self-insurance for purposes hereof. Any self-insurance maintained by the Purchaser pursuant to this Installment Purchase Agreement shall comply with the following terms:

(i) the self-insurance program shall be approved in writing by the Owners of a majority of the aggregate principal amount of the Bonds then Outstanding;

(ii) the self-insurance program shall be approved in writing by an Independent Insurance Consultant;

(iii) the self-insurance program shall include an actuarially sound claims reserve fund out of which each self-insured claim shall be paid, the adequacy of each such fund shall be evaluated on an annual basis by the Independent Insurance Consultant and any deficiencies in any self-insured claims reserve fund shall be remedied in accordance with the recommendation of the Independent Insurance Consultant;

(iv) the self-insured claims reserve fund shall be held in a separate trust fund by an independent trustee; and

(v) if the self-insurance program shall be discontinued, the actuarial soundness of its claims reserve fund, as determined by the Independent Insurance Consultant, shall be maintained.

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

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

SECTION 6.06. Disposition of Insurance and Condemnation Proceeds.

(a) The proceeds of insurance maintained by the Purchaser against loss or damage by fire, lightning, vandalism, malicious mischief and all other risks covered by the extended coverage insurance endorsement then in use in the State or against loss or damage by risks covered by builders' risk insurance or property insurance, and the proceeds of any condemnation awards with respect to the Facilities (other than Excluded Pioneers Proceeds, as defined in subsection (d) below), shall be paid immediately upon receipt by the Purchaser or other named insured parties to the Trustee, as assignee of the Authority, for deposit in a special fund which the Trustee shall establish and maintain and hold in trust pursuant to Section 3.04(c) of the

Trust Agreement, to be known as the “Insurance and Condemnation Proceeds Fund.” Earnings on funds held in the Insurance and Condemnation Proceeds Fund shall be retained therein.

(b) If the Purchaser elects to repair or replace the property damaged, destroyed or taken, it shall furnish to the Trustee plans of the contemplated repair or replacement, accompanied by a statement of an architect or other qualified expert estimating the reasonable cost of such repair or replacement and a Statement of the Purchaser stating that amounts in the Insurance and Condemnation Proceeds Fund, together with investment income reasonably expected to be received with respect thereto, and any other funds available or reasonably expected to become available from the Purchaser therefor (and which the Purchaser shall agree to deposit in the Insurance and Condemnation Proceeds Fund when so available), shall be sufficient to repair or replace the property damaged, destroyed or taken in accordance with such plans. After deducting therefrom the reasonable charges and expenses of the Trustee in connection with the collection and disbursement of such moneys, moneys in the Insurance and Condemnation Proceeds Fund shall be disbursed by the Trustee for the purpose of repairing or replacing the property damaged, destroyed or taken in the manner and subject to the conditions set forth in the Trust Agreement with respect to disbursements from the Project Fund to the extent the provisions thereof may reasonably be made applicable.

(c) If the Purchaser does not repair or replace the property damaged, destroyed or taken, as provided in subsection (b) of this Section 6.06, the Trustee shall transfer all amounts in the Insurance and Condemnation Proceeds Fund on account of such damage, destruction or condemnation and any other funds available or reasonably expected to become available from the Purchaser therefor (and which the Purchaser shall agree to deposit in the Special Redemption Account when so available) to the Special Redemption Account to prepay the Installment Purchase Payments and redeem Bonds; provided, that if any Parity Debt is then outstanding, any such transfer from the Insurance and Condemnation Proceeds Fund shall be deposited in part in the Special Redemption Account and in part in such other fund or account (the “Parity Debt Redemption Account”) as may be appropriate (and used for the retirement of such Parity Debt) in the same proportion which the aggregate principal amount of Outstanding Bonds then bears to the aggregate unpaid principal amount of such Parity Debt. Unless the Bonds shall be paid in full from such insurance or condemnation proceeds, the Purchaser shall be obligated to continue to make Installment Purchase Payments and shall not be entitled to any postponement, abatement or diminution thereof.

(d) If any Permitted Additional Debt is outstanding and is secured by a lien on the Pioneers Collateral, then insurance proceeds and condemnation awards with respect to the Pioneers Collateral (collectively, “Pioneers Proceeds”) shall be applied in accordance with the documents governing such Permitted Additional Debt (such Pioneers Proceeds, to the extent required to be applied in accordance with such documents, being “Excluded Pioneers Proceeds”); provided, however, that any Pioneers Proceeds that are not required to be applied in accordance with the documents governing such Permitted Additional Debt and that are in excess of the amounts required to repair or replace the damaged, destroyed or condemned Pioneers Collateral, shall be transferred to the Special Redemption Account to prepay the Installment Purchase Payments and redeem Bonds as set forth in subsection (c) of this Section 6.06.

(e) Notwithstanding the foregoing provisions of this Section 6.06, the following provisions shall apply with respect to the Pioneers Collateral:

(i) If no Permitted Additional Debt secured by a lien on the Pioneers Collateral is outstanding, then Pioneers Proceeds shall be treated in all respects as insurance proceeds and condemnation awards with respect to the Facilities under subsections (a), (b) and (c) of this Section 6.06, and shall be deposited in the Insurance and Condemnation Proceeds Fund and applied as provided therein.

(ii) For the avoidance of doubt, insurance proceeds and condemnation awards with respect to the ECRMC Property or any other Facilities (other than the Pioneers Collateral) shall in all events be deposited in the Insurance and Condemnation Proceeds Fund and applied as set forth in subsections (a), (b) and (c) of this Section 6.06, regardless of whether any Permitted Additional Debt is outstanding.

ARTICLE VII

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

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

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

SECTION 7.02. [Reserved].

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

SECTION 7.04. Indemnification.

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

(i) the Bonds, the Trust Agreement, this Installment Purchase Agreement, the Deed of Trust, the Security Agreement or the execution or amendment hereof or thereof or in connection with transactions contemplated hereby or thereby, including the issuance, sale or resale of the Bonds, and the assumption by the Purchaser of the Seller’s obligations under the Original Installment Purchase Agreement;

(ii) any act or omission of the Purchaser or any of its agents, contractors, servants, employees or licensees in connection with the Series 2018 Medical Center Projects or the Facilities, the operation of the Series 2018 Medical Center Projects or the Facilities, or the condition, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, installation or construction of, the Series 2018 Medical Center Projects or the Facilities or any part thereof;

(iii) the acquisition, construction, installation and use of the Series 2018 Medical Center Projects and any Additional Medical Center Projects, and each portion thereof or any accident in connection with the operation, use, condition or possession of the Facilities or the Series 2018 Medical Center Projects and any Additional Medical Center Projects, or any portion thereof, resulting in damage to property or injury to or death to any person including, without limitation, any claim alleging latent and other defects, whether or not discoverable by the Purchaser or the Authority or the Trustee;

(iv) any lien or charge upon payments by the Purchaser to the Authority and the Trustee hereunder, or any taxes (including, without limitation, all *ad valorem* taxes and sales taxes), assessments, impositions and other charges imposed on the Authority or

the Trustee in respect of any portion of the Series 2018 Medical Center Projects or the Facilities;

(v) any violation of any Environmental Law, rule or regulation with respect to, or the release of any Hazardous Substances from, the Series 2018 Medical Center Projects or the Facilities or any part thereof;

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

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

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

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

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

ARTICLE VIII

PURCHASE AGREEMENT DEFAULTS AND REMEDIES

SECTION 8.01. Purchase Agreement Defaults. The following events shall be “Purchase Agreement Defaults” hereunder:

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

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

(c) The occurrence of a Purchase Agreement Default as described in Section 5.03(g) or Section 5.13(e) hereof;

(d) If the Purchaser shall fail to observe or perform any other covenant, condition, agreement or provision in this Installment Purchase Agreement on its part to be observed or performed, other than as referred to in subsection (a), (b) or (c) of this Section 8.01 for a period of sixty (60) days after written notice, specifying such failure in reasonable detail and requesting that it be remedied, has been given to the Purchaser by the Authority or the Trustee; except that, if such failure can be remedied but not within such sixty (60) day period and if the Purchaser has taken all action within its control, lawfully and reasonably possible to remedy such failure within such sixty (60) day period, such failure shall not become a Purchase Agreement Default for so long as the Purchaser shall continue to use its commercially reasonable efforts to diligently proceed to remedy same in accordance with and subject to any directions or limitations of time reasonably established by the Trustee;

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

(f) If any default shall exist under any instrument pursuant to which Subordinated Indebtedness or Permitted Additional Debt was issued and is outstanding, and such default shall continue after the applicable grace period, which shall in any case not be longer than 60 days;

(g) If a court of competent jurisdiction shall enter an order, judgment or decree declaring the Purchaser an insolvent, or adjudging it bankrupt, and such order, judgment or decree shall not be vacated or set aside or stayed within sixty (60) days from the date of the entry thereof;

(h) If the Purchaser shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the Purchaser seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of

competent jurisdiction shall assume custody or control of the Purchaser or of the whole or any substantial part of its property; provided, however, that a petition filed without the consent of the Purchaser shall not constitute an Event of Default if such petition is dismissed within sixty (60) days of the filing thereof;

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

(j) If any event of default under the Deed of Trust (as defined in Section B.1 thereof) shall occur and is continuing; or

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

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

SECTION 8.02. Remedies on Default. If a Purchase Agreement Default shall occur, then and in each and every such case during the continuance of such Purchase Agreement Default the interest rate on the Series 2018 Bonds shall be increased in accordance with Section 7.03 of the Trust Agreement, the Authority or the Trustee, to the extent the Trustee has actual knowledge (as defined in Section 8.03(h) of the Trust Agreement) of such Purchase Agreement Default, may (and shall if directed by the Owners of a majority of the Bonds Outstanding, or if any Series of Bonds has been accelerated pursuant to Section 7.02 of the Trust Agreement), take any one or more of the following remedial steps:

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

to the Owners thereof as required by the Trust Agreement, plus all other payments due or to become due under this Installment Purchase Agreement.

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

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

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

(e) Exercise remedies available under the Deed of Trust and/or Security Agreement.

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

No delay in exercising or omitting to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

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

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

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

ARTICLE IX

DISCHARGE OF OBLIGATIONS

SECTION 9.01. Discharge of Obligations.

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

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

(c) All or any portion of unpaid principal installments of the Installment Purchase Payments shall, prior to their payment dates or dates of prepayment, be deemed to have been paid within the meaning of and with the effect expressed in Section 9.01(a): if (i) notice or

direction to redeem Bonds is provided to the Trustee as required by the Trust Agreement; and (A) there shall have been deposited with the Trustee either (A) cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in clause (B) below) or (B) direct obligations including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America, the interest on and principal of which when paid will provide cash which, together with cash, if any, deposited with the Trustee, shall be sufficient, in the opinion of an Independent Certified Public Accountant, to pay when due the principal and interest on the applicable Bonds or such portions thereof on and prior to their payment dates or their dates of prepayment, as the case may be, and the prepayment premiums, if any, applicable thereto and such Bonds or portions thereof are paid or deemed paid in accordance with Article X of the Trust Agreement.

ARTICLE X

MISCELLANEOUS

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

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

If to the Authority:	El Centro Financing Authority 1275 Main Street El Centro, California 92243 Attention: Executive Director (760) 337-4543 Email: mpiedra@ci.el-centro.ca.us
If to the Trustee:	U.S. Bank Trust Company, National Association Seattle Tower 1420 5 th Avenue Seattle, Washington 98101 Attention: Diana Jacobs, Corporate Trust Services Email: diana.jacobs@usbank.com
If to the Purchaser:	Imperial Valley Healthcare District 207 West Legion Road Brawley, California 92227 Attention: Pablo Velez Email: Pvelez@iv-hd.org

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

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

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

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

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

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

(e) The parties agree that time is of the essence in conducting the reference proceedings. Accordingly, the referee shall be requested, subject to change in the time periods specified herein for good cause shown, to (i) set the matter for a status and trial-setting conference within fifteen (15) days after the date of selection of the referee, (ii) if practicable, try all issues of

law or fact within one hundred twenty (120) days after the date of the conference and (iii) report a statement of decision within twenty (20) days after the matter has been submitted for decision.

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

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

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

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

THE PARTIES RECOGNIZE AND AGREE THAT ALL CONTROVERSIES, DISPUTES AND CLAIMS RESOLVED UNDER THIS REFERENCE PROVISION WILL BE DECIDED BY A REFEREE AND NOT BY A JURY. AFTER CONSULTING (OR HAVING

HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF ITS, HIS OR HER OWN CHOICE, EACH PARTY KNOWINGLY AND VOLUNTARILY, AND FOR THE MUTUAL BENEFIT OF ALL PARTIES, AGREES THAT THIS REFERENCE PROVISION WILL APPLY TO ANY CONTROVERSY, DISPUTE OR CLAIM BETWEEN OR AMONG THEM ARISING OUT OF OR IN ANY WAY RELATED TO, THIS INSTALLMENT PURCHASE AGREEMENT, THE OBLIGATIONS UNDER THIS INSTALLMENT PURCHASE AGREEMENT OR THE TRUST AGREEMENT, OR THE OTHER DOCUMENTS.

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

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

SECTION 10.07. Installment Purchase Agreement Represents Complete Agreement; Amendments. This Installment Purchase Agreement represents the entire agreement among the parties hereto.

(a) This Installment Purchase Agreement and the rights and obligations of the Purchaser and the Authority hereunder may be amended in writing as may be mutually agreed by the Purchaser and the Authority, with the written consent of the Owners of at least a majority in aggregate principal amount of Bonds Outstanding pursuant to the Trust Agreement and the owners or holders of at least a majority in aggregate principal amount of Parity Debt; provided, that no such amendment shall (i) extend the payment date of any Installment Purchase Payments, or reduce the amount of any Installment Purchase Payment without the prior written consent of the Owner of each Bond and each owner or holder of any Parity Debt so affected, or (ii) reduce the percentage of Bonds the consent of the Owners or the percentage of Parity Debt the consent of the owners or holders of which is required for the execution of any amendment of this Installment Purchase Agreement.

(b) This Installment Purchase Agreement and the rights and obligations of the Purchaser and the Authority hereunder may also be amended at any time by an amendment hereof which shall become binding upon execution by the Purchaser and the Authority, without the written consents of any Owners or any owners or holders of Parity Debt, but only for any one or more of the following purposes:

(i) to add to the covenants and agreements of the Purchaser or the Authority contained in this Installment Purchase Agreement other covenants and agreements thereafter to be observed or to surrender any right or power herein or therein reserved to or conferred upon the Purchaser or the Authority;

(ii) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision contained in this Installment Purchase Agreement; and

(iii) in any other respect whatsoever as the Purchaser and the Authority may deem necessary or desirable, provided that such amendment does not materially adversely affect the interests of the Owners of the Bonds or the owners or holders of any Parity Debt.

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

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

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

SECTION 10.11. Joinder; Amendment and Restatement

(a) Imperial Valley Healthcare District, as successor-in-interest to the City and the Medical Center under the Original Installment Purchase Agreement, hereby (i) expressly assumes all of the indebtedness, obligations, and liabilities as the “Purchaser”, the City and the Medical Center under this Installment Purchase Agreement and the other Transaction Documents, (ii) pledges a first lien on and security interest in all of the Gross Revenues and amounts in the Gross Revenue Fund with the same force and effect as if originally named the Purchaser under the Original Installment Purchase Agreement (subject to Permitted Encumbrances described in clause (p) of the definition thereof), and (iii) agrees to all the terms and provisions of this Installment Purchase Agreement and the other Transaction Documents applicable to the Purchaser, the City and the Medical Center.

(b) This Installment Purchase Agreement constitutes an amendment and restatement of the Original Installment Purchase Agreement, effective from and after the Effective Date. This Installment Purchase Agreement shall become effective on the Effective Date and shall supersede, amend and restate all provisions of the Original Installment Purchase Agreement as of such date. The execution and delivery of this Installment Purchase Agreement shall not constitute a novation or an accord and satisfaction of the Original Installment Purchase Agreement or the indebtedness, obligations and liabilities of any obligations evidenced or owing to the Owners based on facts or events occurring or existing prior to the Effective Date. On the Effective Date, the Original Installment Purchase Agreement shall be amended, supplemented, modified and restated in its entirety by the terms described herein, and all obligations of the City and the Medical Center outstanding as of such date under the Original Installment Purchase Agreement, shall be deemed to be obligations outstanding of the Purchaser under the terms described herein, without any further action by any Person. From and after the Effective Date, all references made to the Original Installment Purchase Agreement in any related document or any instrument or document shall, without more, be deemed to refer to this Installment Purchase Agreement. This Installment Purchase Agreement does not extinguish or release the obligations for the payment of money outstanding under the Original Installment Purchase Agreement or release the liens or priority or any pledge or security therefor.

[Remainder of page intentionally left blank.]

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

IMPERIAL VALLEY HEALTHCARE DISTRICT

By: _____
Carly Zamora, Interim Chief Executive Officer

By: _____
Pablo Velez, Chief Executive Officer

EL CENTRO FINANCING AUTHORITY

By: _____
Chair

[Signature Page to Installment Purchase Agreement]

CONSENTED TO BY:

CITY OF EL CENTRO

By _____
Authorized Representative

EL CENTRO REGIONAL MEDICAL
CENTER

By _____
Authorized Representative

[Signature Page to Installment Purchase Agreement]

EXHIBIT A**SERIES 2018 INSTALLMENT PURCHASE PAYMENT SCHEDULE
(SERIES 2018 BONDS)***

Period Ending July 1	Principal Component	Interest Component	Total Installment Purchase Payments
2018	\$ -	\$ 1,383,062.50	\$ 1,383,062.50
2019	-	6,915,312.50	6,915,312.50
2020	-	6,915,312.50	6,915,312.50
2021	-	6,915,312.50	6,915,312.50
2022	1,175,000.00	6,915,312.50	8,090,312.50
2023	1,230,000.00	6,862,437.50	8,092,437.50
2024	1,285,000.00	6,807,087.50	8,092,087.50
2025	1,345,000.00	6,749,262.50	8,094,262.50
2026	1,405,000.00	6,688,737.50	8,093,737.50
2027	1,465,000.00	6,625,512.50	8,090,512.50
2028	1,530,000.00	6,559,587.50	8,089,587.50
2029	1,600,000.00	6,490,737.50	8,090,737.50
2030	1,675,000.00	6,418,737.50	8,093,737.50
2031	1,765,000.00	6,326,612.50	8,091,612.50
2032	1,860,000.00	6,229,537.50	8,089,537.50
2033	1,965,000.00	6,127,237.50	8,092,237.50
2034	2,075,000.00	6,019,162.50	8,094,162.50
2035	2,185,000.00	5,905,037.50	8,090,037.50
2036	2,305,000.00	5,784,862.50	8,089,862.50
2037	2,435,000.00	5,658,087.50	8,093,087.50
2038	2,565,000.00	5,524,162.50	8,089,162.50
2039	2,710,000.00	5,383,087.50	8,093,087.50
2040	2,855,000.00	5,234,037.50	8,089,037.50
2041	3,015,000.00	5,077,012.50	8,092,012.50
2042	3,180,000.00	4,911,187.50	8,091,187.50
2043	3,355,000.00	4,736,287.50	8,091,287.50
2044	3,540,000.00	4,551,762.50	8,091,762.50
2045	3,735,000.00	4,357,062.50	8,092,062.50
2046	3,940,000.00	4,151,637.50	8,091,637.50
2047	4,155,000.00	3,934,937.50	8,089,937.50
2048	4,385,000.00	3,706,412.50	8,091,412.50
2049	4,625,000.00	3,465,237.50	8,090,237.50
2050	4,895,000.00	3,199,300.00	8,094,300.00
2051	5,175,000.00	2,917,837.50	8,092,837.50
2052	5,470,000.00	2,620,275.00	8,090,275.00
2053	5,785,000.00	2,305,750.00	8,090,750.00
2054	6,120,000.00	1,973,112.50	8,093,112.50
2055	6,470,000.00	1,621,212.50	8,091,212.50
2056	6,840,000.00	1,249,187.50	8,089,187.50

2057	7,235,000.00	855,887.50	8,090,887.50
2058	7,650,000.00	439,875.00	8,089,875.00

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

EXHIBIT B

DESCRIPTION OF THE SERIES 2018 MEDICAL CENTER PROJECTS

Central Utility Plant. The Central Utility Plant upgrade involved the replacement of generators and chillers, modification of utility lines, and the addition of a new data center to support information technology infrastructure. The work on the Central Utility Plant was completed in 2016 and forms the backbone for the future expansion of the ECRMC campus. With the enhanced infrastructure and physical plant, the ECRMC is well-positioned for the addition of the Medical Office Building and the construction of the Ancillary Services Building. The Central Utility Plant was financed with a portion of the proceeds of the Series 2015 Bonds.

Medical Office Building. Construction on the Medical Office Building began in February 2017 and the Medical Office Building was opened to patients in July 2018. The Medical Office Building is a two-story structure of approximately 43,000 square feet located on the ECRMC campus that houses physicians affiliated with the UC San Diego Health System and School of Medicine who will treat patients in the areas of oncology, general surgery, orthopedic surgery, colorectal surgery, urology, and pulmonology. The services will be provided under the Purchaser's license as outpatient departments of the Purchaser. The Medical Office Building will also house the ECRMC's Outpatient Imaging (radiology) Department, and ECRMC's Oncology, Hematology, and Infusion Center. In addition, the Purchaser leases some of the space in the Medical Office Building to physicians whose practices are in the City, including a pediatrician. Finally, the Medical Office Building will house ECRMC's administrative offices and space that can be used for community health education programs. The Medical Office Building was financed with a portion of the proceeds of the Series 2015 Bonds.

Ancillary Services Building. The Ancillary Services Building is a 29,000 square foot facility that houses ECRMC's administrative offices, pharmacy, central sterile processing laboratory, materials management department, dietary services department, morgue facility, and medical records department. The construction of the Ancillary Services Building was the only new construction portion of the Project that was required to achieve seismic compliance under SB 306 by 2020. The plans for the construction of the Ancillary Services Building were approved by the California Office of Statewide Health Planning and Development in 2014. As part of the Ancillary Services Building construction, it was necessary to build temporary laboratory space in order to prevent disruption in patient care while the new central sterile processing laboratory in the Ancillary Services Building is built. Approximately \$26,706,000 of the proceeds of the Series 2018 Bonds were used for the construction of the Ancillary Services Building, and approximately \$3,150,000 of the proceeds were used for the temporary laboratory space.

Emergency Department Expansion. The expansion included building new drop-off areas at the public entrance to the Emergency Department to increase efficiency for patients arriving at the Hospital and accessing providers. Inside of the Emergency Department, 12 new exam bays with triage areas and large waiting rooms were built to address congestion in the Emergency Department. Part of the existing Emergency Department was re-configured in order to improve patient flow and throughput. Approximately \$6,939,000 of the proceeds of the Series 2018 Bonds was used for the expansion of the Emergency Department.

Boiler Room and Medical Air and Vacuum Upgrades. These upgrades allowed consolidation of all heating, ventilation, and air conditioning functions into one central location, including replacing old boilers in other buildings on the ECRMC campus. These upgrades were designed to enhance the medical air and vacuum capabilities of ECRMC to support the expanded Emergency Department and the rest of the buildings on the ECRMC campus. Approximately \$2,625,000 of the proceeds of the Series 2018 Bonds were used for the boiler room and medical air and vacuum upgrades.

Existing Building Upgrades. Proceeds from the Series 2018 Bonds were used to comply with future State statutory seismic performance requirements such as SPC-4D, which allows hospitals to upgrade existing buildings in order to meet the 2030 seismic compliance deadline. By meeting the requirements of SPC-4D, new construction was avoided and instead structural modifications were made on new buildings to comply with State seismic safety standards. These upgrades included replacing existing roof diaphragms and constructing new roof and new mechanical systems in the following ECRMC buildings: North Wing, West Addition, Central Wing, and Labor and Delivery building. The existing building upgrades were also designed to result in restoring 12 women health services postpartum beds and upgrading four neonatal intensive care unit (“NICU”) beds. Approximately \$8,531,000 of the proceeds of the Series 2018 Bonds were used for existing building upgrades.

EXHIBIT C

DESCRIPTION OF FACILITIES

“Facilities” means all real property owned by the Purchaser, including all buildings and structures thereon and fixtures and improvements thereto, whether now existing or hereafter constructed, installed or acquired, including without limitation the real property subject to the lien of the Deed of Trust, and all tangible personal property owned by the Purchaser, whether now existing or hereafter constructed, installed or acquired, and used in, around or about the aforesaid real property, including but not limited to the personal property subject to the lien of the Security Agreement.

EXHIBIT B

Deed of Trust

[See attached.]

RECORDING REQUESTED BY)
AND WHEN RECORDED MAIL TO:)

Orrick, Herrington & Sutcliffe LLP)
400 Capitol Mall, Suite 3000,)
Sacramento, CA 95814)
Attn: Jenna Magan)

County of Imperial

**DEED OF TRUST
WITH ASSIGNMENT OF RENTS, SECURITY AGREEMENT
AND FIXTURE FILING**

THIS DEED OF TRUST WITH ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this “Deed of Trust”), is made as of October 15, 2026, by the IMPERIAL VALLEY HEALTHCARE DISTRICT, a California healthcare district duly organized and existing under the laws of the State of California, as trustor (“Trustor”), 207 West Legion Road, Brawley, California 92227 to CHICAGO TITLE COMPANY, as trustee (“Trustee”), 1425 Main Street, El Centro, California 92243, for the benefit of U.S. BANK NATIONAL TRUST COMPANY, NATIONAL ASSOCIATION, as successor-in-interest to MUFG UNION BANK, Seattle Tower, 1420 5th Avenue, Seattle, WA 98101, Attention: Diana Jacobs, Corporate Trust Services, as trustee on behalf of the holders of the Series 2018 Bonds (“Beneficiary”).

GRANT IN TRUST

Trustor hereby grants, conveys, assigns and transfers to Trustee, in trust, with power of sale and right of entry and possession, all of Trustor’s estate, right, title, interest, property or claim, whether now owned or hereafter acquired or arising, in or to the following property and rights (all of Trustor’s right, title and interest as specified in (a) through (i) below, whether now owned or hereafter acquired or arising, is hereinafter collectively referred to as the “Property”):

(a) That certain real property located in the County of Imperial, State of California as particularly described on Exhibit A attached hereto and by this reference incorporated herein (collectively, the “Site”);

(b) All buildings, structures, fixtures, additions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter located on the Site (hereinafter referred to as the “Improvements”); and to the extent permitted by law, the name or names, if any, as may now or hereafter be used for each Improvement, and the goodwill associated therewith;

(c) All easements, rights-of-way, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, air rights and development rights, liberties, tenements, hereditaments and appurtenances of any nature whatsoever, in any way belonging, relating or pertaining to the Site or the Improvements and the reversion and reversions, remainder and remainders, and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Site to the center line thereof and all the estates, rights, titles, interests, dower and rights of dower, curtesy and rights of curtesy, property, possession, claim and demand whatsoever, both in law and in equity, of Trustor of, in and to the Site and the Improvements and every part and parcel thereof, with the appurtenances thereto;

(d) All machinery, equipment, fixtures, inventory and articles of personal property and accessions thereof and renewals, replacements thereof and substitutions therefor, and other tangible property of every kind and nature whatsoever owned by Trustor, or in which Trustor has or shall have an interest, now or hereafter located upon the Site or the Improvements, or appurtenances thereto, or used in connection with the present or future operation and occupancy of the Site or the Improvements;

(e) All awards of payments, including interest thereon, which may heretofore and hereafter be made with respect to the Property to the extent actually received by Trustor, whether from the exercise of the right of eminent domain (including but not limited to any transfer of the Property or part thereof made in lieu of or in anticipation of the exercise of said right), or for a change of grade, or for any other injury to or decrease in the value of the Property;

(f) All leases and other agreements affecting the use, enjoyment or occupancy of the Property now or hereafter entered into (the "Leases") and all oil and gas or other mineral royalties, bonuses and rents, revenues, security deposits, issues and profits from the Property (the "Rents") and all proceeds from the sale or other disposition of the Leases and the right to receive and apply the Rents to the payment of the obligations secured by this Deed of Trust;

(g) All proceeds of and any unearned premiums on any insurance policies covering the Property including, without limitation, the right to receive and apply the proceeds of any insurance, judgments (including with respect to a casualty thereto or condemnation thereof), or settlements made in lieu thereof, for damage to the Property;

(h) The right, in the name and on behalf of Trustor, to appear in and defend any action or proceeding brought with respect to the Property and to commence any action or proceeding to protect the interest of Beneficiary in the Property; and

(i) All right, title and interest of every nature of Trustor in all receivables and other accounts of Trustor relating to the Property and in all monies deposited or to be deposited in any funds or account maintained or deposited with Beneficiary, or its assigns, in connection herewith, if any.

ASSIGNMENT OF RENTS

Trustor absolutely and irrevocably assigns to Beneficiary the Rents, issues and profits of the Property upon the terms and conditions hereinafter set forth. The foregoing assignment shall not impose upon Beneficiary any duty to produce Rents from the Property, and

said assignment shall not cause Beneficiary to be a “mortgagee in possession” for any purpose. Except for leases entered into by Trustor in the ordinary course of business, Trustor shall not enter into any leases with respect to the Property without the prior written consent of Beneficiary, which consent shall not be unreasonably withheld. This assignment of the Rents, issues and profits of the Property is intended to be an absolute assignment from Trustor to Beneficiary and not merely the passing of a security interest. Beneficiary is hereby authorized to collect and receive the foregoing Rents, issues, profits, royalties, production and other payments and proceeds, to give proper receipts and acquittances therefor and to apply the same to the payment of the obligations secured hereby. However, Beneficiary hereby grants Trustor a revocable license to collect and receive, and to use such Rents, issues, profits, royalties, production and other payments and proceeds and to enter into leases in the ordinary course of business until (i) an Event of Default (as defined in Section B.1 below) and (ii) Beneficiary delivers to Trustor written notice by Beneficiary to Trustor that the license has been revoked, and without the necessity of Beneficiary entering upon and taking and maintaining full control of the Property in person, by agent or by a court appointed receiver, Beneficiary shall immediately be entitled to possession of all Rents and revenues of the Property as the same shall become due and payable, including, but not limited to, Rents then due and unpaid. All such Rents, issues, and profits thereafter collected by Trustor shall be held by Trustor as trustee in a constructive trust for the benefit of Beneficiary only. Trustor agrees that commencing upon delivery of such written notice of revocation of license, each tenant of the Property shall make such Rents payable to and pay such Rents to Beneficiary or Beneficiary’s agents on Beneficiary’s written demand to each tenant, without any liability on the part of said tenant to inquire further as to the existence of a default or license by Trustor.

OBLIGATIONS SECURED

Trustor makes the foregoing grant for the purpose of securing the following:

1. Payment to Beneficiary of all obligations evidenced by and arising under that certain Amended and Restated Installment Purchase Agreement (as amended, supplemented or otherwise modified from time to time, the “Installment Purchase Agreement”) dated as of April 1, 2018 and as amended and restated as of October 15, 2026, by and between Trustor and the El Centro Financing Authority (the “Authority”) as assigned to the Beneficiary (except for the certain reserved rights set forth therein) relating to the issuance by the Authority of the El Centro Financing Authority Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project) Series 2018 (the “Series 2018 Bonds”), issued in the original principal amount of \$125,000,000 for the purpose of making a loan to the Trustor, pursuant to that certain Trust Agreement, dated as of April 1, 2018 and as amended and restated as of October 15, 2026, by and between the Authority and the Beneficiary (as amended, supplemented or otherwise modified from time to time, the “Trust Agreement”).

2. The observance and performance by Trustor of each covenant and obligation on the part of Trustor to be observed or performed pursuant to the Installment Purchase Agreement, all of which are incorporated herein by this reference;

3. The observance and performance of each covenant and obligation of Trustor herein contained or incorporated herein by reference and payment of each fee, cost and expense by Trustor as herein set forth; and

4. Payment of such further sums and/or performance of such further obligations as the then record owner of the Property may undertake to pay and/or perform (whether as principal, surety or guarantor), for the benefit of the Beneficiary, or either of them, their successors or assigns, when said borrowing and/or obligation is evidenced by a writing or writings signed by such owner reciting that it or they are so secured.

The foregoing obligations are hereinafter sometimes referred to as the "Obligations."

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, THE PARTIES AGREE AS FOLLOWS:

A. RIGHTS AND DUTIES OF THE PARTIES.

1. Warranty of Title. Trustor warrants that Trustor has good and marketable title to the Property and that Trustor has the right to mortgage, give, grant, bargain, sell, alien, convey, confirm, pledge, assign and hypothecate its interest in the Property pursuant to the terms hereof and to keep and perform all of the terms of this Deed of Trust on Trustor's part to be performed and that Trustor owns the Property free and clear of all liens, encumbrances and charges whatsoever except for the encumbrances listed as exceptions to the title insurance policy insuring this Deed of Trust and other Permitted Encumbrances, as defined in the Trust Agreement. Trustor shall forever warrant, defend and preserve such title and the validity and priority of the lien of this Deed of Trust and shall forever warrant and defend the same to Beneficiary against the claims of all persons whomsoever.

2. Taxes and Assessments. Trustor shall pay, prior to delinquency, all taxes, assessments, levies and charges imposed by any public or quasi public authority or utility company which are or may become a lien upon the Property, any part thereof or interest therein. Trustor shall also pay, after notice and prior to delinquency, all taxes, assessments, levies and charges imposed by any public authority upon Beneficiary by reason of its interest in the Property created hereby or by reason of any payment, or portion thereof, made to Beneficiary hereunder or pursuant to any obligation hereby secured; provided, however, that Trustor shall have no obligation to pay or discharge Beneficiary's business or franchise taxes, federal or state income taxes or other taxes which are measured by and imposed upon Beneficiary's net or gross income or receipts.

3. Insurance. Trustor shall provide, maintain and deliver to Beneficiary insurance policies in the forms and amounts required by the Installment Purchase Agreement.

4. Security Account. Upon the occurrence and continuance of an Event of Default, at Beneficiary's option and upon its demand and except where and to the degree prohibited by law, Trustor shall, until every indebtedness secured hereby has been paid in full or until such Event of Default is cured, pay to Beneficiary on the first day of each month an amount estimated by Beneficiary to be equal to (i) the taxes, assessments, levies, and charges referred to in Section A.2, and (ii) the premiums for fire, other hazard and other insurance referred to in Section A.3 next due. Said tax and insurance estimate shall be calculated by dividing the amount next due by, in each instance, the number of months to lapse preceding the month in which the same, respectively, will become due. All sums so paid shall not bear interest, except to the extent and in the minimum

amount required by law, and Beneficiary shall, unless Trustor is otherwise in default hereunder or under any obligation secured hereby, apply said funds to the payment of, or at the sole option of Beneficiary release said funds to Trustor for application to and payment of, such taxes, assessments, levies, charges and insurance premiums. However, upon the occurrence of an Event of Default by Trustor hereunder or under any obligation secured hereby, Beneficiary may, at its sole option, apply all or any part of said sums to any indebtedness secured hereby or to cure such default.

5. Liens and Encumbrances. Trustor shall pay, at or prior to maturity, all obligations secured by or reducible to liens and encumbrances which shall now or hereafter encumber or appear to encumber the Property or any part thereof or interest therein, whether senior or subordinate hereto, all claims for work or labor performed, or materials or supplies furnished, in connection with any work of demolition, alteration, improvement of or construction upon the Property. Trustor shall have the right to contest in good faith any such obligation or claim provided such contest shall be prosecuted diligently and in a manner not prejudicial to Beneficiary, and if a judgment adverse to Trustor is obtained and such judgment is final and not appealed, such final judgment shall be fully paid or discharged within ten (10) days after the entry of such final judgment. Upon demand by Beneficiary, Trustor shall defend, indemnify and hold Beneficiary harmless against any such obligation or claim, so contested by Trustor, and upon demand by Beneficiary, Trustor shall make suitable provision by payment to Beneficiary or by posting a bond or other security satisfactory to Beneficiary for the possibility that the contest will be unsuccessful, including, if Beneficiary requests, a bond with respect to mechanics' or materialmen's liens sufficient under California law to release such liens, if available. Such provision shall be made within ten (10) Business Days after demand therefor and, if made by payment of funds to Beneficiary, the amount so deposited shall be disbursed in accordance with the resolution of the contest either to Trustor or the adverse claimant. If Trustor fails to post a suitable bond or other acceptable security as provided, Beneficiary may remove or pay such lien or encumbrance at Trustor's expense. Notwithstanding anything in the foregoing to the contrary, if the lien or encumbrance to be contested is senior to the lien of this Deed of Trust, Trustor shall, within ten (10) Business Days after Beneficiary's demand, remove, bond over or pay such lien or encumbrance, and, if Trustor shall fail to do so, Beneficiary may do so at Trustor's expense, and any amount so advanced by Beneficiary will be secured by this Deed of Trust.

6. Application of Payments. Unless the Installment Purchase Agreement, the documents executed in connection with the Series 2018 Bonds or applicable law provides otherwise, or unless otherwise agreed to in writing by Beneficiary, all payments received by Beneficiary from Trustor under this Deed of Trust shall be applied by Beneficiary in any manner and in such order as Beneficiary, at Beneficiary's option, may determine.

7. Maintenance and Preservation of the Property. (a) Except as otherwise provided herein, Trustor covenants at Trustor's sole cost and expense: (i) to keep the Property in good condition and repair; (ii) not to remove or demolish the Property or any part thereof, except that machinery, equipment, fixtures, inventory and articles of personal property may be replaced in the ordinary course of business; (iii) to complete or restore promptly and in good and workmanlike manner the Property or any part thereof which may be damaged or destroyed; (iv) to pay when due all claims for work performed and for materials furnished on or to the Property, and to pay any and all liens or encumbrances arising out of or resulting from work performed or materials supplied

on or to the Property (subject to the provisions of Section A. 5 hereof regarding the right to contest claims for payment due for such work or materials); (v) to comply with and not suffer violations of, (A) any and all laws, ordinances, regulations and standards, (B) any and all covenants, conditions, restrictions and equitable servitudes, whether public or private, of every kind and character, and (C) all requirements of insurance companies and any bureau or agency which establishes standards of insurability, which laws, covenants or requirements affect the Property and pertain to acts committed or conditions existing thereon, including without limitation such work of alteration, improvement or demolition as such laws, covenants or requirements mandate; (vi) not to commit or permit waste of the Property or any part thereof; (vii) [intentionally omitted]; (viii) to perform all obligations required to be performed in leases, conditional sales contracts or like agreements affecting the Property or the operation, occupation or use thereof (and upon the occurrence and continuance of an Event of Default all right, title and interest of Trustor under any such leases, conditional sales contracts or like agreements shall be automatically assigned to Beneficiary hereunder, together with any deposits made in connection therewith); (ix) not to create any deed of trust or encumbrance upon the Property other than any Permitted Encumbrance; (x) to make no further assignment of Rents of the Property; and (xi) at the cost of Trustor, and without expense to Beneficiary, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, mortgages, deeds of trust, assignments, notices of assignments, transfers and assurances as Beneficiary shall, from time to time, reasonably require, for the better assuring, conveying, assigning, transferring, and confirming unto Beneficiary the property and rights hereby mortgaged, given, granted, bargained, sold, aliened, enfeoffed, conveyed, confirmed, pledged, assigned and hypothecated or intended now or hereafter so to be, or which Trustor may be or may hereafter become bound to convey or assign to Beneficiary, or for carrying out the intention or facilitating the performance of the terms of this Deed of Trust or for filing, registering or recording this Deed of Trust and, on demand, will execute and deliver and hereby authorizes Beneficiary to execute in the name of Trustor or without the signature of Trustor to the extent Beneficiary may lawfully do so, one or more financing statements, chattel mortgages or comparable security instruments, to evidence more effectively the lien hereof upon the Property. Trustor grants to Beneficiary an irrevocable power of attorney coupled with an interest for the purpose of exercising and perfecting any and all rights and remedies available to Beneficiary at law and in equity, including, without limitation, such rights and remedies available to Beneficiary pursuant to this Section A.7.

(b) Without the prior written consent of Beneficiary, Trustor will not seek, make, or consent to any change in the zoning or conditions of use of the Property which could reasonably be expected to materially impair the ability of Trustor to use the Property or materially and adversely affect the use or value of the Property.

8. Defense and Notice of Actions. Trustor shall, without liability, cost or expense to Beneficiary or Trustee, protect, preserve and defend (by counsel satisfactory to Beneficiary) title to the Property, the security hereof and the rights or powers of Beneficiary or Trustee hereunder. Said protection, preservation and defense shall include protection, preservation and defense against all adverse claimants to title or any possessory or non-possessory interest therein, whether or not such claimants or encumbrances assert title paramount to that of Trustor or claim their interest on the basis of events or conditions arising subsequent to the date hereof. Trustor shall give Beneficiary and Trustee prompt notice in writing of the filing of any such action or proceeding.

9. Books and Records. Trustor will keep adequate books and records of account of the Property and its own financial affairs sufficient to permit the preparation of financial statements therefrom in accordance with generally accepted accounting principles. Upon the occurrence and continuance of an Event of Default (as such term is defined in Section B, Default Provisions), Beneficiary will have the right to examine, copy, and audit Trustor's records and books of account at all reasonable times during normal business hours upon not less than five (5) Business Days prior written notice to Trustor. Trustor shall deliver to Beneficiary such records, statements and notices as may be required from time to time pursuant to the terms of the Installment Purchase Agreement.

10. Statement of Indebtedness and Statements by Beneficiary. Trustor will promptly furnish, within fifteen (15) days after Beneficiary's written request, and at the expense of Trustor, a duly acknowledged written statement confirming Beneficiary's accounting of all amounts due on the indebtedness secured by this Deed of Trust and stating whether, to the best of Trustor's knowledge, any offsets or defenses exist with respect to the amounts secured hereby, that this Deed of Trust and the obligations secured hereby are legal, valid and binding obligations and have not been modified, or if modified, giving the particulars of such modifications, and such other matters as Beneficiary may reasonably require. For any statement or accounting requested by Trustor or any other entitled person pursuant to Section 2943 or Section 2954 of the California Civil Code or pursuant to any other provision of applicable law, or for any other document or instrument furnished to Trustor by Beneficiary, Beneficiary may charge the maximum amount permitted by law at the time of the request therefor, or if there be no such maximum, then in accordance with Beneficiary's customary charges therefor or the actual cost to Beneficiary therefor, whichever is greater.

11. Collection of Rents, Issues and Profits. Beneficiary confers upon Trustor the authority to enter the Property and collect and retain Rents, issues and profits of the Property as they become due and payable; provided, however, that Beneficiary may revoke said authority and collect and retain the Rents, issues and profits of the Property assigned herein to Beneficiary upon the occurrence of an Event of Default by Trustor upon giving notice to Trustor, and without regard to the adequacy of any security for the indebtedness hereby secured, and without taking possession of all or any part of the Property or becoming a "mortgagee in possession." The right to collect Rents and profits as herein provided shall not grant to Beneficiary or Trustee the right to possession, except as expressly herein provided; nor shall said right impose upon Beneficiary or Trustee the duty to produce Rents or profits or maintain the Property in whole or in part. Trustor hereby agrees that it will do nothing to impair Beneficiary's ability to collect and retain the Rents, issues, profits and interests herein assigned and that any tenant or subtenant occupying the Property or any part thereof may pay any and all Rents or other charges directly to Beneficiary upon notice from Beneficiary without the necessity of any notice from Trustor. Beneficiary may apply, in its sole discretion, any Rents, issues and profits so collected by Beneficiary against the Obligations, whether existing on the date hereof or hereafter arising. Collection of any Rents, issues and profits by Beneficiary shall not cure or waive any default or notice of default hereunder or invalidate any acts done pursuant to such notice.

12. Right of Inspection. Beneficiary, its agents, contractors and employees, may enter the Property at any reasonable time upon no less than twenty-four hours' advance prior notice by

e-mail to Trustor for the purpose of inspecting the Property and ascertaining Trustor's compliance with the terms hereof.

13. Acceptance of Trust; Notice of Indemnification. Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, becomes a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless Trustee brings such action. Trustee shall not be obligated to perform any act required of it hereunder unless the performance of such act is requested in writing and Trustee is reasonably indemnified against loss, cost, liability and expense.

14. Powers of Trustee. From time to time upon the written request of Beneficiary and presentation of this Deed of Trust for endorsement, and without affecting the personal liability of any person for payment of any indebtedness or performance of the obligation secured hereby, Trustee may, without liability therefor and without notice, (i) reconvey all or any part of the Property, (ii) consent to the making of any map or plat thereof, (iii) join in granting any easement thereon, (iv) join in any declaration of covenants and restrictions, or (v) join in any extension agreement or any agreement subordinating the lien or charge hereof. Trustee or Beneficiary may from time to time apply to any court of competent jurisdiction for aid and direction in the execution of the trusts hereunder and the enforcement of the rights and remedies available hereunder, and Trustee or Beneficiary may obtain orders or decrees directing or confirming or approving acts in the execution of said trusts and the enforcement of said remedies. Trustee has no obligation to notify any party of any pending sale or any action or proceeding unless held or commenced and maintained by Trustee under this Deed of Trust. Trustor shall pay to Trustee reasonable compensation and reimbursement for services and expenses in the administration of the trusts created hereunder upon the occurrence of an Event of Default, including reasonable attorneys' fees and expenses. Trustor indemnifies Trustee against all losses, claims, demands and liabilities (except losses, claims, demands or liabilities arising from the negligence or willful misconduct of Trustee) which Trustee may incur, suffer, or sustain in the execution of the trusts created hereunder or in the performance of any act required or permitted hereunder or by law.

15. Substitution of Trustees. From time to time, by a writing signed and acknowledged by Beneficiary and recorded in the Office of the Recorder of the County in which the Property is situated, Beneficiary may appoint another trustee to act in the place and stead of Trustee or any successor. Such writing shall refer to this Deed of Trust and set forth the date, book and page of its recordation. The recordation of such instrument of substitution shall discharge Trustee herein named and shall appoint the new trustee as the trustee hereunder with the same effect as if originally named Trustee herein. A writing recorded pursuant to the provisions of this paragraph shall be conclusive proof of the proper substitution of such new trustee.

16. Performance of Other Agreements. Trustor shall observe and perform each and every term to be observed or performed by Trustor pursuant to the terms of any agreement or recorded instrument affecting or pertaining to the Property.

17. Conveyance, Easements; Subordination, Releases. Unless the Beneficiary shall have consented in writing, the Trustor shall not by deed, mortgage, pledge, lease, easement or other instrument, grant, mortgage, pledge, lease, convey, assign, devise or otherwise transfer all or any

part of the Property or any interest therein, directly or indirectly, other than a pledge, lease, conveyance, assignment, Permitted Encumbrance or transfer permitted under the terms of the Installment Purchase Agreement, nor shall the Trustor suffer or permit the same by execution sale or operation of law or otherwise.

To the extent permitted under the Installment Purchase Agreement, at any time, or from time to time, without liability therefor and without notice, upon written request by the Beneficiary or Trustor and, if required by the terms of the Installment Purchase Agreement or otherwise by this Deed of Trust, the receipt of the consent of the Beneficiary, upon presentation of this Deed of Trust, and without affecting the liability of any person for payment of the indebtedness secured hereby or the effect of this Deed of Trust upon the remainder of the Property, the Trustee shall reconvey all or any part of the Property, consent in writing to the making of any map or plat thereof, execute releases, join in granting any easement thereon, or join in any extension agreement or any agreement subordinating the lien or charge hereof (it being understood that the lien created by this Deed of Trust shall not be subordinated and no portion of the Site or any Improvements shall be released from the lien hereof without the consent of the Beneficiary).

18. Reconveyance. Upon Beneficiary's written request, and upon surrender to Trustee for cancellation of this Deed of Trust and any note, instrument or instruments, setting forth all obligations secured hereby, Trustee shall reconvey, without warranty, the Property or that portion thereof then held hereunder. The recitals of any matters or facts in any reconveyance executed hereunder shall be conclusive proof of the truthfulness thereof. To the extent permitted by law, the reconveyance may describe the grantee as "the person or persons legally entitled thereto." Neither Beneficiary nor Trustee shall have any duty to determine the rights of persons claiming to be rightful grantees of any reconveyance. When the Property has been fully reconveyed, the last such reconveyance shall operate as a reassignment of all future Rents, issues and profits of the Property to the person or persons legally entitled thereto, unless such reconveyance expressly provides to the contrary.

19. Certain Taxes. In the event of the passage, after the date of this Deed of Trust, of any law deducting from the value of the Property for the purpose of taxation, any lien thereon, or changing in any way the laws now in force for the taxation of deeds of trust or debts secured by deeds of trust or similar instruments, or the manner of the collection of any such taxes, so as to affect this Deed of Trust, or imposing payment of the whole or any portion of any taxes, assessments or other similar charges against the Property upon Beneficiary other than such taxes related to Beneficiary's taxes which are measured by and imposed upon Beneficiary's net or gross income or receipts, Trustor shall pay such tax or increased portion and shall agree with Beneficiary in writing to pay, or reimburse Beneficiary for the payment of, any such tax or increased portion thereof when thereafter levied or assessed against the Property or any portion thereof. The obligations of Trustor under such agreement shall be secured by this Deed of Trust.

20. Environmental Matters. The Trustor, as the indemnitor, has executed that certain Environmental Indemnity of even date herewith in favor of Beneficiary ("Environmental Indemnity"). Notwithstanding anything to the contrary set forth herein or in the Installment Purchase Agreement or the Trust Agreement, this Deed of Trust shall not secure the following obligations: (a) any obligations evidenced by or arising under the Environmental Indemnity, or (b) any other obligations in this Deed of Trust, the Installment Purchase Agreement or the Trust

Agreement to the extent that they are the same or have the same effect as any of the obligations evidenced by or arising under the Environmental Indemnity. Nothing in this Deed of Trust shall impair or limit Beneficiary's right, after foreclosure, to obtain a judgment in accordance with applicable law against Trustor as the indemnitor under the Environmental Indemnity.

21. Wetlands. Trustor represents and warrants that, except as otherwise disclosed in any survey or Environmental Reports (as such term is defined in the Environmental Indemnity) regarding the Property, that no part of the Property consists of or is classified as wetlands, tidelands or swamp and overflow lands. Trustor shall be solely responsible for and agrees to indemnify Beneficiary, protect and defend with counsel acceptable to Beneficiary, and hold Beneficiary harmless from and against any claims (including without limitation third party claims for personal injury or real or personal property damage), actions, administrative proceedings (including informal proceedings), judgments, damages, punitive damages, penalties, fines, costs, liabilities (including sums paid in settlements of claims), interest or losses, reasonable attorneys' fees (including any fees and expenses incurred in enforcing this indemnity), reasonable consultant fees, and expert fees that arise directly or indirectly from or in connection with the presence on the Property of wetlands, tidelands or swamp and overflow lands, or any breach of the foregoing representation and warranty. The provisions of this Section A.21 shall survive the termination and reconveyance of this Deed of Trust.

22. Indemnification. Trustor shall protect, indemnify and save harmless Beneficiary from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expense (including without limitation reasonable attorneys' fees and expenses whether incurred within or outside the judicial process), imposed upon or incurred by or asserted against Beneficiary by reason of (a) ownership of this Deed of Trust, the Property or any interest therein or receipt of any Rents, except for Beneficiary's business and franchise taxes, federal and state income taxes and other taxes which are measured by and imposed upon Beneficiary's net or gross income or receipts; (b) any accident, injury to or death of persons or loss of or damage to property occurring in, on or about the Property or any part thereof or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways except to the extent caused by Beneficiary's gross negligence or willful misconduct; (c) any use, nonuse or condition in, on or about the Property or any part thereof or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (d) any failure on the part of Trustor to perform or comply with any of the terms of this Deed of Trust; (e) performance, at the direction of Trustor, of any labor or services or the furnishing of any materials or other property in respect of the Property or any part thereof; and (f) Trustor's failure to file timely with the Internal Revenue Service an accurate Form 1099 B, Statement for Recipients of Proceeds from Real Estate, Broker and Barter Exchange Transactions, which may be required in connection with this Deed of Trust, or to supply a copy thereof in a timely fashion to the recipient of the proceeds of the transaction in connection with which this Deed of Trust is made. Any amounts payable to Beneficiary by reason of the application of this Section A.22 shall be secured by this Deed of Trust and shall become immediately due and payable and shall bear interest at the Default Rate (as defined in the Trust Agreement) from the date loss or damage is sustained by Beneficiary until paid. The obligations and liabilities of Trustor under this Section A.22 shall survive any termination, satisfaction, assignment, entry of a judgment of foreclosure or delivery of a deed in lieu of foreclosure of this Deed of Trust. Notwithstanding the foregoing, the provisions of this Section A.22 shall not be applicable to any liabilities or obligations imposed upon or incurred by or asserted against Beneficiary by reason of Beneficiary's

negligence or willful misconduct.

23. Leases. (a) Trustor shall promptly and fully keep, observe and perform, or cause to be kept, observed and performed, all of the material terms, covenants, provisions and agreements imposed upon or assumed by Trustor under any lease covering all or any portion of the Property, now or hereafter in effect, including any amendments or supplements to such leases, and Trustor will not do or fail to do, or permit or fail to permit to be done, any act or thing, the doing or omission of which will give any party a right to terminate any of such leases or, in the case of any tenant, to abate the rental or other material payment due thereunder.

(b) If Trustor shall, in any manner, fail to comply with subparagraph (a) above, Trustor agrees that Beneficiary may (but shall not be obligated to) take, upon five (5) Business Days' written notice to Trustor (or upon lesser notice, or without notice, if Beneficiary reasonably deems that the same is required to protect its interest in the Property), any action which Beneficiary shall reasonably deem necessary or desirable to keep, observe and perform or cause to be kept, observed or performed any such terms, covenants, provisions or agreements and to enter upon the Property and take all action thereon as may be necessary therefor, or to prevent or cure any default by Trustor in the performance of or compliance with any of Trustor's covenants or obligations under said leases. Beneficiary may rely on any notice of default received from any tenant unless, in connection with any such default or alleged default Trustor in good faith notifies Beneficiary of Trustor's election to contest such default by appropriate procedures and diligently pursues such contest. Trustor shall promptly deliver to Beneficiary a copy of any notice relating to defaults received from any tenant that is a party, or the trustee, receiver or successor for or to a party, to any of said leases. Beneficiary may expend such sums of money as are reasonable and necessary for any such purposes, and Trustor hereby agrees to pay to Beneficiary, immediately upon demand, all sums so expended by Beneficiary, together with interest thereon from the date of such payment at the Default Rate, and until so paid by Trustor, all sums so expended by Beneficiary and the interest thereon shall be added to the obligations secured by this Deed of Trust.

B. DEFAULT PROVISIONS.

1. Events of Default. The occurrence of any of the following events shall be deemed an event of default ("Event of Default") hereunder and shall entitle Beneficiary and Trustor to exercise their remedies hereunder or as otherwise provided by law:

(a) The failure of Trustor to make payments to Beneficiary as and when due as set forth in the Installment Purchase Agreement or the breach of any covenant or condition contained in the Installment Purchase Agreement or the occurrence of any default under the Installment Purchase Agreement; or

(b) The default by Trustor of any term or condition of this Deed of Trust.

2. Rights and Remedies. At any time after the occurrence and during the continuance of an Event of Default, Beneficiary and Trustee shall each have the following rights and remedies:

(a) To declare all Obligations secured hereby immediately due and payable;

(b) With or without notice, and without releasing Trustor from any obligation hereunder, to cure any default of Trustor and, in connection therewith, to enter upon the Property and to perform such acts and things as Beneficiary or Trustee deem necessary or desirable to inspect, investigate, assess and protect the security hereof, including without limitation of any of its other rights: to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee hereunder; to pay, purchase, contest or compromise any encumbrance, charge, lien or claim of lien which, in the judgment of either Beneficiary or Trustee, is prior or superior hereto, the judgment of Beneficiary or Trustee being conclusive as between the parties hereto; to pay any premiums or charges with respect to insurance required to be carried hereunder; and to employ counsel, accountants, contractors and other appropriate persons to assist them;

(c) To commence and maintain an action or actions in any court of competent jurisdiction to foreclose this instrument as a mortgage or to obtain specific enforcement of the covenants of Trustor hereunder, and Trustor agrees that such covenants shall be specifically enforceable by injunction or any other appropriate equitable remedy and that for the purposes of any suit brought under this subparagraph, Trustor waives the defense of laches and any applicable statute of limitations;

(d) Beneficiary or its employees, acting by themselves or through a court appointed receiver may enter upon, possess, manage, operate, dispose of and contract to dispose of the Property or any part thereof; take custody of all accounts; negotiate with governmental authorities with respect to the Property's environmental compliance and remedial measures; make, terminate, enforce or modify leases of the Property upon such terms and conditions as Beneficiary deems proper; contract for goods and services, hire agents, employees and counsel, make repairs, alterations and improvements to the Property necessary, in Trustee's or Beneficiary's judgment, to protect or enhance the security hereof; to incur the risks and obligations ordinarily incurred by owners of property (without any personal obligation on the part of the receiver); and/or to take any and all other actions which may be necessary or desirable to comply with Trustor's obligations hereunder. All sums realized by Beneficiary under this subparagraph, less all costs and expenses incurred by it under this subparagraph, including attorneys' fees, and less such sums as Beneficiary deems appropriate as a reserve to meet future expenses under the subparagraph, shall be applied on any indebtedness secured hereby in such order as Beneficiary shall determine. Neither application of said sums to said indebtedness nor any other action taken by Beneficiary under this subparagraph shall cure or waive any Event of Default or notice of default hereunder or nullify the effect of any such notice of default. Beneficiary or Trustee, or any employee or agent of Beneficiary or Trustee, or a receiver appointed by a court, may take any action or proceeding hereunder without regard to (i) the adequacy of the security for the indebtedness secured hereunder, (ii) the existence of a declaration that the indebtedness secured hereby has been declared immediately due and payable, or (iii) the filing of a notice of default;

(e) To execute a written notice of such Event of Default and of its election to cause the Property to be sold to satisfy the obligations secured hereby. Trustee shall give and record such notice as the law then requires as a condition precedent to a Trustee's sale. When the minimum period of time required by law after such notice has elapsed, Trustee, without notice to or demand upon Trustor except as otherwise required by law, shall sell the Property at the time and place of sale fixed by it in the notice of sale and in such order as it or Beneficiary may

determine, at public auction to the highest bidder for cash, in lawful money of the United States, payable at time of sale (the obligations hereby secured being the equivalent of cash for purposes of said sale). If the Property consists of several lots, parcels, or items of property, Beneficiary may: (i) designate the order in which such lots, parcels, or items shall be offered for sale or sold, or (ii) elect to sell such lots, parcels or items through a single sale, through two or more successive sales, or in any other manner Beneficiary deems in its best interest. Trustor shall have no right to direct the order in which the Property is sold. Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at such time fixed by the preceding postponement. Trustee shall deliver to the purchaser at such sale a deed conveying the Property or portion thereof so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustee, Trustor or Beneficiary, may purchase at such sale.

In connection with any sale or sales hereunder, Beneficiary may elect to treat any of the Property which consists of a right in action or which is property that can be severed from the real property covered hereby or any improvements thereon without causing structural damage thereto as if the same were personal property or a fixture, as the case may be, and dispose of the same in accordance with applicable law, separate and apart from the sale of real property. Any sale of any personal property or fixtures hereunder shall be conducted in any manner permitted by the Uniform Commercial Code currently in effect in the State of California (the "Uniform Commercial Code").

After deducting all costs, fees and expenses of Trustee and of this trust, including all costs of evidence of title and attorneys' fees in connection with sale, Trustee shall apply the proceeds of sale, in accordance with Section 2924k of the California Civil Code, to payment of all sums so expended under the terms hereof not then repaid, the payment of all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto; and

(f) To resort to and realize upon the security hereunder and any other security now or hereafter held by Beneficiary in such order and manner as Trustee and Beneficiary or either of them may, in their sole discretion, determine; and resort to any or all such security may be taken concurrently or successively and in one or several consolidated or independent judicial actions or lawfully taken non judicial proceedings, or both.

3. Payment of Costs, Expenses and Attorneys' Fees. All costs and expenses incurred by Trustee and Beneficiary pursuant to subparagraphs (a) through (f) inclusive of Section B.2 (including without limitation court costs, consultants' fees and attorneys' fees, whether incurred in litigation or not and whether before or after judgment) shall bear interest at the Default Rate, from the date of expenditure until said sums have been paid. Beneficiary shall be entitled to bid, at the sale of the Property held pursuant to subparagraph (e) above, the amount of said costs, expenses and interest in addition to the amount of the other obligations hereby secured as a credit bid, the equivalent of cash.

4. Remedies Cumulative. All rights and remedies of Beneficiary and Trustee hereunder are cumulative and in addition to all rights and remedies provided by law.

5. Releases, Extensions, Modifications and Additional Security. Without affecting the liability of any person for payment of any indebtedness secured hereby, or the lien or priority of this Deed of Trust upon the Property, Beneficiary may, from time to time, with or without notice, do one or more of the following: release any person's liability for the payment of an indebtedness secured hereby, make any agreement or take any action extending the maturity or otherwise altering the terms or increasing the amount of any indebtedness secured hereby, and accept additional security or release all or a portion of the Property and/or other security held to secure the indebtedness secured hereby.

6. Marshalling and Other Matters. Trustor hereby waives, to the extent permitted by law, the benefit of all appraisal, valuation, stay, extension, reinstatement and redemption laws now or hereafter in force and all rights of marshalling in the event of any sale hereunder of the Property or any part thereof or any interest therein, including all rights and remedies which Trustor may have or be able to assert by reason of the laws of the State of California pertaining to the rights and remedies of sureties; *provided, however*, nothing contained herein shall be deemed to be a waiver of Trustor's rights under Section 2924, 2924b and 2924c of the California Civil Code, or under Sections 580a, or 580d of the California Code of Civil Procedure.

C. FIXTURE FILING.

1. Fixture Filing. Pursuant to California Commercial Code Sections 9501 and 9502 as amended and recodified from time to time this Deed of Trust shall constitute a Fixture Filing recorded in the real estate records. Trustor is sometimes referred to herein as "Debtor" and Beneficiary is sometimes referred to herein as "Secured Party."

2. Description of Collateral. The Collateral includes, without limitation, the following items and types of Collateral as well as certain other items and types of Collateral:

(a) All equipment of Debtor now owned and hereafter acquired on the Property (including, without limitation, all tools, machinery, equipment, engines, appliances, heating, ventilating and air conditioning systems, plumbing, mechanical and electrical systems, elevators, lighting, alarm systems, fire control systems, carpets and carpeting, furnishings, furniture, shelving, storage containers, motor vehicles, trailers, mobile homes, service equipment, building or maintenance equipment), together with all additions and accessions thereto and replacements therefor;

(b) All accounts, instruments and chattel paper of Debtor now owned and hereafter acquired relating to the Property (including without limitation all accounts receivable and goods repossessed or returned in connection therewith), and all goods repossessed or returned in connection therewith;

(c) All goods, fixtures, contract rights, leases of real and/or personal property, documents, deposit accounts, money, certificates of deposit, general intangibles, certificated securities, uncertificated securities, and other property of Debtor now owned and hereafter acquired relating to the Property (including, without limitation, customer and vendor lists; books and records; loans from Debtor to other persons; insurance policies; royalty contracts; copyrights;

trademarks, trade names and patents; contracts for the purchase of real property; and all right of Debtor to the payment of money no matter how evidenced);

(d) All general intangibles relating to the Property, including, without limitation, (i) customer and supplier lists and contracts, books and records, insurance policies, tax refunds, contracts for the purchase of real or personal property; (ii) all patents, copyrights, trademarks, trade names and service marks, (iii) all licenses to use, applications for, and other rights to, such patents, copyrights, trademarks, trade names and service marks, and (iv) all goodwill of Debtor; and

(e) All proceeds of the foregoing (including, without limitation, whatever is receivable or received when collateral or proceeds is sold, collected, exchanged or otherwise disposed, whether such disposition is voluntary or involuntary, including rights to payment and return premiums and insurance proceeds under insurance with respect to any collateral, and all rights to payment with respect to any cause of action affecting or relating to the collateral).

3. Relation of Fixture Filing To Deed of Trust. However, nothing herein shall be deemed to create any lien or interest in favor of Trustee under this Deed of Trust in any such Collateral which is not a fixture, and the purpose of this Article C is to create a fixture filing under Uniform Commercial Code Sections 9-313 and 9-402.

4. Limitations. Beneficiary has not consented to any other security interest of any other person in any fixtures and has not disclaimed any interest in any fixtures; and Beneficiary has not agreed or consented to the removal of any fixtures from the Property, and any such consent by Trustor shall not be binding on Beneficiary.

5. Removal. Notwithstanding any other provision of this Deed of Trust or any other agreement or contract between Trustor and Beneficiary to the contrary, Trustor shall not, without the prior written consent of Beneficiary, remove or permit the removal of any fixture from the Property with a replacement cost in excess of Fifty Thousand and No/100 Dollars (\$50,000.00) for any one item or One Hundred Thousand and No/100 Dollars (\$100,000.00) in the aggregate of all such fixtures removed from the date of such completion until the date this Deed of Trust is reconveyed, except for fixtures removed and replaced in the ordinary course of business or otherwise permitted to be removed pursuant to the Installment Purchase Agreement. Beneficiary further reserves the right to prohibit the removal of any such fixture by any person with the legal right to remove any fixture from the Property unless and until such person makes arrangements with (and satisfactory to) Beneficiary for the payment to Beneficiary of all costs of repairing any physical injury to the Property which may be caused by the removal of that fixture. Any such payment shall be made directly to Beneficiary, and Beneficiary may hold such payment as additional collateral under this Deed of Trust. Failure by Trustor to cause the delivery to Beneficiary of any such payment shall constitute waste under (and a breach of) this Deed of Trust.

D. MISCELLANEOUS PROVISIONS.

1. Non Waiver. By accepting payment of any sum secured hereby after its due date or late performance of any obligation secured hereby, Beneficiary shall not waive its right against any person obligated directly or indirectly hereunder or on any obligation hereby secured, either

to require prompt payment or performance when due of all other sums and obligations so secured or to declare default for failure to make such prompt payment or performance. No exercise of any right or remedy by Beneficiary or Trustee hereunder shall constitute a waiver of any other right or remedy herein contained or provided by law.

2. Further Assurances. Trustor shall, upon demand by Beneficiary or Trustee, execute, acknowledge (if appropriate) and deliver any and all documents and instruments and do or cause to be done all further acts reasonably necessary or appropriate to effectuate the provisions hereof.

3. Usury Savings Clause. Nothing contained herein shall be deemed to require the payment of interest or other charges by Trustor in excess of the amount Beneficiary may lawfully charge under the applicable usury laws. In the event Beneficiary shall collect monies which are deemed to constitute interest which would increase the effective interest rate to a rate in excess of that permitted to be charged by applicable law, all such sums deemed to constitute interest in excess of the legal rate shall, upon such determination, at the option of Beneficiary, be returned to Trustor or credited against the principal balance of any obligation secured hereby then outstanding.

4. Attorneys' Fees. In the event legal action, suit or any proceeding is commenced between Trustor and Beneficiary regarding their respective rights and obligations under this Deed of Trust, the prevailing party shall be entitled to recover, in addition to damages or other relief, costs and expenses, attorneys' fees and court costs. As used herein the term "prevailing party" shall mean the party which obtains the principal relief it has sought, whether by compromise settlement or judgment. If the party which shall have commenced or instituted the action, suit or proceeding shall dismiss or discontinue it without the concurrence of the other party, such other party shall be deemed the prevailing party.

5. Obligations of Trustor Joint and Several. If more than one person has executed this Deed of Trust as "Trustor," the obligations of all such persons hereunder shall be joint and several.

6. Trustor and Beneficiary Defined. The term "Trustor" herein includes both the original Trustor and any subsequent owner or owners of any of the Property, and the term "Beneficiary" includes the original Beneficiary and its successors and assigns.

7. No Joint Venture. Beneficiary neither undertakes nor assumes any responsibility or duty to Trustor or to any third party with respect to the Property. Notwithstanding any other provisions of this Deed of Trust: (a) Beneficiary is not, and shall not be construed as, a partner, joint venturer, alter ego, manager, controlling person or other business associate or participant of any kind of Trustor and Beneficiary does not intend to ever assume such status; (b) Beneficiary does not intend to ever assume any responsibility to any person for the quality, suitability, safety or condition of the Property; and (c) Beneficiary shall not be deemed responsible for or a participant in any acts, omissions or decisions of Trustor. Beneficiary shall not be directly or indirectly liable or responsible for any loss, claim, cause of action, liability, indebtedness, damage or injury of any kind or character to any person or property arising from any construction on, or occupancy or use of, any of the Property, whether caused by or arising from: (i) any defect in any building, structure, grading, fill, landscaping or other improvements thereon or in any on site or off site improvement or other facility therein or thereon; (ii) any act or omission of Trustor or any

of Trustor's agents, employees, independent contractors, licensees or invitees; (iii) any accident in or on any of the Property or any fire, flood or other casualty or hazard thereon; (iv) the failure of Trustor, any of Trustor's licensees, employees, invitees, agents, independent contractors or other representatives to maintain the Property in a safe condition; and (v) any nuisance made or suffered on any part of the Property.

8. Rules of Construction. When the identity of the parties hereto or other circumstances make it appropriate the masculine gender includes the feminine and/or neuter, and the singular number includes the plural. Specific enumeration of rights, powers and remedies of Trustee and Beneficiary and of acts which they may do and acts Trustor must or must not do shall not exclude or limit the general. The headings of each paragraph are for information and convenience and do not limit or construe the contents of any provision hereof.

9. Severability. If any term of this Deed of Trust, or the application thereof to any person or circumstances, shall, to any extent, be invalid or unenforceable, the remainder of this Deed of Trust, or the application of such term to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term of this Deed of Trust shall be valid and enforceable to the fullest extent permitted by law.

10. Successors in Interest. The terms, covenants, and conditions herein contained shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties hereto.

11. Notices. All notices, demands or documents which are required or permitted to be given or served hereunder shall be in writing and sent by hand delivery, recognized overnight courier, registered or certified mail addressed as follows:

To TRUSTOR at:

Imperial Valley Healthcare District
207 West Legion Road
Brawley, California 92227
Attention: Pablo Velez
Email: Pvelez@iv-hd.org

To BENEFICIARY at:

U.S. Bank Trust Company, National Association
Seattle Tower
1420 5th Avenue
Seattle, Washington 98101
Attention: Diana Jacobs, Corporate Trust Services

The addresses may be changed from time to time by either party by serving notice as heretofore provided. Service of such notice or demand shall be deemed complete on the date of actual delivery as shown by the addressee's registry or certification receipt or at the expiration of the second day after the date of mailing, whichever is earlier in time.

12. Waiver of Notice. Trustor shall not be entitled to any notices of any nature whatsoever from Beneficiary or Trustee except with respect to matters for which this Deed of Trust specifically and expressly provides for the giving of notice by Beneficiary or Trustee to Trustor and except with respect to matters for which Beneficiary is required by applicable law to give notice, and Trustor hereby expressly waives the right to receive any notice from Beneficiary or Trustee with respect to any matter for which this Deed of Trust does not specifically and expressly provide for the giving of notice by Beneficiary or Trustee to Trustor unless Beneficiary or Trustee is required by applicable law to give notice.

13. Remedies of Trustor. Subject to Section D.4. hereof, in the event that a claim or adjudication is made that Beneficiary has acted unreasonably or unreasonably delayed acting in any case where under this Deed of Trust it has an obligation to act reasonably or promptly, Beneficiary shall not be liable for any monetary damages, and Trustor's remedies shall be limited to injunctive relief or declaratory judgment; provided, however, that the foregoing shall not limit any right or remedy of Trustor under applicable law, including, without limitation, California Civil Code Section 2941, with respect to any obligation of Beneficiary or Trustee imposed by applicable law.

14. Waiver of Counterclaim. Trustor hereby waives the right to assert a counterclaim, other than compulsory counterclaim, in any action or proceeding brought against it by Beneficiary.

15. No Merger; No Merger of Lease. It is the intention of the parties hereto that if Beneficiary shall at any time hereafter acquire title to all or any portion of the Property, then, and until the indebtedness secured hereby has been paid in full, the interest of Beneficiary hereunder and the lien of this Deed of Trust shall not merge or become merged in or with the estate and interest of Beneficiary as the holder and owner of title to all or any portion of the Property and that, until, such payment, the estate of Beneficiary in the Property and the lien of this Deed of Trust and the interest of Beneficiary hereunder shall continue in full force and effect to the same extent as if Beneficiary had not acquired title to all or any portion of the Property. Upon the foreclosure of the lien created by this Deed of Trust on the Property pursuant to the provisions hereof, any lease or sublease then existing and affecting all or any portion of the Property shall not be destroyed or terminated by application of the law of merger or as a matter of law or as a result of such foreclosure unless the Beneficiary or any purchaser at such foreclosure sale shall so elect. No act by or on behalf of Beneficiary or any such purchaser shall constitute a termination of any lease or sublease unless Beneficiary or such purchaser shall give written notice of termination to such tenant or subtenant. If both the lessor's and lessee's estate under any lease or any portion thereof which constitutes a part of the Property shall at any time become vested in one owner, this Deed of Trust and the lien created hereby shall not be destroyed or terminated by application of the doctrine of merger unless Beneficiary so elects as evidenced by recording a written declaration so stating, and, unless and until Beneficiary so elects, Beneficiary shall continue to have and enjoy all of the rights, powers and privileges of Beneficiary hereunder as to the separate estates.

16. Reasonable Discretion of Beneficiary. Wherever pursuant to this Deed of Trust, Beneficiary exercises any right given to it to approve or disapprove, or any arrangement or term is to be satisfactory to Beneficiary, the decision of Beneficiary to approve or disapprove or to decide that arrangements or terms are satisfactory or not satisfactory shall be in the reasonable discretion

of Beneficiary and shall be final and conclusive, except as may be otherwise specifically provided herein.

17. Documentary Stamps. If at any time the United States of America, any State thereof or any subdivision of any such State shall require revenue or other stamps to be affixed to this Deed of Trust, or impose any other tax or charge on the same, Trustor will pay for the same, with interest and penalties thereon, if any.

18. Actions and Proceedings. Beneficiary or Trustee has the right to appear in and defend any action or proceeding brought with respect to the Property and to bring any action or proceedings, in the name and on behalf of Trustor, which Beneficiary, in its reasonable discretion, decides is necessary to protect and preserve its security and rights under this Deed of Trust.

19. Headings. The headings of the articles, sections and paragraphs of this Deed of Trust are for convenience only and do not limit its provisions.

20. Non-Recourse. The covenants, promises, agreements and obligations of Trustor shall be deemed to be the covenants, promises, agreements and obligations of Trustor and not any partner, officer, employee or agent of Trustor in an individual capacity, and no recourse shall be had for the payments of the sums due hereunder or for any claim thereon against any partner, officer, employee or agent of Trustor.

21. Governing Law. This Deed of Trust and all rights and obligations hereunder shall be governed by and interpreted according to the laws of the State of California, without regard to conflicts of laws principles.

22. Amendments. Any (i) amendment, modification or subordination of this Deed of Trust (other than pursuant to Sections A.17 hereof) or (ii) release of the real property or improvements subject to the Deed of Trust shall be subject to the provisions of Section 5.15 of the Installment Purchase Agreement.

Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to it at the address set forth above.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year first set forth above.

TRUSTOR:

IMPERIAL VALLEY HEALTHCARE DISTRICT

By: _____
Carly Zamora, Interim Chief Executive Officer

By: _____
Pablo Velez, Chief Executive Officer

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____ before me, _____, a Notary Public,
personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose
name(s) is/are subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity(ies), and that by
his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of
which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

Place Notary Seal Above

EXHIBIT A
DESCRIPTION OF REAL PROPERTY

PARCEL A: LOT 16, BLOCK 2, MONTE VISTA SUBDIVISION NO. 1, IN THE CITY OF EL CENTRO, COUNTY OF IMPERIAL, STATE OF CALIFORNIA, ACCORDING TO MAP ON FILE IN BOOK 1, PAGE 19 OF FINAL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF IMPERIAL COUNTY.

PARCEL B: LOT 10, BLOCK 2, MONTE VISTA SUBDIVISION NO. 1, IN THE CITY OF EL CENTRO, COUNTY OF IMPERIAL, STATE OF CALIFORNIA, ACCORDING TO MAP ON FILE IN BOOK 1, PAGE 19 OF FINAL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF IMPERIAL COUNTY.

PARCEL C: ALL OF LOT 10 AND THE WEST QUARTER OF LOT 9, BLOCK 3, MONTE VISTA SUBDIVISION NO. 1, IN THE CITY OF EL CENTRO, COUNTY OF IMPERIAL, STATE OF CALIFORNIA, ACCORDING TO MAP ON FILE IN BOOK 1, PAGE 19 OF FINAL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF IMPERIAL COUNTY.

PARCEL D: BLOCK 2, MONTE VISTA SUBDIVISION NO. 1, IN THE CITY OF EL CENTRO, COUNTY OF IMPERIAL, STATE OF CALIFORNIA, AS SHOWN ON MAP OF SAID SUBDIVISION, RECORDED IN BOOK 1, PAGE 19 OF FINAL MAPS (FM 1/19), ON FILE IN THE OFFICE OF THE IMPERIAL COUNTY RECORDER;

IN ADDITION THERETO THE 20.00 FEET WIDE ALLEY LYING ADJACENT TO THE SOUTHERLY LINE OF SAID LOT 6, LOT 7 AND LOT 8, SAID BLOCK 2, SAID MAP FM 1/19.

SAID LAND IS ALSO SHOWN ON THAT CERTAIN CERTIFICATE OF COMPLIANCE FOR VOLUNTARY LOT MERGER, LOT MERGER NUMBER 16-01, RECORDED FEBRUARY 20, 2019 AS DOCUMENT NO. 2019003141 OF OFFICIAL RECORDS AND AS REVISED BY DOCUMENT RECORDED MARCH 5, 2019 AS DOCUMENT NO. 2019003920 OF OFFICIAL RECORDS.

PARCEL E: LOT 9, BLOCK 2, MONTE VISTA SUBDIVISION NO. 1, IN THE CITY OF EL CENTRO, COUNTY OF IMPERIAL, STATE OF CALIFORNIA, ACCORDING TO MAP ON FILE IN BOOK 1, PAGE 19 OF FINAL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF IMPERIAL COUNTY.

PARCEL F: PARCEL 1:

BLOCK 5, MONTE VISTA SUBDIVISION NO. 1, IN THE CITY OF EL CENTRO, COUNTY OF IMPERIAL, STATE OF CALIFORNIA, ACCORDING TO MAP RECORDED IN BOOK 1, PAGE 19 OF FINAL MAPS ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF IMPERIAL COUNTY.

EXCEPTING THEREFROM PORTIONS OF BLOCK 5 AS SHOWN ON MAP ENTITLED MONTE VISTA SUBDIVISION NO. 1 FILED IN THE OFFICE OF THE RECORDER OF COUNTY OF IMPERIAL, STATE OF CALIFORNIA, IN BOOK 1, PAGE 19 OF FINAL MAPS, AND ALSO DESCRIBED AS THAT PORTION OF TRACT 90, TOWNSHIP 16 SOUTH, RANGE 14 EAST, S.B.M., COUNTY OF IMPERIAL, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL A: BEGINNING AT THE NORTHWEST CORNER OF TRACT 90, TOWNSHIP 16 SOUTH, RANGE 14 EAST, S.B.M., CITY OF EL CENTRO, COUNTY OF IMPERIAL, STATE OF CALIFORNIA, THENCE EAST ALONG THE NORTH LINE OF SAID TRACT 90 AS SHOWN ON SAID MAP OF MONTE VISTA SUBDIVISION NO. 1, A DISTANCE OF 162.00 FEET, MORE OR LESS, TO A POINT; THENCE SOUTH 1°00'00" EAST ALONG A LINE PARALLEL WITH THE WEST LINE OF SAID TRACT 90, A DISTANCE OF 187.00 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING; THENCE NORTH 89°00'00" EAST A DISTANCE OF 113.00 FEET TO A POINT; THENCE SOUTH 1°00'00" EAST A DISTANCE OF 53.00 FEET TO A POINT; THENCE SOUTH 89°00'00" WEST A DISTANCE OF 33.00 FEET TO A POINT; THENCE SOUTH 1°00'00" EAST A DISTANCE OF 66.00 FEET TO A POINT; THENCE SOUTH 89°00'00" WEST A DISTANCE OF 80.00 FEET TO A POINT; THENCE NORTH 1°00'00" WEST A DISTANCE OF 119.00 FEET THE TRUE POINT OF BEGINNING.

PARCEL B: BEGINNING AT THE NORTHWEST CORNER OF TRACT 90, TOWNSHIP 16 SOUTH, RANGE 14 EAST, S.B.M., CITY OF EL CENTRO, COUNTY OF IMPERIAL, STATE OF CALIFORNIA; THENCE EAST ALONG THE NORTH LINE OF SAID TRACT 90 AS SHOWN ON SAID MAP OF MONTE VISTA SUBDIVISION NO. 1, A DISTANCE OF 291.00 FEET, MORE OR LESS, TO A POINT; THENCE SOUTH 1°00'00" EAST ALONG A LINE PARALLEL WITH THE WEST LINE OF SAID TRACT 90, A DISTANCE OF 217.00 FEET TO THE TRUE POINT OF BEGINNING: THENCE NORTH 89°00'00" EAST A DISTANCE OF 21.00 FEET TO A POINT; THENCE SOUTH 1°00'00" EAST A DISTANCE OF 24.00 FEET TO A POINT; THENCE SOUTH 89°00'00" WEST A DISTANCE OF 21.00 FEET TO A POINT; THENCE NORTH 1°00'00" WEST A DISTANCE OF 24.00 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING.

PARCEL 2: PORTIONS OF BLOCK 5 AS SHOWN ON MAP ENTITLED MONTE VISTA SUBDIVISION NO. 1 FILED IN THE OFFICE OF THE RECORDER OF COUNTY OF IMPERIAL, STATE OF CALIFORNIA, IN BOOK 1, PAGE 19 OF FINAL MAPS, AND ALSO DESCRIBED AS THAT PORTION OF TRACT 90, TOWNSHIP 16 SOUTH, RANGE 14 EAST, S.B.M., COUNTY OF IMPERIAL, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL A: BEGINNING AT THE NORTHWEST CORNER OF TRACT 90, TOWNSHIP 16 SOUTH, RANGE 14 EAST, S.B.M., CITY OF EL CENTRO, COUNTY OF IMPERIAL, STATE OF CALIFORNIA; THENCE EAST ALONG THE NORTH LINE OF SAID TRACT 90 AS SHOWN ON SAID MAP OF MONTE VISTA SUBDIVISION NO. 1, A DISTANCE OF 162.00 FEET, MORE OR LESS, TO A POINT; THENCE SOUTH 1°00'00" EAST ALONG A LINE PARALLEL WITH THE WEST LINE OF SAID TRACT 90, A DISTANCE OF 187.00 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING; THENCE NORTH 89°00'00" EAST A DISTANCE OF 113.00 FEET TO A POINT; THENCE SOUTH 1°00'00" EAST A DISTANCE OF 53.00 FEET TO A POINT; THENCE SOUTH 89°00'00" WEST A DISTANCE OF 33.00 FEET TO A POINT; THENCE SOUTH 1°00'00" EAST A DISTANCE OF 66.00 FEET TO A POINT; THENCE SOUTH 89°00'00" WEST A DISTANCE OF 80.00 FEET TO A POINT; THENCE NORTH 1°00'00" WEST A DISTANCE OF 119.00 FEET TO THE TRUE POINT OF BEGINNING.

SAID LAND IS ALSO SHOWN ON THAT CERTAIN CERTIFICATE OF COMPLIANCE RECORDED JUNE 2, 1980 AS DOCUMENT NO. 24 IN BOOK 1451, PAGE 1651 OF OFFICIAL RECORDS.

PARCEL 3: PORTIONS OF BLOCK 5 AS SHOWN ON MAP ENTITLED MONTE VISTA SUBDIVISION NO. 1 FILED IN THE OFFICE OF THE RECORDER OF COUNTY OF IMPERIAL, STATE OF CALIFORNIA, IN BOOK 1, PAGE 19 OF FINAL MAPS, AND ALSO DESCRIBED AS THAT PORTION OF TRACT 90, TOWNSHIP 16 SOUTH, RANGE 14 EAST, S.B.M., COUNTY OF IMPERIAL, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL B: BEGINNING AT THE NORTHWEST CORNER OF TRACT 90, TOWNSHIP 16 SOUTH, RANGE 14 EAST, S.B.M., CITY OF EL CENTRO, COUNTY OF IMPERIAL, STATE OF CALIFORNIA; THENCE EAST ALONG THE NORTH LINE OF SAID TRACT 90 AS SHOWN ON SAID MAP OF MONTE VISTA SUBDIVISION NO. 1, A DISTANCE OF 291.00 FEET, MORE OR LESS, TO A POINT; THENCE SOUTH 1°00'00" EAST ALONG A LINE PARALLEL WITH THE WEST LINE OF SAID TRACT 90, A DISTANCE OF 217.00 FEET TO THE TRUE POINT OF BEGINNING: THENCE NORTH 89°00'00" EAST A DISTANCE OF 21.00 FEET TO A POINT; THENCE SOUTH 1°00'00" EAST A DISTANCE OF 24.00 FEET TO A POINT; THENCE SOUTH 89°00'00" WEST A DISTANCE OF 21.00 FEET TO A POINT; THENCE NORTH 1°00'00" WEST A DISTANCE OF 24.00 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING.

SAID LAND IS ALSO SHOWN ON THAT CERTAIN CERTIFICATE OF COMPLIANCE RECORDED JUNE 2, 1980 AS DOCUMENT NO. 23 IN BOOK 1451, PAGE 1650 OF OFFICIAL RECORDS.

PARCEL G: LOT 11, BLOCK 2, MONTE VISTA SUBDIVISION NO. 1, IN THE CITY OF EL CENTRO, COUNTY OF IMPERIAL, STATE OF CALIFORNIA, ACCORDING TO MAP ON FILE IN BOOK 1, PAGE 19 OF FINAL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF IMPERIAL COUNTY.

PARCEL H: THE WEST HALF OF LOT 8 AND THE EAST THREE-FOURTHS OF LOT 9, BLOCK 3, MONTE VISTA SUBDIVISION NO. 1, IN THE CITY OF EL CENTRO, COUNTY OF IMPERIAL, STATE OF CALIFORNIA, ACCORDING TO MAP ON FILE IN BOOK 1, PAGE 19 OF FINAL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF IMPERIAL COUNTY.

PARCEL I: LOT 16 AND THE EAST HALF OF LOT 17, IN BLOCK 4, OF MONTE VISTA SUBDIVISION NO. 1, IN THE CITY OF EL CENTRO, COUNTY OF IMPERIAL, STATE OF CALIFORNIA, AS PER MAP RECORDED ON FILE IN BOOK 1, PAGE 19 OF FINAL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF IMPERIAL COUNTY.

EXHIBIT C

Amended and Restated Security Agreement

[See attached.]

**AMENDED AND RESTATED SECURITY AND ASSIGNMENT
AGREEMENT**

by and between

**U.S BANK TRUST COMPANY, NATIONAL ASSOCIATION, as
successor-in-interest to MUFG UNION BANK, N.A.,**

solely as Assignee and Trustee

and

**IMPERIAL VALLEY HEALTHCARE DISTRICT, as successor-in-
interest to EL CENTRO REGIONAL MEDICAL CENTER**

**Dated as of April 19, 2018 and
Amended and Restated as of October 15, 2026**

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AMENDED AND RESTATED SECURITY AND ASSIGNMENT AGREEMENT

THIS AMENDED AND RESTATED SECURITY AND ASSIGNMENT AGREEMENT, dated as of April 19, 2018 and amended and restated as of October 15, 2026 (as amended and restated from time to time, this “Assignment”), is by and between U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as successor-in-interest to MUFG UNION BANK, N.A., a national banking association duly organized and existing under and by virtue of the laws of the United States of America (together with its successors and assigns, the “Assignee”), not in its individual capacity, but solely as Trustee under the Trust Agreement (as defined herein), and the IMPERIAL VALLEY HEALTHCARE DISTRICT, a California healthcare district duly organized and existing under and by virtue of the laws of the State of California, as successor-in-interest to the El Centro Regional Medical Center (the “Assignor”).

RECITALS

WHEREAS, on April 19, 2018 (the “Closing Date”), the El Centro Financing Authority (the “Authority”) issued its El Centro Financing Authority Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project), Series 2018 (the “Series 2018 Bonds”) pursuant to the Trust Agreement, dated as of April 1, 2018 (the “Original Trust Agreement”), between the Authority and MUFG Union Bank, N.A., as the original trustee (the “Original Trustee”);

WHEREAS, on the Closing Date, the Authority, the City of El Centro, California (the “City”) and the El Centro Regional Medical Center (“ECRMC”) entered into the Installment Purchase Agreement, dated as of April 1, 2018 (the “Original Security Agreement”), pursuant to which ECRMC is obligated to pay installment purchase payments in an amount equal to debt service payments on the Series 2018 Bonds;

WHEREAS, on the Closing Date, the Original Trustee, as the original assignee, and ECRMC, as the original assignor, entered into the Security and Assignment Agreement, dated as of April 19, 2018 (the “Original Security Agreement”), pursuant to which ECRMC collaterally assigned its interest in the material contracts relating to the 2018 Medical Center Projects (as defined in the Original Trust Agreement) and its interest in certain medical equipment of the ECRMC, identified by ECRMC as of January 31, 2018, to the Original Trustee as security for the Series 2018 Bonds;

WHEREAS, pursuant to that certain Asset Transfer Agreement (the “Asset Transfer Agreement”) among the City, ECRMC, and the Imperial Valley Healthcare District, as Assignor under this Assignment, effective August 1, 2025, the City and ECRMC (together, the “Sellers”) agreed, on and subject to the terms and conditions of the Asset Transfer Agreement, to sell, assign, transfer, convey and deliver to the Assignor, and the Assignor agreed to purchase, acquire and accept from the Sellers, Sellers’ right, title and interest in, to and under the Assets (as defined in the Asset Transfer Agreement), which includes the real and personal property of ECRMC;

WHEREAS, pursuant to the Asset Transfer Agreement, the Assignor agreed, on and subject to the terms and conditions of the Asset Transfer Agreement, to assume and to pay, perform, and discharge the Assumed Liabilities (as defined in the Asset Transfer Agreement), which includes the Seller’s obligations under the Original Security Agreement;

WHEREAS, the Assignor is the successor in interest to the Sellers under the Asset Transfer Agreement and all of the Sellers' assets, rights and responsibilities thereunder, including the Sellers' obligations under the Original Security Agreement, have been transferred to the Assignor;

WHEREAS, the Original Security Agreement is being amended and restated as of the date hereof to formally join the Assignor as a party, pursuant to which Assignor shall assume all obligations of the Sellers thereunder; and

WHEREAS, the Assignee and the Assignor wish to amend and restate the Original Security Agreement as set forth herein to memorialize the Assignor's assumption of ECRMC's obligations under the Original Security Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS; RULES OF CONSTRUCTION

Section 1.01. Definitions. Unless the context otherwise requires (a) the terms defined in this Section shall for all purposes of this Assignment have the meanings ascribed thereto in this Section, (b) all terms used herein that are defined in the UCC shall have the respective meanings ascribed to such terms in the UCC, and (c) capitalized undefined terms used herein that are defined in the Trust Agreement shall have the meanings ascribed thereto in the Trust Agreement.

"Assignee" means U.S. Bank Trust Company, National Association, as successor-in-interest to MUFG Union Bank, N.A., a national banking association duly organized and existing under and by virtue of the laws of the United States of America, not in its individual capacity, but solely as Trustee under the Trust Agreement.

"Assignment" means this Amended and Restated Security and Assignment Agreement, dated as of April 19, 2018 and amended and restated as of October 15, 2026, by and between the Assignee and the Assignor, as originally executed and as it may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof.

"Assignor" means the Imperial Valley Healthcare District, a California healthcare district duly organized and existing under and by virtue of the laws of the State of California, as successor-in-interest to the El Centro Regional Medical Center.

"Collateral" has the meaning ascribed to such term in Section 2.01 hereof.

"Construction Contracts" means all contracts, undertakings or other agreements relating to the acquisition, construction and installation of the Series 2018 Medical Center Projects in which the Assignor has any rights or the power to transfer rights.

"Debtor Relief Laws" means the Bankruptcy Code of the United States of America, and all other applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement,

receivership, insolvency, reorganization, or similar debtor relief laws from time to time in effect affecting the rights of creditors generally.

“Equipment” means any “equipment,” as such term is defined in Section 9102(a)(33) of the UCC, in which the Assignor has any rights or the power to transfer rights and, in any event, shall include all machinery, medical and other equipment, fixtures, signage, furniture, furnishings, trade fixtures, mainframe, personal and other computers, terminals and printers and related components and accessories, all copiers, telephonic, video, electronic data-processing, data storage equipment and other equipment of any nature whatsoever, and any and all additions, substitutions and replacements of any of the foregoing, wherever located, together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto.

“Excluded Assets” means (a) any Equipment that is located at the Pioneers Facilities (other than any Equipment that was at any time located at, acquired for use at, or used in connection with the operations of, El Centro Regional Medical Center), and with respect to any lease, license, contract, property rights or agreement to which the Assignor is a party, any of its rights or interests thereunder to the extent that any applicable term therein prohibits the creation of a security interest therein (other than to the extent that any such term would be rendered ineffective pursuant to Sections 9406, 9407, 9408 or 9409 of the UCC, or any successor provision or provisions, of any relevant jurisdiction, other applicable law, including any Debtor Relief Laws, or principles of equity); provided, however, that “Excluded Assets” shall not include any proceeds, products, substitutions or replacements of Excluded Assets, unless such proceeds, products, substitutions or replacements would otherwise constitute Excluded Assets.

“Liens” means liens, charges, security interests or other encumbrances levied on account of any security agreement, conditional bill of sale, title retention agreement, chattel mortgage or otherwise.

“Pioneers Facilities” means the medical facilities, offices and related improvements located at 197 West Legion Road, Suite 300 and 400, Brawley, California 92227; 205 West Legion Road, Brawley, California 92227; 207 West Legion Road, Brawley, California 92227; 751 West Legion Road, Brawley, California 92227; 565 Main Street, Brawley, CA 92227; 4231 Hwy 86, Brawley, CA California; 310 Orchid Place, Brawley, California 92227; 1550 North Imperial Avenue, El Centro, California 92243; 1271 Ross Avenue, Suite E, El Centro, California 92243; 601 Heber Avenue, Calexico, California 92231; 400 Mary Avenue, Calexico, California 92231; 450 East Birch Street, Calexico, California 92231.

“Proceeds” means “proceeds,” as such term is defined in Section 9102(a)(64) of the UCC, and, in any event, shall include (a) any and all accounts, chattel paper, instruments, cash or other forms of money or currency or other proceeds payable to the Assignor from time to time in respect of the Collateral, (b) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to the Assignor from time to time with respect to any of the Collateral, (c) any and all payments (in any form whatsoever) made or due and payable to the Assignor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any governmental authority, or any Person acting under color of governmental authority, and (d) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

“Secured Obligations” means all liabilities and obligations, howsoever arising, owed by the Assignor to the Assignee and/or the Owners of the Series 2018 Bonds of every kind and description, whether or not evidenced by any note or instrument and whether or not for the payment of money, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, in each case, pursuant to the terms of any Transaction Document to which the Assignor is a party, including all interest (including interest that accrues after the commencement of any bankruptcy or other insolvency proceeding by or against the Assignor, whether or not allowed or allowable), fees, charges, expenses, attorneys’ fees and accountants’ fees chargeable to and payable by the Assignor hereunder and thereunder.

“Transaction Documents” means the Installment Purchase Agreement, the Trust Agreement, the Deed of Trust, and the Deposit Account Control Agreement.

“UCC” means the California Uniform Commercial Code as the same may, from time to time, be in effect; provided, however, in the event that, by reason of mandatory provisions of law, any matter is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of California, the term “UCC” shall mean the Uniform Commercial Code of such jurisdiction.

Section 1.02. Rules of Construction. (a) The terms defined herein expressed in the singular shall, unless the context otherwise indicates, include the plural and vice versa.

(b) The use herein of the masculine, feminine or neuter gender is for convenience only and shall be deemed and construed to include correlative words of the masculine, feminine or neuter gender, as appropriate.

(c) References herein to a document shall include all amendments, supplements or other modifications to such document, and any replacements, substitutions or novation of, that document.

(d) Any term defined herein by reference to another document shall continue to have the meaning ascribed thereto whether or not such other document remains in effect.

(e) The use herein of the words “including” and “includes,” and words of similar import, shall be deemed to be followed by the phrase “without limitation.”

(f) Headings of Articles and Sections herein and the table of contents hereof are solely for convenience of reference and shall not affect the meaning, construction or effect hereof.

(g) All references herein to designated “Articles,” “Sections,” “Exhibits,” “subsections,” “paragraphs,” “clauses,” and other subdivisions are to the designated Articles, Sections, subsections, paragraphs, clauses, and other subdivisions of this Assignment.

(h) The words “hereof” (except when preceded by a specific Section or Article reference), “herein,” “hereby,” “hereunder,” “hereinaabove,” “hereinafter,” and other equivalent words and phrases used herein refer to this Assignment and not solely to the particular portion hereof in which any such word is used.

(i) References herein to the Assignee in such provisions hereof as describe, concern or relate to the exercise of rights hereunder by the Assignee, the exercise of remedies by the Assignee or the undertaking of other actions hereunder by the Assignee shall be deemed to include such exercise or undertaking by a nominee or designee of the Assignee.

(j) Any reference herein to a specific Section of the UCC means, at any time, such specified Section or any other then applicable provision of the UCC.

ARTICLE II

GRANT OF SECURITY INTEREST

Section 2.01. Grant of Security Interest. As of the date of the Original Security Agreement, the Assignor assigned and as of the date hereof, the Assignor hereby assigns, conveys, mortgages, pledges, grants, hypothecates and transfers to the Assignee as security for the full, prompt, complete and final payment when due, whether at stated maturity, by acceleration or otherwise, and prompt performance and observance of all of the Secured Obligations, and in order to induce the Authority to enter into the Installment Purchase Agreement and the other Transaction Documents to which it is a party and to induce the Owners to purchase the Series 2018 Bonds upon the terms and subject to the conditions thereof, a security interest in and to all of the following in which the Assignor has rights or the power to transfer rights, whether the Assignor has such rights or such power now or acquires such rights or such power at any time in the future (collectively, the "Collateral"):

- (a) all Construction Contracts;
- (b) all Equipment;
- (c) to the extent not otherwise included, all Proceeds of each of the foregoing and all accessions to, substitutions and replacements for, and rents, profits and products of each of the foregoing; and
- (d) all proceeds of the foregoing;

provided, however, that, notwithstanding the foregoing, the Collateral shall not include any Excluded Assets.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF ASSIGNOR

Section 3.01. Representations and Warranties. The Assignor hereby represents and warrants to the Assignee that:

- (a) The Assignor is the sole legal and equitable owner of each item of the Collateral, having good and merchantable title or rights thereto, free and clear of any and all Liens, except for Permitted Encumbrances.

(b) No effective security agreement, financing statement, equivalent security or Lien instrument covering all or any part of the Collateral exists, except such as may have been filed by the Assignor in favor of the Assignee pursuant to this Assignment or such as relate to other Permitted Encumbrances. No liens, encumbrances, or security interests have been granted on the Collateral between the Closing Date and the Effective Date (other than those permitted under this Assignment). The Assignor has not filed or authorized any financing statements covering the Collateral other than those in favor of the Assignee.

(c) The execution and delivery of this Assignment creates a legal and valid security interest on and in all of the Collateral in which the Assignor now has rights or the power to transfer rights and all filings and other actions necessary or desirable to perfect and protect such security interest have been duly taken. Accordingly, to the Assignor's knowledge, the Assignee has a fully perfected first priority security interest in all of the Collateral in which the Assignor now has rights or the power to transfer rights subject only to Permitted Encumbrances.

(d) The Assignor's exact legal name is "Imperial Valley Healthcare District" or as otherwise set forth in a written notice given to the Assignee pursuant to Section 4.11 hereof. The Assignor was formed under the laws of the State of California. The physical Collateral is presently located at the following location or at such other location or locations set forth in a written notice given to the Assignee pursuant to Section 4.07 hereof:

El Centro Regional Medical Center
1415 Ross Avenue
El Centro, California 92243

ARTICLE IV

ASSIGNOR COVENANTS

Section 4.01. Further Assurances. At any time and from time to time, upon the written request of the Assignee, and at the sole expense of the Assignor, the Assignor shall promptly and duly execute and deliver any and all such further instruments and documents and take such further action as the Assignee may reasonably require to obtain the full benefits of this Assignment and of the rights and powers herein granted, including (a) using its reasonable efforts to secure all consents and approvals necessary or appropriate for the grant of a security interest to the Assignee in any Construction Contract held by the Assignor or in which the Assignor has any rights or power to transfer rights not heretofore assigned, (b) filing any financing statements, amendments or continuation statements under the UCC with respect to the security interests granted hereby, (c) obtaining written acknowledgements from consignees, warehouse and other bailees of the prior Lien of the Assignee in and to the Collateral and that such third party is holding possession of the Collateral for the benefit of the Assignee to the extent provided in such written acknowledgement, and (d) mark conspicuously each of its records pertaining to the Collateral with a legend indicating that such Collateral is subject to the security interest granted hereby. The Assignor hereby authorizes the Assignee, to the extent not prohibited by applicable law, to file any financing statement, amendment or continuation statement (including consignment filings). Assignor acknowledges that pursuant to the Trust Agreement the Assignee has no duty to file or continue

any financing statements and notwithstanding the foregoing, that such duty shall be performed by Assignor.

Section 4.02. Maintenance of Records. The Assignor shall keep and maintain at the Assignor's own cost and expense records of the Collateral that are accurate and complete in all material respects. The Assignor shall mark its books and records pertaining to the Collateral to evidence this Assignment and the security interests granted hereby.

Section 4.03. Compliance With Terms of Agreements. In all material respects, the Assignor shall perform and comply with all obligations in respect of Construction Contracts; provided, however, that the Assignor may suspend its performance thereunder in the event of a material breach of any such obligations by third parties and may, in good faith and by appropriate proceedings, contest any alleged violations by Assignor.

Section 4.04. Limitation on Liens on Collateral. The Assignor shall not create, permit or suffer to exist, and shall defend the Collateral against and take such other action as is necessary to remove, any Lien on the Collateral, except the Permitted Encumbrances. The Assignor shall further defend the right, title and interest of the Assignee in and to any of the Collateral against the claims and demands of all Persons whomsoever.

Section 4.05. Limitations on Disposition. The Assignor shall not sell, lease, license outside the ordinary course of its business, transfer or otherwise dispose of any of the Collateral or attempt or contract to do so, except as permitted by Section 5.07 of the Installment Purchase Agreement.

Section 4.06. Further Identification of Collateral. The Assignor shall, if so requested by the Assignee, furnish to the Assignee, as often as the Assignee shall reasonably request, statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Assignee may reasonably request, all in reasonable detail.

Section 4.07. Change in Place of Business; Removal of Collateral. The Assignor shall not remove or cause to be removed, except in the ordinary course of the Assignor's business or in connection with sales, transfers and dispositions permitted under Section 5.07 of the Installment Purchase Agreement, the Collateral or the records concerning the Collateral from those premises without prior written notice to the Assignee. The Assignor shall not remove, transfer, or relocate any of the Collateral from El Centro Regional Medical Center to any other location (including the Pioneers Facilities) without the prior written consent of the Assignee Party, which consent shall not be unreasonably withheld.

Section 4.08. Notices. The Assignor shall advise the Assignee promptly, in reasonable detail, of (a) any material Lien, other than Permitted Encumbrances, attaching to or asserted against any of the Collateral, (b) any material change in the composition of the Collateral, and (c) the occurrence of any other event which might have or might result in a material adverse effect with respect to the Collateral or on the security interest created hereunder.

Section 4.09. Right of Inspection and Audit. Upon reasonable notice to the Assignor, unless an Event of Default has occurred and is continuing, in which case no notice shall be necessary, the Assignee and its agents and representatives shall also have the right during the

Assignor's ordinary business hours, upon reasonable advance notice, to enter into and upon any premises where any of the Equipment is located for the purpose of conducting audits and making physical verifications of such Equipment in any manner and through any medium that the Assignee considers advisable, and the Assignor shall furnish all such assistance and information as the Assignee may require in connection therewith.

Section 4.10. Maintenance of Facilities. The Assignor shall maintain and protect its properties, assets and facilities, including its Equipment, in good order and working repair and condition, taking into consideration ordinary wear and tear, and from time to time make or cause to be made all needful and proper repairs, renewals and replacements thereof and thereto and shall competently manage and care for its property in accordance with prudent industry practices.

Section 4.11. Continuous Perfection. The Assignor shall not change its name, address, type of organization or organizational structure in any manner unless the Assignor shall have given the Assignee at least 30 days' prior written notice thereof and shall have taken all action, or made arrangements to take such action, necessary or reasonably requested by the Assignee to maintain and continue the perfection of the security interest granted hereunder.

Section 4.12. Authorizations with Respect to Financing Statements. The Assignor hereby irrevocably authorizes the Assignee at any time and from time to time to file in any filing office in any UCC jurisdiction any initial financing statements and amendments thereto that (a) describes the Collateral or any portion thereof, and (b) contain any other information required by part 5 of Article 9 of the UCC for the sufficiency or filing office acceptance of any financing statement or amendment. The Assignor agrees to promptly furnish any such information that the Assignee may reasonably request. The Assignor also ratifies its authorization for the Assignee to have filed in any UCC jurisdiction any initial financing statements or amendments thereto if filed prior to the date hereof. Assignor acknowledges that pursuant to the Trust Agreement the Assignee has no duty to file or continue any financing statements and notwithstanding the foregoing, that such duty shall be performed by Assignor.

Section 4.13. Terminations and Amendments Not Authorized. The Assignor acknowledges that it is not authorized to file any amendment or termination statement with respect to any financing statement relating to any security interest granted hereunder without the prior written consent of the Assignee and agrees that it will not do so without the prior written consent of the Assignee, subject to the Assignor's rights under Section 9509(d)(2) of the UCC; provided, however, that in connection with the lease or financing of any Equipment described in clause (a) of the definition of "Excluded Assets," the Assignor may file or cause to be filed in any filing office in any UCC jurisdiction a release or releases from any financing statement covering such Equipment filed pursuant hereto.

Section 4.14. Payment of Taxes. All payments made by the Assignor under this Assignment shall be made by the Assignor free and clear of and without deduction for any and all present and future taxes, levies, charges, deductions and withholdings, except as otherwise provided in the Installment Purchase Agreement. The Assignor shall pay upon demand any stamp or other taxes, levies or charges of any jurisdiction with respect to the execution, delivery, registration, performance and enforcement of this Assignment. The Assignor shall pay any and all liabilities with respect to, or resulting from any delay in paying, any and all excise, sales or

other similar taxes which may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Assignment. Upon request by the Assignee, the Assignor shall furnish evidence satisfactory to the Assignee that all requisite authorizations and approvals by, and notices to and filings with, governmental authorities and regulatory bodies have been obtained and made and that all requisite taxes, levies and charges have been paid.

Section 4.15. Assignor's Continuing Liability. Notwithstanding any provision of this Assignment or any other Transaction Document or any exercise by the Assignee of any of its rights hereunder or thereunder, including any right to collect or enforce any Collateral (a) the Assignor shall remain liable to perform its obligations and duties in connection with the Collateral, and (b) the Assignee shall not assume or be considered to have assumed any liability to perform such obligations and duties or to enforce any of the Assignor's rights and the power to transfer rights in connection with the Collateral.

Section 4.16. Assignor Expenses. The Assignor shall pay any and all costs and expenses incurred by the Assignor in connection with the Assignor's rights, responsibilities or obligations under this Assignment and the Assignee shall not have any liability or responsibility therefor.

ARTICLE V

PROVISIONS RELATING TO THE ASSIGNEE

Section 5.01. Assignee's Appointment as Attorney-in-Fact. (a) Subject to the provisions of subsection (b) of this Section, the Assignor hereby irrevocably constitutes and appoints the Assignee, and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Assignor and in the name of the Assignor or in its own name, from time to time at the Assignee's discretion, for the purpose of carrying out the terms of this Assignment, to take all appropriate action and to execute and deliver any and all documents and instruments that may be necessary or desirable to accomplish the purposes of this Assignment and, without limiting the generality of the foregoing, hereby grants the Assignee the power and right, on behalf of the Assignor, without notice to or assent by the Assignor:

(i) to ask, demand, collect, receive and give acquittances and receipts for any and all monies due or to become due under any Collateral and, in the name of the Assignor, in its own name or otherwise to take possession of, endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of monies due under any Collateral and to file any claim or to take or commence any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Assignee for the purpose of collecting any and all such monies due under any Collateral whenever payable;

(ii) to pay or discharge any Liens, including any tax lien, levied or placed on or threatened against the Collateral, to effect any repairs or any insurance called for by the terms of this Assignment and to pay all or any part of the premiums therefor and the costs thereof, which actions shall be for the benefit of the Assignee and not the Assignor;

(iii) to (A) direct any person liable for any payment under or in respect of any of the Collateral to make payment of any and all monies due or to become due thereunder directly to the Assignee or as the Assignee shall direct, (B) receive payment of any and all monies, claims and other amounts due or to become due at any time arising out of or in respect of any Collateral, (C) sign and endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against the Assignor, assignments, verifications and notices in connection with or relating to the Collateral, (D) commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any part thereof and to enforce any other rights or power to transfer rights in respect of any Collateral, (E) defend any suit, action or proceeding brought against the Assignor with respect to any Collateral, (F) settle, compromise or adjust any suit, action or proceeding described herein and, in connection therewith, give such discharges or releases as the Assignee may deem appropriate, and (G) sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Assignee were the absolute owner thereof for all purposes, and to do, at the Assignee's option and the Assignor's expense, at any time, or from time to time, all acts and things which the Assignee may deem necessary to protect, preserve or realize upon the Collateral and the Assignee's security interest therein in order to effect the intent of this Assignment, all as fully and effectively as the Assignor might do; and

(iv) to execute and deliver any and all such further instruments and documents and take such further action that are required of the Assignor by Section 4.01 hereof.

(b) Except upon the occurrence and during the continuance of an Event of Default, the Assignee shall not exercise the power of attorney or any rights granted to the Assignee pursuant to this Section. The Assignor hereby ratifies, to the extent not prohibited by applicable law, all that the attorney appointed pursuant to this Section shall lawfully do or cause to be done by virtue hereof. The power of attorney granted pursuant to this Section is a power coupled with an interest and shall be irrevocable until the Secured Obligations are completely paid and performed in full.

(c) The powers conferred on the Assignee hereunder are solely to protect the Assignee's interests in the Collateral and shall not impose any duty upon the Assignee to exercise any such powers. The Assignee shall have no duty as to any Collateral, including any responsibility for taking any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral. The Assignee shall be accountable only for amounts that it actually receives as a result of the exercise of such powers and neither it nor any of its officers, directors, employees, agents or representatives shall be responsible to the Assignor for any act or failure to act, except for its own gross negligence or willful misconduct as determined by a final, non-appealable judgment of a court of competent jurisdiction.

(d) If an Event of Default has occurred and is continuing, the Assignee may, at any time and from time to time (i) communicate in its own name with any party to any Construction Contract with regard to the assignment of the Assignor's rights or power to transfer rights in and under the Construction Contracts hereunder and other matters relating thereto, and (ii) execute, in connection with the sale of Collateral provided for in Section 6.01 hereof, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral.

(e) Anything in this Assignment to the contrary notwithstanding, this Assignment shall not constitute an agreement to assign or transfer any Construction Contract, or any claim, right or benefit arising thereunder or resulting therefrom, if an attempted assignment or transfer thereof, without the consent of a third party thereto would constitute a breach thereof. If consent from any third party to assignment of a Construction Contract (“Deferred Consent”) is not obtained, or if an attempted assignment or transfer thereof would be ineffective or would affect the rights thereunder so that the Assignee would not receive all such rights, then, in each such case (i) from and after the occurrence of an Event of Default, Assignor and Assignee shall cooperate, in all reasonable respects, to obtain such Deferred Consent as soon as practicable after the occurrence of such Event of Default, and (ii) until such Deferred Consent is obtained, Assignor and Assignee will cooperate, in all reasonable respects, to provide to Assignee the benefits under the Construction Contract to which such Deferred Consent relates (with Assignee entitled to all the gains and responsible for all the losses, taxes, liabilities and/or obligations thereunder). To the extent reasonably requested by Assignee, Assignor and Assignee shall enter into such arrangements (including subleasing or subcontracting if permitted) to provide to Assignor and Assignee the economic and operational equivalent of obtaining such Deferred Consent and assigning or transferring such Construction Contract, including enforcement for the benefit of Assignee of all claims or rights arising thereunder, and the performance by Assignee of the obligations thereunder on a prompt and punctual basis.

(f) If the Assignor fails to perform or comply with any of its agreements contained herein and the Assignee, as provided herein, shall perform or comply, or otherwise cause performance or compliance, with such agreement, the costs and expenses, including attorneys’ fees and costs, of the Assignee incurred in connection with such performance or compliance, together with interest thereon at a per annum rate equal to the highest rate of interest then borne by the Series 2018 Bonds, shall be payable by the Assignor to the Assignee promptly following demand, and shall constitute Secured Obligations secured hereby.

(g) The Assignor hereby ratifies all that the Assignee as its attorney-in-fact shall do or cause to be done by virtue of this Assignment.

Section 5.02. No Obligations Under Collateral. The Assignee shall have no obligation or liability under any Construction Contract or any other Collateral by reason of or arising out of this Assignment or the granting to the Assignee of a security interest therein or the receipt by the Assignee of any payment relating to any Construction Contract or other Collateral pursuant hereto, nor shall the Assignee be required or obligated in any manner to perform or fulfill any of the obligations of the Assignor under or pursuant to any Construction Contract or other Collateral, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by it or the sufficiency of any performance by any party under any Construction Contract or other Collateral, or to present or file any claim, or to take any action to collect or enforce any performance or the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

Section 5.03. Limitation on the Assignee’s Duty in Respect of Collateral. The Assignee shall be deemed to have acted reasonably in the custody, preservation, and disposition of any of the Collateral if it complies with the obligations of a secured party under Section 9207 of the UCC.

Section 5.04. Reinstatement. This Assignment shall remain in full force and effect and continue to be effective should any petition be filed by or against the Assignor for liquidation or reorganization, should the Assignor become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of the Assignor's property and assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Secured Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Secured Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned. This Section shall survive the termination of this Assignment.

Section 5.05. Collateral Agent. Whenever reference is made herein to delivery of any Collateral to the Assignee, or words of similar import, such delivery shall be made to the Assignee or, if specified by the Assignee in a written direction delivered to the Assignor, to an agent, collateral agent or other Person so specified.

Section 5.06. Status of Assignee. All provisions of the Trust Agreement relating to the rights, powers, privileges and protections of the Trustee thereunder shall apply with equal force and effect to all actions taken by the Trustee as Assignee hereunder and no duties or obligations shall be imposed upon the Trustee as Assignee beyond those contained in the Trust Agreement. It is understood and acknowledged that the Trustee as Assignee is not required to exercise any rights or discretions granted to it hereunder and all rights to consent, direct and approve matters granted to the Assignee herein are subject to the provisions of the Trust Agreement and the rights afforded to the Trustee thereunder.

ARTICLE VI

RIGHTS AND REMEDIES UPON EVENT OF DEFAULT

Section 6.01. Rights and Remedies Upon Default. (a) If an Event of Default shall occur and be continuing, the Assignee may thereafter exercise, in addition to all other rights and remedies granted to it under this Assignment, the Trust Agreement, the Installment Purchase Agreement, the other Transaction Documents and under any other instrument or agreement securing, evidencing or relating to the Secured Obligations, all rights and remedies of a secured party under applicable law, including the UCC. Without limiting the generality of the foregoing, in any such event the Assignee, without demand of performance or other demand, advertisement or notice of any kind, except the notice specified below of time and place of public or private sale, to or upon the Assignor or any other person, all and each of which demands, advertisements and notices are hereby expressly waived to the maximum extent not prohibited by the UCC and other applicable law, shall have the right to collect the Proceeds from all Collateral, and may (i) reclaim, take possession, recover, store, maintain, finish, repair, prepare for sale or lease, ship, advertise for sale or lease and sell or lease in the manner provided for herein, the Collateral, and in connection with the liquidation of the Collateral, and (ii) forthwith collect, receive, appropriate, foreclose upon and realize upon the Collateral, or any part thereof, and may forthwith sell, lease, assign, give an option or options to purchase or sell or otherwise dispose of and deliver said Collateral, or contract to do

so, or any part thereof, in one or more parcels at public or private sale or sales, at any exchange or broker's board or at any of the Assignee's offices or elsewhere at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. The Assignor authorizes the Assignee, on the terms set forth in this Section, to enter the premises where the Collateral is located, to take possession of the Collateral, or any part of it, and to pay, purchase, contest, or compromise any encumbrance, charge or Lien that, in the opinion of the Assignee, appears to be prior or superior to its security interest. The Assignee shall have the right upon any such public sale or sales and, to the extent not prohibited by applicable law, upon any such private sale or sales, to purchase the whole or any part of said Collateral so sold, free of any right or equity of redemption, which equity of redemption the Assignor hereby releases. The Assignee may sell the Collateral without giving any warranties as to the Collateral and may specifically disclaim any warranties of title, which procedures shall not be considered to adversely affect the commercial reasonableness of any sale of the Collateral. The Assignor shall, at the Assignee's request, assemble the Collateral and make it available to the Assignee at places that the Assignee shall reasonably select, whether at the Assignor's premises or elsewhere. The Assignee shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale as provided in subsection (i) of this Section, and the Assignor shall remain liable for any deficiency remaining unpaid after such application, and only after so paying over such net proceeds and after the payment by the Assignee of any other amount required by any provision of law, including Section 9608(a)(1)(C) of the UCC, need the Assignee account for the surplus, if any, to the Assignor. To the maximum extent not prohibited by applicable law, the Assignor waives all claims, damages and demands against the Assignee arising out of the repossession, retention or sale of the Collateral except such as are determined by a final, non-appealable judgment of a court of competent jurisdiction to arise out of the gross negligence or willful misconduct of the Assignee. The Assignee need not give more than ten days' prior written notice, which notification shall be deemed given in accordance with the Installment Purchase Agreement, of the time and place of any public sale or of the time after which a private sale may take place and that such notice is reasonable notification of such matters. The Assignor shall remain liable for any deficiency if the proceeds of any sale or disposition of the Collateral is insufficient to pay all amounts to which the Assignee are entitled, and the Assignor shall also be liable for reasonable attorneys' fees or costs of any attorneys employed by the Assignee to collect such deficiency.

(b) In any sale of any of such Collateral, whether at a foreclosure sale or otherwise, the Assignee is hereby authorized to comply with any limitation or restriction in connection with such sale as it may be advised by counsel is necessary in order to avoid any violation of applicable law, including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that such prospective bidders and purchasers have certain qualifications and restrict such prospective bidders and purchasers to persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of such Collateral, or in order to obtain any required approval of the sale or of the purchaser by any governmental authority, and such compliance shall not result in such sale being considered or deemed not to have been made in a commercially reasonable manner, nor shall the Assignee be liable nor accountable to the Assignor for any discount allowed by the reason of the fact that such Collateral is sold in compliance with any such limitation or restriction.

(c) The Assignor shall pay all fees, costs and expenses of the Assignee, including attorneys' fees and costs, incurred in connection with the enforcement of any of its rights and remedies hereunder.

(d) The Assignor hereby waives presentment, demand, protest or any notice, to the maximum extent not prohibited by applicable law, of any kind in connection with this Assignment or any Collateral.

(e) The Assignor acknowledges and agrees that a breach of any covenant contained in this Section will cause irreparable injury to the Assignee, that in such event the Assignee would have no adequate remedy at law in respect of such breach and, as a consequence, that in such event each and every covenant contained in this Section shall be specifically enforceable against the Assignor, and the Assignor hereby waives, and agrees not to assert, any defenses against an action for specific performance of such covenants, except for a defense that the Secured Obligations are not then due and payable.

(f) The proceeds of any sale, disposition or other realization upon all or any part of the Collateral shall be applied in accordance with Section 4.03 of the Installment Purchase Agreement.

Section 6.02. Cumulative Remedies. (a) The Assignee shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies hereunder or under the Trust Agreement, the Installment Purchase Agreement or the other Transaction Documents, nor shall any single or partial exercise of any right or remedy hereunder or thereunder on any one or more occasions preclude the further exercise thereof or the exercise of any other right or remedy under any of the Transaction Documents.

(b) The rights and remedies hereunder provided or provided under the Trust Agreement, the Installment Purchase Agreement or the other Transaction Documents are cumulative and may be exercised singly or concurrently, and are not exclusive of any rights and remedies provided by law or by any of the other Transaction Documents.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Notices. Any written notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication to be given hereunder shall be given to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the Assignee:

U.S. Bank Trust Company, National Association.
Seattle Tower
1420 5th Avenue
Seattle , Washington 98101
Attention: Diana Jacobs, Corporate Trust Services

If to the Assignor:

Imperial Valley Healthcare District
207 West Legion Road
Brawley, California 92227
Attention: Pablo Velez
Email: _____

Each such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is addressed (a) if given by courier or delivery service or if personally served or delivered, upon delivery, (b) if given by registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, 72 hours after such notice is deposited with the United States mail, or (c) if given by any other means, upon delivery at the address specified in this Section.

Section 7.02. Termination. Subject to Section 5.04 hereof, this Assignment shall continue in effect until all of the Series 2018 Bonds shall have been paid or defeased in full in accordance with the Trust Agreement, at which time this Assignment shall terminate and the Assignee shall release the Collateral and execute any document or instrument reasonably requested by the Assignor in connection therewith, at Assignor's expense.

Section 7.03. Limitation of Rights. Nothing in this Assignment expressed or implied is intended or shall be construed to give to any Person other than the Assignee and the Assignor any legal or equitable right, remedy or claim under or in respect of this Assignment or any covenant, condition or provision herein contained, and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Assignee and the Assignor.

Section 7.04. Successors and Assigns. This Assignment and all obligations of the Assignor hereunder shall be binding upon the successors and assigns of the Assignor, and shall, together with the rights and remedies of the Assignee hereunder, inure to the benefit of the Assignee and its successors and assigns, except that the Assignor may not assign or transfer any of its rights or obligations hereunder other than to a successor trustee appointed under the Trust Agreement. Any assignment or transfer by the Assignor in violation of the foregoing shall be null and void.

Section 7.05. Amendments. This Assignment may not be effectively amended, supplemented or otherwise modified except in the same manner as provided for amendments to the Installment Purchase Agreement pursuant to Section 10.07 of the Installment Purchase Agreement.

Section 7.06. Waivers. None of the terms or provisions of this Assignment may be waived, except by an instrument in writing, duly executed by the Assignor and the Assignee. Unless otherwise specified in any such waiver or consent, a waiver or consent given hereunder shall be effective only in the specific instance and for the specific purpose for which given.

Section 7.07. Severability. If any provision of this Assignment shall be held or deemed to be, or shall in fact be, illegal, inoperative or unenforceable, the same shall not affect any other

provision or provisions herein contained or render the same invalid, inoperative, or unenforceable to any extent whatever.

Section 7.08. Joinder; Amendment and Restatement.

(a) Imperial Valley Healthcare District, as successor-in-interest to ECRMC under the Original Security Agreement, hereby (i) expressly assumes all of the obligations and liabilities as the “Assignor” under this Assignment, (ii) makes the grant of security interest in accordance with Section 2.01 with the same force and effect as if originally named the Assignor under the Original Security Agreement and agrees that the security interest granted herein is a continuation of, and not a replacement for, the security interest granted under the Original Security Agreement, and relates back to the original date of grant for all purposes, including priority, (iii) agrees to all the terms and provisions of this Assignment applicable to the Assignor and (iv) represents and warrants that the representations and warranties made by the Assignor under the Original Security Agreement were true and correct on and as of the Closing Date and are true and correct on and as of the Effective Date.

(b) This Assignment constitutes an amendment and restatement of the Original Security Agreement, effective from and after the Effective Date. This Assignment shall become effective on the Effective Date and shall supersede, amend and restate all provisions of the Original Security Agreement as of such date. The execution and delivery of this Assignment shall not constitute a novation or an accord and satisfaction of the Original Security Agreement or the indebtedness, obligations and liabilities of any obligations evidenced or owing to the Owners based on facts or events occurring or existing prior to the Effective Date and the Assignor and Assignee expressly intend that this Assignment shall not create a new obligation or a new security interest, and that the Secured Obligations and the security interest granted hereunder are the same Secured Obligations and the same security interest as those under the Original Security Agreement. On the Effective Date, the Original Security Agreement shall be amended, supplemented, modified and restated in its entirety by the terms described herein, and all obligations of ECRMC outstanding as of such date under the Original Security Agreement, shall be deemed to be obligations outstanding of the Assignor under the terms described herein, without any further action by any Person. From and after the Effective Date, all references made to the Original Security Agreement in any related document or any instrument or document shall, without more, be deemed to refer to this Assignment. This Assignment does not extinguish or release the liens or priority or any pledge or security therefor.

Section 7.09. Governing Law and Venue. This Assignment shall be construed in accordance with and governed by the Constitution and laws of the State applicable to contracts made and performed in the State, except that matters concerning the validity and perfection of a security interest shall be governed by the conflict of law rules set forth in the UCC, and except as such laws may be preempted by any federal rules, regulations and laws.

Section 7.10. Execution in Counterparts. This Assignment may be executed in any number of counterparts, each of which shall be considered an original for all purposes; provided, however, that all such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, this Assignment has been executed and delivered as of the day and year first written above.

**IMPERIAL VALLEY HEALTHCARE
DISTRICT**

By: _____
Carly Zamora, Interim Chief Executive
Officer

By: _____
Pablo Velez, Chief Executive Officer

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION, as Assignee
and Trustee**

By: _____
Name: _____
Title: _____

EXHIBIT D

Environmental Indemnity

[See attached.]

ENVIRONMENTAL INDEMNITY

This ENVIRONMENTAL INDEMNITY (“**Agreement**”), is entered into as of October 15, 2026, by IMPERIAL VALLEY HEALTHCARE DISTRICT, a California healthcare district duly organized and existing under the laws of the State of California (“**Indemnitor**”), in favor of U.S. BANK NATIONAL TRUST COMPANY, NATIONAL ASSOCIATION, as successor-in-interest to MUFG UNION BANK, as trustee on behalf of the holders of the Series 2018 Bonds (“**Indemnitee**”).

RECITALS

A. Indemnitor is party to that certain Amended and Restated Installment Purchase Agreement (as amended, supplemented or otherwise modified from time to time, the “**Purchase Agreement**”) dated as of April 1, 2018 and as amended and restated as of October 15, 2026, by and between Indemnitor and the El Centro Financing Authority (the “**Authority**”) as assigned to the Indemnitee (except for the certain reserved rights set forth therein) relating to the El Centro Financing Authority Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project) Series 2018 (the “**Series 2018 Bonds**”) under that certain Trust Agreement, dated as of April 1, 2018 and as amended and restated as of October 15, 2026, by and between the Authority and the Indemnitee (as amended, supplemented or otherwise modified from time to time, the “**Trust Agreement**”).

The obligations of the Indemnitor arising out of the Purchase Agreement are to be secured by, among other things, that certain Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing of even date herewith given by Indemnitor, as trustor, in favor of Indemnitee, as beneficiary (“**Deed of Trust**”) affecting real property in the State of California, described on Exhibit “A” attached to the Deed of Trust and made a part of this Agreement. The Deed of Trust and this Agreement are required by the Majority Owner (as defined in the Trust Agreement) as a condition of providing consent to the assumption by the Indemnitor of the obligations of the City of El Centro and the El Centro Regional Medical Center under the Purchase Agreement on the effective date hereof.

B. Because Indemnitee is obtaining the Deed of Trust, Indemnitee may potentially become subject to certain costs, risks and liabilities. Among other things, Indemnitee may become subject to liabilities or alleged liabilities relating to environmental conditions as an “owner” or “operator” under applicable environmental law. These costs and liabilities may arise before or after repayment of the Series 2018 Bonds, and before or after foreclosure under the Deed of Trust.

TERMS AND CONDITIONS

In consideration of the foregoing and of other valuable consideration, the receipt and sufficiency of which are acknowledged, Indemnitor hereby agrees as follows:

1. CERTAIN DEFINITIONS.

“**Approved Site Reviewer**” means an environmental consulting firm approved by the Majority Owner.

“Authority” means the El Centro Financing Authority, a public entity duly organized and existing as a joint exercise of powers authority under and by virtue of the laws of the State of California.

“Bond Documents” means the Trust Agreement, the Purchase Agreement, the Deed of Trust and this Agreement.

“Customary Complying Substances” means Hazardous Substances that are (a) customarily used in connection with the occupancy, use, operation or maintenance of the Property, (b) in reasonably minimal amounts, taking into account the intended and proper use thereof, and properly containerized and labeled, and (c) stored, transported, disposed of and used in a manner that does not violate Environmental Laws.

“Environmental Laws” means any federal, state or local law, statute, ordinance, order, decree, code, directive, regulation, guideline, or the like, as well as under common law, any judicial or administrative orders, decrees or judgments thereunder, and any permits, approvals, licenses, registrations, filings and authorizations, in each case whether now or hereafter in effect, pertaining to pollution, protection or cleanup of the environment, health, industrial hygiene or the environmental conditions on, under or about the Property, including, but not limited to, the following, as now or hereafter amended: Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (“CERCLA”), 42 U.S.C. § 9601 et seq.; Resource, Conservation and Recovery Act (“RCRA”), 42 U.S.C. § 6901 et seq. as amended by the Superfund Amendments and Reauthorization Act of 1986 (“SARA”), Pub. L. 99-499, 100 Stat. 1613; the Toxic Substances Control Act (“TSCA”), 15 U.S.C. § 2601 et seq.; Emergency Planning and Community Right to Know Act of 1986 (“EPCRA”), 42 U.S.C. § 11001 et seq.; Clean Water Act (“CWA”), 33 U.S.C. § 1251 et seq.; Clean Air Act (“CAA”), 42 U.S.C. § 7401 et seq.; Federal Water Pollution Control Act (“FWPCA”), 33 U.S.C. § 1251 et seq.; any corresponding state laws or ordinances and regulations, rules, guidelines or standards promulgated pursuant to such laws, statutes and regulations, as such statutes, regulations, rules, guidelines and standards are amended from time to time. The term “Environmental Laws” also includes any present or future federal state and local laws, statutes, ordinances, rules, regulations and the like, as well as common law, conditioning the transfer of property upon a negative declaration or other approval of a Governmental Authority of the environmental condition of a property; or requiring notification or disclosure of releases of Hazardous Substances or other environmental conditions of a property to any Governmental Authority or other Person, whether or not in connection with transfer of title to or interest in property.

“Environmental Liens” means liens and other encumbrances imposed pursuant to any Environmental Law, whether or not due to any act or omission of the Indemnitor.

“Environmental Reports” means those certain environmental reports with respect to the Property described on Exhibit A attached hereto and made a part hereof.

“Governmental Authority” means any federal, state, county, municipal or other governmental or regulatory authority, agency, board, body, commission, instrumentality, court or quasi-governmental authority with jurisdiction over the property or the Person in question.

“Hazardous Substances” means any substance, product, waste or other material whether solid, liquid or gas, excluding Customary Complying Substances, which is or becomes listed, regulated or addressed as being a toxic, hazardous, polluting or similarly harmful substance under any Environmental Law, including (a) any substance included within the definition of “hazardous waste” pursuant to Section 1004 of RCRA, including listed and characteristic wastes, (b) any substance included within the definition of “hazardous substance” pursuant to Section 101 of CERCLA, including those in the United States Environmental Protection Agency’s List of Hazardous Substances Table (49

C.F.R. §302.4), (c) any substance included within the definition of “regulated substance”, “hazardous substance”, “waste” or “pollutant” (or other similar terms, without limitation) pursuant to any applicable state law or ordinance wherein the Property is located, (d) asbestos or asbestos containing materials in any form that are or could become friable, (e) polychlorinated biphenyls, (f) petroleum products, (g) lead-based paint; (h) underground storage tanks, whether empty, filled or partially filled with any substance, (i) any radioactive materials, urea formaldehyde foam insulation or radon, (j) mold and mold causing substances, and (k) any other chemical, material or substance, the exposure to which is prohibited, limited or regulated by any Governmental Authority on the basis that such chemical, material or substance is toxic, hazardous or harmful to human health or the environment.

“Hazardous Substances Contamination” means the contamination, whether presently existing, threatened, or hereafter occurring, in violation of any Environmental Laws of the improvements, facilities, soil, groundwater, surface water, air or other elements on or of the Property by Hazardous Substances, or the contamination of the improvements, facilities, soil, groundwater, surface water, air or other elements on or of any other property by Hazardous Substances migrating or emanating from the Property, including the migration of vapors from contaminated soil or ground water from the Property into improvements, whether before or after the date of the Deed of Trust; provided, however, that the use, storage or existence of any of the Customary Complying Substances shall not constitute a Hazardous Substances Contamination.

“Indemnified Costs” means all actual or threatened liabilities, claims, actions, proceedings, causes of action, judgments, orders, damages (including foreseeable and unforeseeable consequential damages), reasonable costs, reasonable expenses, fines, penalties and losses (including sums paid in settlement of claims and all reasonable consultant, reasonable expert and reasonable legal fees and expenses of Indemnitee’s counsel), including those incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work (whether of the Property affected by Hazardous Substances or any other property) or other Remedial Work, or any resulting damages, harm or injuries to the person or property of any third parties or to any natural resources; provided, however, that Indemnified Costs shall not include any costs or expenses related solely to Hazardous Substances released in, onto or under the Property after Indemnitor ceases to have any direct or indirect ownership, possessory or other interest in the Property.

“Majority Owner” means any registered owner that owns a majority of the aggregate principal amount of the Outstanding Series 2018 Bonds (as defined in the Trust Agreement).

“O&M Plan” means an operations and maintenance program to assure and monitor continued compliance with Environmental Laws and the exclusion of Hazardous Substances, other than Customary Complying Substances, from the Property and to address any asbestos-containing material or lead based paint that may now or in the future be detected at or on the Property.

“Property” means all property that is or was at any time affected by the Deed of Trust, which may later include any and all property previously released from it.

“Remedial Work” means such corrective work and procedures as may be reasonably necessary or desirable in light of any Hazardous Substances Contamination or a violation by the Indemnitor or the Property of any Environmental Laws, all of which work and procedures shall be undertaken in a manner consistent with the requirements of all Environmental Laws.

“Series 2018 Bonds Rate” means the rate of interest then applicable to the balance outstanding under the Series 2018 Bonds, and if the Series 2018 Bonds are in default, shall mean the default rate of interest thereunder.

“**Site Assessment**” means an environmental site assessment of all or a portion of the Property performed by an Approved Site Reviewer.

2. INDEMNITY AND DEFENSE.

2.1 Indemnity Regarding Hazardous Substances. Indemnitor indemnifies and holds the Indemnitee harmless from and against any and all Indemnified Costs directly or indirectly arising out of or resulting from any Hazardous Substance being present or released in, on or around, or potentially affecting, any part of the Property or the soil, groundwater or soil vapor on or under the Property, including:

2.1.1 Any claim for such Indemnified Costs asserted by any federal, state, or local governmental agency, including without limitation the United States Environmental Protection Agency and the California Environmental Protection Agency and/or Department of Health Services, and including any claim that Indemnitee is liable for any such Indemnified Costs as an “owner” or “operator” of the Property under any law relating to Hazardous Substances; and

2.1.2 Any such Indemnified Costs claimed against Indemnitee by any person other than a governmental agency, including any person who may purchase or lease all or any portion of the Property from Indemnitor, from Indemnitee, or from any other purchaser or lessee; any person who may at any time have any interest in all or any portion of the Property; any person who may at any time be responsible for any cleanup costs or other Indemnified Costs relating to the Property; and any person claiming to have been injured in any way as a result of exposure to any Hazardous Substance; and

2.1.3 Any such Indemnified Costs which Indemnitee reasonably believes at any time must be incurred to comply with any law, judgment, order, regulation or regulatory directive relating to Hazardous Substances, including Environmental Laws, or which Indemnitee reasonably believes at any time must be incurred to protect the public health or safety; and

2.1.4 Any such Indemnified Costs resulting from currently existing conditions in, on or around the Property, whether known or unknown by Indemnitor or Indemnitee at the time this Agreement is executed, and any such Indemnified Costs resulting from the activities of Indemnitor, Indemnitor’s tenants, or any other person in, on or around the Property (collectively, “**Indemnity Obligations**”). Notwithstanding anything to the contrary herein, the Indemnity Obligations shall not extend to any Indemnified Costs arising out of or resulting from any Hazardous Substance released in, on or around any part of the Property to the extent that Indemnitor can prove such release directly resulted from the gross negligence or willful misconduct of the Indemnitee.

2.2 Defense of Indemnitee. Upon demand by Indemnitee, Indemnitor shall defend any investigation, action or proceeding involving any matter covered by Indemnitor’s obligations hereunder which is brought or commenced against Indemnitee, whether alone or together with Indemnitor or any other person, all at Indemnitor’s own cost and by counsel to be approved by Indemnitee in the exercise of its reasonable judgment. In the alternative, Indemnitee may elect to conduct its own defense at the expense of Indemnitor.

3. REPRESENTATIONS AND WARRANTIES AND COVENANTS.

3.1 Environmental Condition of the Property. Indemnitor hereby represents and warrants to Indemnitee that, except as may be disclosed in the environmental reports

described on Exhibit A, Indemnitor has no knowledge or notice of the actual, alleged or threatened presence or release of Hazardous Substances in, on, around or potentially affecting any part of the Property or the soil, groundwater or soil vapor on or under the Property.

3.2 Compliance Regarding Hazardous Substances. Indemnitor has complied, and shall comply and cause all occupants of the Property to comply, with all laws, regulations and ordinances governing or applicable to Hazardous Substances, including Environmental Laws and those requiring disclosures to prospective and actual buyers of all or any portion of the Property. Indemnitor also has complied and shall comply with the recommendations of any qualified environmental engineer or other expert which apply or pertain to the Property. Indemnitor shall not use, and shall not permit others to use, the Property to generate, manufacture, refine, transport, treat, store, handle or dispose of any Hazardous Substance without Indemnitee's prior written consent, except for Customary Complying Substances used in the ordinary course of business and in compliance with all applicable warning labels and Environmental Laws.

3.3 Notices Regarding Hazardous Substances. Indemnitor shall promptly notify Indemnitee if it knows, suspects or believes there may be any Hazardous Substance in, around or potentially affecting the Property or the soil, groundwater or soil vapor on or under the Property, or that Indemnitor or the Property may be subject to any threatened or pending investigation by any governmental agency under any law, regulation or ordinance pertaining to any Hazardous Substance.

3.4 No Limitation of Indemnity. Indemnitor's obligations under this Agreement shall not be diminished or affected in any respect as a result of any notice, disclosure or knowledge, if any, to or by Indemnitee of the release, presence, existence or threatened release of Hazardous Substances in, on, around, or potentially affecting the Property or the soil, groundwater or soil vapor on or under the Property, or of any matter covered by Indemnitor's obligations hereunder. Indemnitee shall not be deemed to have permitted, caused, contributed to or acquiesced in any such release, presence, existence or threatened release of Hazardous Substances or any other matter covered by Indemnitor's obligations hereunder solely because Indemnitee had notice, disclosure or knowledge thereof, whether at the time this Agreement is delivered or at any other time.

3.5 Site Assessments. If Indemnitee or Majority Owner shall ever have a reasonable basis to believe that there are Hazardous Substances, other than Customary Complying Substances, or Hazardous Substances Contamination affecting any of the Property in violation of any Environmental Laws, Indemnitee or Majority Owner may, at any time and from time to time, either prior to or after the occurrence of an Event of Default, contract for the services of an Approved Site Reviewer to perform Site Assessments on the Property for the purpose of determining whether there exists on any of the Property any environmental condition that could result in any liability, cost or expense to the owner, occupier or operator of such Property arising under any Environmental Law. Each Approved Site Reviewer is hereby authorized to enter upon the Property for such purposes. Each Approved Site Reviewer is further authorized to perform both above and below the ground testing for environmental damage or the presence of any Hazardous Substances Contamination on the Property, and such other tests on the Property as may be reasonably necessary to conduct the Site Assessments in the reasonable opinion of such Approved Site Reviewer, provided, however, that if any below the ground testing is performed, the Approved Site Reviewer shall return the Property to substantially the same condition it was before such ground testing after the completion of such ground testing and Approved Site Reviewer shall use commercially reasonable efforts not to interfere with Indemnitor's business or use of the Property. Indemnitor shall supply to the Approved Site Reviewer such historical and operational

information regarding the Property as may be reasonably requested by the Approved Site Reviewer to facilitate the Site Assessments and shall make available for meetings with the Approved Site Reviewer appropriate personnel having knowledge of such matters. The costs and expenses of performing such Site Assessments shall be paid by Indemnitor.

3.6 Remedial Work. Indemnitor shall commence all Remedial Work within thirty (30) days after written demand by Indemnatee or Majority Owner for performance thereof, or within such shorter period of time as may be required under any Environmental Laws, and thereafter diligently prosecute all such Remedial Work to completion in accordance with Environmental Laws. Indemnitor's written proposal for any Remedial Work shall be provided to Indemnatee and Majority Owner in advance for such parties' review and approval, which proposal shall include (i) the identity and biographical information with respect to any proposed contractor or engineer to be used with respect to such Remedial Work, (ii) a description of the measures to be undertaken as a part of such Remedial Work to ensure that value is maintained with respect to the Property and that minimal disruption occurs as a result thereof to any existing tenants and occupants of any of the Property and to the ongoing revenue from the Property, and (iii) such other information as Indemnatee or Majority Owner may request. Indemnatee and the Majority Owner shall each be provided a copy of all environmental reports prepared after discovery of the required Remedial Work immediately upon receipt thereof by Indemnitor and shall be copied on all correspondence with any Governmental Authority regarding the Hazardous Substances Contamination and/or the Remedial Work. Indemnitor shall provide Indemnatee and the Majority Owner with periodic written status reports with respect to any Remedial Work in form, detail and at a frequency reasonably acceptable to Indemnatee and Majority Owner. All costs and expenses of such Remedial Work shall be paid by Indemnitor, including each of Indemnatee's and Majority Owner's reasonable attorneys' fees and expenses incurred in connection with monitoring or review of such Remedial Work. If Indemnitor shall fail to timely commence, or cause to be commenced, or fail to diligently prosecute to completion, such Remedial Work, Indemnatee or Majority Owner may, but shall not be required to, cause such Remedial Work to be performed, and all reasonable costs and expenses thereof, or incurred in connection therewith, shall become an additional obligation of Indemnitor hereunder, payable on demand.

3.7 Monitoring System. If Indemnitor acquires knowledge or receives notice, which notice may be from Indemnatee or Majority Owner, that there are Hazardous Substances, other than Customary Complying Substances, or Hazardous Substances Contamination affecting any of the Property, or if recommended by the Environmental Reports or any Site Assessment or other audit of the Property, including any assessment or audit performed after the date hereof, then Indemnitor shall establish and maintain, at Indemnitor's sole cost and expense, an O&M Plan. The O&M Plan shall include (a) annual reviews of such compliance by employees or agents of Indemnitor who are familiar with the requirements of the Environmental Laws, and (b) at the request of Majority Owner no more than once each year, a Site Assessment by an Approved Site Reviewer, which shall allow reliance thereon by Indemnatee and Majority Owner. Majority Owner may require (a) periodic notices or reports to Indemnatee and Majority Owner in form, substance and at such intervals as Majority Owner may specify, (b) an amendment to such O&M Plan to address changing circumstances, laws or other matters, (c) at Indemnitor's sole cost and expense, further supplemental examinations of the Property by an Approved Site Reviewer, (d) access to the Property by Indemnatee or Majority Owner, or their agents or servicers, to review and assess the environmental condition of the Property and Indemnitor's compliance with the O&M Plan, and (e) variation of the O&M Plan in response to any Site Assessment or any such supplemental examination of the Property.

3.8 Right to Remove Hazardous Substances. Each of Indemnatee and Majority Owner shall have the right, but not the obligation, without in any way limiting the other rights and remedies of Indemnatee under the Bond Documents, to enter onto the Property, perform Remedial Work or to take such other actions as Indemnatee or Majority Owner deems reasonably necessary or advisable to clean up, remove, resolve or minimize the impact of, or otherwise deal with, any Hazardous Substances or Hazardous Substances Contamination in, on, under, about or from the Property that could result in an order, notice, suit, imposition of a lien on the Property or other action or which, in such party's opinion, could jeopardize Indemnatee's security under the Bond Documents or hereunder; provided, however, that such party shall have no right to proceed with any of the rights granted pursuant to this Section unless such party has provided Indemnitor with written notice of such party's intent to take any of the actions described in this Section, and Indemnitor fails, within twenty (20) days, or such shorter period of time as may be required under any Environmental Law, following such notice to commence all Remedial Work or other actions necessary to clean-up, remove or resolve any of the foregoing and to diligently proceed thereafter to complete the same. All reasonable costs and expenses paid or incurred by Indemnatee or Majority Owner in the exercise of any such rights shall be an additional obligation of Indemnitor, payable on demand.

3.9 Environmental Liens. Indemnitor shall keep the Property free and clear of all Environmental Liens; provided, however, that it shall not be a default hereunder if any such Environmental Liens are imposed and Indemnitor either (a) commences to remove such Environmental Liens within thirty (30) days after written notice thereof and thereafter diligently and expeditiously proceeds to remove the same, or (b) after notice to each Indemnified Party, contests by appropriate legal proceedings, promptly initiated and conducted in good faith and with due diligence, the imposition of such Environmental Liens, so long as (i) no Event of Default has occurred and is continuing, (ii) such proceeding suspends the enforcement of such Environmental Liens, (iii) neither the Property nor any part thereof or interest therein is or will be in danger of being sold, forfeited, terminated, canceled or lost, and (iv) Indemnitor has furnished such security as may be required in the proceeding, or as may be reasonably requested by Majority Owner, to ensure the payment of any costs or expenses related to removal of the Environmental Lien or the prosecution of the legal proceedings, together with all interest or penalties thereon.

3.10 Cooperation. Indemnitor shall fully, expeditiously and reasonably cooperate in all activities pursuant to this Agreement, including providing all relevant information and making knowledgeable persons available for interviews.

4. EVENTS OF DEFAULT AND REMEDIES.

4.1 Events of Default. The following events shall be "Events of Default":

4.1.1 Indemnitor's acquiring knowledge or receiving notice, which notice may be from Indemnatee or Majority Owner, that Hazardous Substances, other than Customary Complying Substances, exist, or that Hazardous Substances Contamination exists, in, on, about or under any of the Property in violation of any Environmental Law, and Indemnitor's failure, within twelve (12) days after acquiring such knowledge or of receiving such notice, or such shorter period of time as may be required under any Environmental Law (i) to notify Indemnatee and Majority Owner thereof in accordance with Section 3.3 hereof, and (ii) to commence within thirty (30) days and thereafter diligently prosecute to completion any Remedial Work with respect thereto;

4.1.2 the failure of the Indemnitor to observe and perform any other covenant, condition or agreement on its part to be observed or performed hereunder and such

failure shall have continued for a period of thirty (30) days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the Indemnitor by the Authority, Indemnatee or Majority Owner;

4.1.3 any representation or warranty of the Indemnitor contained herein shall be false, misleading or erroneous in any material respect; and

4.1.4 the occurrence of a "Purchase Agreement Default" under the Purchase Agreement or an "Event of Default" under the Trust Agreement.

4.2 **Remedies.** If an Event of Default shall occur and be continuing, Indemnatee may, at Indemnatee's sole election or direction by Majority Owner, exercise any or all of the following:

4.2.1 take whatever action at law or in equity as may appear necessary or desirable to collect the amounts then due and thereafter to become due, or to enforce performance or observance of any obligations, agreements or covenants of Indemnitor under this Agreement, or may, by action or suit in equity, enjoin any acts or things that may be unlawful or in violation of the rights of the Authority or Indemnatee hereunder; and

4.2.2 exercise any and all other rights, remedies and recourses granted under any of the Bond Documents.

5. **GENERAL PROVISIONS.**

5.1 **Survival of Rights; Termination.** All rights of Indemnatee and all obligations of Indemnitor under this Agreement shall survive and be unsecured following the reconveyance, foreclosure or extinguishment of the Deed of Trust and certain other events as described in Section 5.2 below. Indemnatee may enforce Indemnitor's obligations under this Agreement in any manner, including judicially, at any time while the Deed of Trust continues to affect the Property.

5.2 **Survival of Rights and Obligations.** All rights of Indemnatee and all obligations of Indemnitor under this Agreement shall survive the following, as unsecured rights and obligations:

5.2.1 The payment and performance of the obligations created by the Bond Documents;

5.2.2 The payment, redemption or defeasance of the Series 2018 Bonds and reconveyance of the Deed of Trust;

5.2.3 The foreclosure of the Deed of Trust;

5.2.4 The extinguishment of the Deed of Trust by any means, including deed or assignment in lieu of foreclosure;

5.2.5 The acquisition of the Property or any portion of it by Indemnatee; and

5.2.6 The transfer of all of Indemnatee's rights in the Bond Documents.

5.3 Reservation of Other Rights and Remedies. Nothing in this Agreement shall be construed to limit any claim or right which Indemnatee may otherwise have at any time against Indemnitor or any other person arising from any source other than this Agreement, including any claim for fraud, misrepresentation, waste, or breach of contract other than this Agreement, and any rights of contribution or indemnity under federal, state or local environmental law or other applicable law, regulation or ordinance.

5.4 Action for Breach of Contract. In accordance with California Code of Civil Procedure Section 736, as such section may be amended from time to time, upon an Event of Default, Indemnatee may bring an action for breach of contract against Indemnitor for breach of any “environmental provision” (as such term is defined in such section) made by Indemnitor in this Agreement or in any other Bond Document, for the recovery of damages (including reasonable attorneys’ fees and costs) and/or for the enforcement of the environmental provision (including without limitation to recover all costs and expenses incurred by Indemnatee in connection with any remedial work) without foreclosing the Deed of Trust judicially or nonjudicially or accepting a deed or assignment in lieu of foreclosure. Indemnitor agrees to pay to Indemnatee, upon Indemnatee’s demand, all expenses, costs and other amounts incurred by Indemnatee in connection with any such action under California Code of Civil Procedure Section 736.

5.5 Additional Statutory Rights. In addition to any other rights granted hereunder, Indemnatee shall have all rights of a lender under (a) California Civil Code Section 2929.5, as such section may be amended from time to time, and (b) California Code of Civil Procedure Section 564, as such section may be amended from time to time. Indemnitor agrees to pay to Indemnatee, upon Indemnatee’s demand, all expenses, costs or other amounts incurred by Indemnatee in performing any inspection and/or testing for the purposes set forth in such Section 2929.5 and/or Section 564.

5.6 Right To Waive Security. In accordance with California Code of Civil Procedure Section 726.5, as such section may be amended from time to time, Indemnatee may waive the security of the Deed of Trust and the other Bond Documents as to any parcel of Property which is real property that is “environmentally impaired” or is an “affected parcel” (as such terms are defined in California Code of Civil Procedure Section 726.5), and as to any Property which is personal property attached to such parcel, and thereafter exercise against Indemnitor, to the extent permitted by such Section 726.5, the rights and remedies of an unsecured creditor, including reduction of Indemnatee’s claim against Indemnitor to judgment, or such other rights as are set forth in such Section 726.5, but subject to such notice and other requirements as are set forth in Section 726.5. Indemnitor hereby waives such applicable law, as such applicable law may be amended from time to time, and acknowledges and agrees that this waiver shall be deemed to have been signed by Indemnitor for good and valuable consideration, as Indemnitor’s informed and voluntary act, after the occurrence of a default under the Bond Documents. Indemnitor shall pay all expenses, costs and other amounts incurred by Indemnatee in connection with any proceeding under such applicable law.

5.7 Delay; Cumulative Remedies. If Indemnatee delays or fails to exercise any right or remedy against Indemnitor, that alone shall not be construed as a waiver of that right or remedy. All remedies of Indemnatee against Indemnitor are cumulative.

5.8 Rules of Construction. In this Agreement, the word “person” includes any individual, company, trust or other legal entity of any kind. If this Agreement is executed by more than one person, the word “Indemnitor” includes all such persons. The word “include(s)” means “include(s), without limitation,” and the word “including” means “including, but not limited to.” When the context and construction so require, all words used

in the singular shall be deemed to have been used in the plural and vice versa. All headings appearing in this Agreement are for convenience only and shall be disregarded in construing this Agreement.

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

5.10 Severability. Every provision of this Agreement is intended to be severable. If any term, provision, section or subsection of this Agreement is declared to be illegal or invalid, for any reason whatsoever, by a court of competent jurisdiction, such illegality or invalidity shall not affect the other terms, provisions, sections or subsections of this Agreement, which shall remain binding and enforceable.

5.11 Costs and Expenses. Indemnitor agrees to pay all of Indemnitee's reasonable costs and expenses, including reasonable attorneys' fees, which may be incurred in any effort to enforce any term of this Agreement, including all such costs and expenses which may be incurred by Indemnitee in any legal action, reference or arbitration proceeding. From the time(s) incurred until paid in full to Indemnitee, those sums shall bear interest at the Series 2018 Bonds Rate.

5.12 Notices. Any notice or demand which by any provision of this Agreement is required or permitted to be given or served shall be deemed so given or served if sent in the manner and to the persons as set forth in the Purchase Agreement.

5.13 Time of Essence. Time is of the essence of this Agreement, and of each and every provision hereof. The waiver by Indemnitee of any breach or breaches hereof shall not be deemed, nor shall the same constitute, a waiver of any subsequent breach or breaches.

5.14 Governing Law. This Agreement shall be deemed to have been applied for, considered, approved, negotiated, executed, made and shall be performed in the State of California and shall be governed by its laws (without regard to conflicts of laws principles). Indemnitor irrevocably agrees that subject to Indemnitee's sole and absolute election, Indemnitee may bring suit, action, or other legal proceedings arising out of the Bond Documents in courts located in California or the State in which the collateral property and/or pledged assets are located, whether local, state, or federal. Indemnitor hereby submits to the jurisdiction of such court(s) and waives any right Indemnitor may have to request a change of venue or a removal to another court.

5.15 Miscellaneous. The provisions of this Agreement shall bind and benefit the heirs, executors, administrators, legal representatives, successors and assigns of Indemnitor and Indemnitee. The liability of all persons who are in any manner obligated under this Agreement shall be joint and several. This Agreement may not be modified except in a writing signed by both Indemnitee and Indemnitor.

5.16 Direct Obligations. The parties hereto acknowledge and agree that the obligations of Indemnitor hereunder are direct obligations and are not intended to be guaranteed or suretyship obligations.

5.17 Document Imaging. Indemnitee shall be entitled, in its sole discretion, to image or make copies of all or any selection of the agreements, instruments, documents, and items and records governing, arising from or relating to the Series 2018 Bonds, including, without limitation, this Agreement and the other Bond Documents, and Indemnitee may

destroy or archive the paper originals. The parties hereto (i) waive any right to insist or require that Indemnatee produce paper originals, (ii) agree that such images shall be accorded the same force and effect as the paper originals, (iii) agree that Indemnatee is entitled to use such images in lieu of destroyed or archived originals for any purpose, including as admissible evidence in any demand, presentment or other proceedings, and (iv) further agree that any executed facsimile (faxed), scanned, or other imaged copy of this Agreement or any Bond document shall be deemed to be of the same force and effect as the original manually executed document.

5.18 Waiver of Defense and Release of Claims. Indemnitor hereby (i) represents that neither such Indemnitor nor any affiliate or principal of such Indemnitor has any defenses to or setoffs against any indebtedness or other obligations owing by such Indemnitor, or by such Indemnitor's affiliates or principals, to Indemnatee or Indemnatee's affiliates (the "**Obligations**"), nor any claims against Indemnatee or Indemnatee's affiliates for any matter whatsoever, related or unrelated to the Obligations, and (ii) releases Indemnatee and Indemnatee's affiliates, officers, directors, employees and agents from all claims, causes of action, and costs, in law or equity, known or unknown, whether or not matured or contingent, existing as of the date hereof that such Indemnitor has or may have by reason of any matter of any conceivable kind or character whatsoever, related or unrelated to the Obligations, including the subject matter of this Agreement. The foregoing release does not apply, however, to claims for future performance of express contractual obligations that mature after the date hereof that are owing to such Indemnitor by Indemnatee or Indemnatee's affiliates. Indemnitor acknowledges that Indemnatee has been induced to enter into or continue the Obligations by, among other things, the waivers and releases in this paragraph.

5.19 Termination. Except as expressly provided herein, the obligations and liabilities of Indemnitor under this Agreement shall fully survive indefinitely notwithstanding any termination, satisfaction, assignment, entry of a judgment of foreclosure, exercise of any power of sale, or delivery of a deed in lieu of foreclosure of the Deed of Trust. Notwithstanding the foregoing or anything else to the contrary contained in this Agreement, the obligations and liabilities of Indemnitor under this Agreement to indemnify Indemnatee from any Indemnified Costs related to any Hazardous Substances shall terminate on the date that is three (3) years following the date on which the Obligations were repaid in full in accordance with the terms and conditions of the Bond Documents (the date of such occurrence of such elapse, the "**Sunset Date**"), provided that, as of such Sunset Date, (i) Indemnitor has delivered or Indemnatee has obtained, at Indemnitor's sole cost and expense, a clean Phase I environmental report for the Property ("**Phase I**") in scope reasonably satisfactory to Indemnatee and in general compliance with the ASTM standards, and prepared by an independent consulting firm or environmental engineer reasonably acceptable to Indemnatee, dated no earlier than (30) days before the date on which the Obligations were repaid in full, which Phase I does not indicate any contamination by Hazardous Substances other than that disclosed in the Environmental Reports or violation of any Environmental Law with respect to the Property, and (ii) there shall be no pending claim related to Hazardous Substances related to the Property or under the provisions of this Agreement. Notwithstanding the foregoing, any claim arising prior to the expiration of the period described in the foregoing sentence of this Section 5.19 shall survive until the resolution of such claim, subject to any applicable statute of limitations.

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IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement as of the date first above written.

INDEMNITOR:

IMPERIAL VALLEY HEALTHCARE DISTRICT
a California healthcare district duly organized
and existing under the laws of the State of
California

By: _____
Carly Zamora, Interim Chief Executive
Officer

By: _____
Pablo Velez, Chief Executive

EXHIBIT A

DESCRIPTION OF ENVIRONMENTAL REPORTS

Phase I Environmental Site Assessment Report of Partner Engineering and Science, Inc. dated as of October 2, 2026 with respect to the property located at 1415 Ross Avenue, El Centro, California 92243.

Phase I Environmental Site Assessment Report of Partner Engineering and Science, Inc. dated as of October 2, 2026 with respect to the property located at 1215, 1225, 1243, 1251, 1271 Ross Avenue, El Centro, California 92243.

Phase I Environmental Site Assessment Report of Partner Engineering and Science, Inc. dated as of October 2, 2026 with respect to the property located at 1295 Poplar Drive, El Centro, California 92243.

Phase I Environmental Site Assessment Report of Partner Engineering and Science, Inc. dated as of October 2, 2026 with respect to the property located at 1285 Poplar Drive, El Centro, California 92243.

Phase I Environmental Site Assessment Report of Partner Engineering and Science, Inc. dated as of October 2, 2026 with respect to the property located at 1258, 1262, 1272 Poplar Drive, El Centro, California 92243.

Phase I Environmental Site Assessment Report of Partner Engineering and Science, Inc. dated as of October 2, 2026 with respect to the property located at 1204 Poplar Drive, El Centro, California 92243.

Phase I Environmental Site Assessment Report of Partner Engineering and Science, Inc. dated as of October 2, 2026 with respect to the property located at 1455 Pepper, El Centro, California 92243.

EXHIBIT E

Continuing Disclosure Agreement

[See attached.]

AMENDED AND RESTATED CONTINUING DISCLOSURE AGREEMENT

This Amended and Restated Continuing Disclosure Agreement, dated as of April 1, 2018 and amended and restated as of October 15, 2026 (as amended or supplemented from time to time, this “Disclosure Agreement”), is executed and delivered by the Imperial Valley Healthcare District (the “District”), as successor-in-interest to the City of El Centro (the “City”) and the El Centro Regional Medical Center (the “Medical Center”), and Wulff, Hansen & Co., as dissemination agent (the “Dissemination Agent”), relating to the \$125,000,000 aggregate original principal amount of El Centro Financing Authority Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project), Series 2018 (the “Bonds”). The District and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the District and the Dissemination Agent for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. The District and the Dissemination Agent acknowledge that the El Centro Financing Authority (the “Authority”) has no responsibility for continuing disclosure.

SECTION 2. Definitions. In addition to the definitions set forth in the Amended and Restated Trust Agreement, dated as of April 1, 2018 and amended and restated as of October 1, 2026 (as amended or supplemented from time to time, the “Trust Agreement”), by and between the Authority and U.S. Bank Trust Company, National Association, as successor-in-interest to MUFG Union Bank, N.A., as trustee (the “Trustee”), which apply to any capitalized term used but not defined in this Disclosure Agreement, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any annual report provided by the District to the MSRB pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Authorized District Representative” shall mean the chief executive officer or the chief financial officer of the District or any other person designated in writing to the Dissemination Agent to act as a representative of the District for purposes of this Disclosure Agreement.

“Beneficial Owner” shall mean any Person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including Persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Business Day” shall mean a day other than (a) Saturday or Sunday, (b) a day on which banking institutions in the city (initially, Los Angeles, California) in which the Principal Corporate Trust Office is located are authorized or required by law to be closed, and (c) a day on which the New York Stock Exchange is authorized or required by law or executive order to be closed.

“Disclosure Representative” shall mean the Authorized District Representative or his or her designee or such other Person as the Authorized District Representative shall designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean Wulff, Hansen & Co., acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

“EMMA” shall mean the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System for municipal securities disclosures, maintained on the internet at <http://emma.msrb.org>.

“Holder” shall mean any Person holding of record one or more Bonds.

“Limited Offering Memorandum” shall mean the Amended and Restated Limited Offering Memorandum, dated April 17, 2018, relating to the Bonds.

“Listed Events” shall mean any of the events listed in Section 5 of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any other Person designated or authorized by the SEC to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made through the EMMA website of the MSRB, currently located at <http://emma.msrb.org>.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Quarterly Report” shall mean any quarterly report provided by the Medical Center to the MSRB pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Repository” shall mean, until otherwise designated by the SEC, EMMA.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as amended from time to time.

“SEC” shall mean the Securities and Exchange Commission.

“State” shall mean the State of California.

SECTION 3. Provision of Annual Reports and Quarterly Reports.

(a) So long as the Bonds remain outstanding under the Trust Agreement, the District shall, or shall cause the Dissemination Agent to, not later than 150 days after the end of the District’s Fiscal Year, commencing with the Annual Report for the Fiscal Year ended June 30, 2026, provide to the MSRB, through EMMA, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement. So long as the Bonds remain outstanding under the Trust Agreement, the Medical Center shall, or shall cause the Dissemination Agent to, provide the Quarterly Report, not later than 45 days after the end of each Fiscal Quarter, to the MSRB, through EMMA. The Annual Report and each Quarterly Report must be submitted in electronic format, accompanied by such identifying information as provided by the MSRB.

The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Agreement. If the Fiscal Year changes for the District, the District shall give notice of such change in the manner provided under Section 5(e) hereof.

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report or a Quarterly Report to the MSRB, through EMMA, the Authorized District Representative shall provide the Annual Report or the Quarterly Report to the Dissemination Agent. If by such date, the Dissemination Agent has not received a copy of the Annual Report or the Quarterly Report, as applicable, the Dissemination Agent shall contact the Authorized District Representative to determine if the Medical Center is in compliance with the first sentence of subsection (a).

(c) If the Dissemination Agent is unable to verify that an Annual Report or any Quarterly Report has been provided to the MSRB, by the date required in herein, the Dissemination Agent shall send a notice to the MSRB in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine the electronic filing address of, and then-current procedures for submitting Annual Reports and Quarterly Reports to, the MSRB each year prior to the date for providing the Annual Report; and

(ii) to the extent known to the Dissemination Agent file a report with the District certifying that the Annual Report and each Quarterly Report has been provided to the MSRB pursuant to this Disclosure Agreement, and stating the date it was provided.

SECTION 4. Content of Annual Reports and Quarterly Reports; Investor Conference Calls. The District's Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the District for the prior Fiscal Year, including an income statement, statement of cash flows and balance sheet, prepared in accordance with GAAP.

(b) The tabular financial information and operating data contained in Appendix A-1 of the Limited Offering Memorandum under the following captions or tables presented on an annual basis, for the prior Fiscal Year:

(i) the information under the heading "ACCREDITATIONS, LICENSES AND AFFILIATIONS" to the extent there have been any changes from the preceding Fiscal Year.

(ii) the table entitled "Licensed Beds" in the section entitled "HEALTHCARE SERVICES";

(iii) the table entitled "Top Ten Admitting Physicians" in the section entitled "MEDICAL STAFF";

(iv) the tables entitled “Certain Operating and Financial Factors—El Centro Regional Medical Center Facilities Only” and “Certain Operating and Financial Factors—Consolidated” under the subsection entitled “Summary of Financial Performance” in the section entitled “MANAGEMENT’S DISCUSSION OF OPERATIONS AND FINANCIAL PERFORMANCE”;

(v) the tables entitled “Operating Statistics—El Centro Regional Medical Center Facilities Only,” “Operating-Statistics—Consolidated,” “Patient Days,” “Average Length of Stay,” “Percentage of Occupancy,” “Statements of Revenues and Expenses—El Centro Regional Medical Center Facilities Only,” “Statements of Revenues and Expenses—Consolidated,” “Balance Sheet—El Centro Regional Medical Center Facilities Only,” and “Balance Sheet—Consolidated” in the section entitled “FINANCIAL INFORMATION” but not, for the avoidance of doubt, the textual summaries included adjacent to such tables¹;

(vi) the tables entitled “Long-Term Indebtedness” and “Capitalization” in the section entitled “LONG-TERM INDEBTEDNESS AND CAPITALIZATION” but not, for the avoidance of doubt, the textual summaries included adjacent to such table;

(vii) the table entitled “Historical and Pro Forma Debt Service Coverage” under the subsection entitled “Historical and Pro Forma Debt Service Coverage” in the section entitled “LONG-TERM INDEBTEDNESS AND CAPITALIZATION” but not, for the avoidance of doubt, the textual summaries included adjacent to such table or the data appearing in the Pro forma maximum annual debt service and Pro forma debt service coverage ratio line items appearing in such table²;

(viii) the table entitled “Gross Patient Revenue by Payer Source” under the subsection entitled “Summary of Gross Patient Revenue by Payer Source” in the section entitled “THIRD PARTY REIMBURSEMENT AND SOURCES OF PAYMENT” but not, for the avoidance of doubt, the textual summaries included adjacent to such table³;

¹ Statistics provided in the tables entitled “Patient Days,” “Average Length of Stay,” and “Percentage of Occupancy” will be for the Medical Center only for periods through the Fiscal Year ended June 30, 2026 and for all periods commencing with the Fiscal Quarter starting July 1, 2026 will be for the District.

² Statistics provided in this table will be for the Medical Center only for periods through the Fiscal Year ended June 30, 2026 and for all periods commencing with the Fiscal Quarter starting July 1, 2026 will be for the District.

³ Statistics provided in this table will be for the Medical Center only for periods through the Fiscal Year ended June 30, 2026 and for all periods commencing with the Fiscal Quarter starting July 1, 2026 will be for the District.

(ix) the table entitled “Cash Position and Liquidity” in the section entitled “INVESTMENTS” but not, for the avoidance of doubt, the textual summaries included adjacent to such table⁴; and

(x) the table provided under the subsection entitled “Changes in the Net Pension Liability” in the section entitled “RETIREMENT PLAN.”⁵

(c) The calculation of Net Income Available for Debt Service for the most recently completed Fiscal Year divided by Aggregate Debt Service on Senior Debt Service for such Fiscal Year as required by Section 5.03(c) of the Amended and Restated Installment Purchase Agreement.

(d) The calculation of Days Cash on Hand as of the end of the most recently completed Fiscal Year as required by Section 5.03(c) of the Amended and Restated Installment Purchase Agreement, in the form provided as Exhibit B hereto together with (i) supporting information and calculations in substantially the form attached to the Bringdown Certificate dated the Effective Date and (ii) other information reasonably requested by the Majority Owner from time to time.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or public entities related thereto, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The District shall clearly identify each such other document so included by reference.

Each Quarterly Report of the District shall contain, or include by reference, (i) an income statement, statement of cash flows and balance sheet for the District prepared by District staff, or, at the sole option of the District, a consultant selected by the District, for the most recently completed Fiscal Quarter, the Fiscal Year through the end of such Fiscal Quarter, and for the rolling 12 months ended on such Fiscal Quarter, (ii) the calculation of Net Income Available for Debt Service (for the prior twelve-month trailing period) for the most recently completed Fiscal Quarter divided by Aggregate Debt Service on Senior Debt Service for such Fiscal Quarter (on a rolling 12-month basis) as required by Section 5.03(d) of the Amended and Restated Installment Purchase Agreement in the form provided as Exhibit B hereto, and (iii) the calculation of Days Cash on Hand as of the end of the most recently completed Fiscal Quarter as required by Section 5.03(c) of the Amended and Restated Installment Purchase Agreement in the form provided as Exhibit B hereto.

Other than modifications to Exhibit B hereto, the contents, presentation and format of the Annual Reports and Quarterly Reports may be modified from time to time as determined in the judgment of the District to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the District or to reflect changes in the business, structure, operations, legal form of the District or any mergers, consolidations,

⁴ Statistics provided in this table will be for the Medical Center only for periods through the Fiscal Year ended June 30, 2026 and for all periods commencing with the Fiscal Quarter starting July 1, 2026 will be for the District.

⁵ Statistics provided in this table will be for the Medical Center only for periods through the Fiscal Year ended June 30, 2026 and for all periods commencing with the Fiscal Year starting July 1, 2026 will be for the District.

acquisitions or dispositions made by or affecting the District; provided, that any such modifications shall comply with the requirements of the Rule.

At the request of the Majority Owners, within 15 days of such request, the District shall organize and hold a conference call to discuss the District's recent financial and operating results and related matters with bondholders. The District agrees to post notice of such conference call at least five (5) Business Days prior to such conference call on EMMA.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Authorized District Representative shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, in a timely manner not more than ten (10) Business Days after the occurrence of the event:

- (1) principal and interest payment delinquencies;
- (2) defeasances;
- (3) tender offers;
- (4) rating changes;
- (5) adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB);
- (6) unscheduled draws on the debt service reserves reflecting financial difficulties;
- (7) unscheduled draws on credit enhancements reflecting financial difficulties;
- (8) substitution of credit or liquidity providers or their failure to perform; or
- (9) bankruptcy, insolvency, receivership or similar proceedings.

For these purposes, any event described in the immediately preceding paragraph (9) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(b) Pursuant to the provisions of this Section 5, the Authorized District Representative shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not more than ten (10) Business Days after the occurrence of the event:

(1) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

(2) appointment of a successor or additional Trustee or the change of the name of a Trustee;

(3) non-payment related defaults;

(4) modifications to the rights of Owners;

(5) notices of redemption;

(6) release, substitution or sale of property securing repayment of the Bonds;

(7) in addition to the adverse tax opinions or determinations of taxability described in Section 5(a)(5) above, any other notices or determinations with respect to the tax status of the Bonds, or other events affecting the tax status of the Bonds.

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event, described in subsection (b) of this Section 5, the District shall as soon as possible determine if such event would be material under applicable federal securities law.

(d) If the District determines that knowledge of the occurrence of a Listed Event described in subsection (b) of this Section 5 would be material under applicable federal securities law, the District shall promptly notify the Dissemination Agent in writing and instruct the Dissemination Agent to report the occurrence to the MSRB in a timely manner not more than ten (10) Business Days after the event.

(e) If the Dissemination Agent has been instructed by the Authorized District Representative to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB.

SECTION 6. Filings with the MSRB. All information, operating data, financial statements, notices and other documents provided to the MSRB in accordance with this Disclosure Agreement shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Agreement with respect to the Bonds shall terminate upon the legal defeasance, redemption or payment in full of all of the Bonds of such series of Bonds. If such termination occurs prior to the final maturity of the Bonds, the Authorized District Representative shall give notice of such termination in the same manner as for a Listed Event under Section 5(e).

SECTION 8. Dissemination Agent. The Authorized District Representative may, from time to time, appoint or engage another dissemination agent to assist the Dissemination Agent in carrying out its obligations under this Disclosure Agreement, and may discharge any such dissemination agent(s), with or without appointing a successor to such additional dissemination agent(s). The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Authorized District Representative pursuant to this Disclosure Agreement, except in the case of gross negligence or willful misconduct. If at any time there is not any other designated Dissemination Agent, the Authorized District Representative shall be the Dissemination Agent. The Dissemination Agent may resign by providing thirty days written notice to the District. The Dissemination Agent shall have no duty to prepare any information report nor shall the Dissemination Agent be responsible for filing any report not provided to it by the District in a timely manner and in a form suitable for filing.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the District may amend this Disclosure Agreement, provided no amendment increasing or affecting the obligations or duties of the Dissemination Agent shall be effective without the consent of the Dissemination Agent, and any provision of this Disclosure Agreement may be amended or waived if such amendment or waiver is consented to by the Majority Owner and is supported by an opinion of counsel expert in federal securities laws acceptable to the District to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report, Quarterly Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the District chooses to include any information in any Annual Report, Quarterly Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the District shall have no obligation under this Agreement to update such information or include it in any future Annual Report or Quarterly Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the District or the Dissemination Agent to comply with any provision of this Disclosure Agreement, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the District or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Trust Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the District or the

Dissemination Agent to comply with this Disclosure Agreement shall be an equitable action to compel performance.

SECTION 12. Duties, Immunities and Liabilities of the Dissemination Agent. Sections 8.01(a) and Sections 8.02 to 8.06 of the Trust Agreement are hereby incorporated *mutatis mutandis*; provided, however that each reference therein to the “Trustee” shall instead refer to the Dissemination Agent and each reference therein to “this Trust Agreement” shall instead refer to this Disclosure Agreement. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys’ fees) of defending against any claim of liability, but excluding liabilities due to the respective parties’ gross negligence or willful misconduct. The Dissemination Agent shall be paid compensation by the District for its services provided hereunder in accordance with its schedule of fees as amended from time to time, in each case, approved in writing by the District, and all reasonable, documented out-of-pocket expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to them hereunder and shall not be deemed to be acting in any fiduciary capacity for the District, the Holders, or any other party. The Dissemination Agent shall not have any liability to the Holders or any other party for any monetary damages or financial liability of any kind whatsoever related to or arising from this Agreement, in each case, unless such damages or liabilities arise as a result of the Dissemination Agent’s gross negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 13. Notices. All notices, consents and other communications required or permitted by this Disclosure Agreement shall be in writing and shall be sent as follows to the following address (or to such other address as a party may designate by notice to the other party), (a) by personal delivery, in which case notice shall be deemed to have been given on the date of delivery; (b) by Federal Express, DHL or other nationally-recognized overnight delivery service, in which case notice shall be deemed to have been given the first Business Day after deposit of such notice with such service; or (c) by electronic mail with a copy of such notice sent on the same date by the means set forth in the foregoing clause (b), in which case notice shall be deemed to have been given on the day of the electronic mail transmission as set forth in the body of such electronic mail transmission if sent on a Business Day (otherwise on the next Business Day).

To the District:

Imperial Vally Healthcare District
207 West Legion Road
Brawley, California 92227
Attention: Pablo Velez
Email: Pvelez@iv-hd.org

To the Dissemination Agent:

Wulff, Hansen & Co.
100 Smith Ranch Road, Suite 320
San Rafael, CA 94903

Attention: Rob Pankratz
Email: rpankratz@wulffhansen.com

SECTION 14. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other Person.

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 16. Governing Law. This Disclosure Agreement shall be governed and construed in accordance with the law of the State of California.

IN WITNESS WHEREOF, the parties hereto have caused this Disclosure Agreement to be duly executed and delivered by their respective officers as of the date first above written.

IMPERIAL VALLEY HEALTHCARE DISTRICT

By: _____
Carly Zamora, Interim Chief Executive Officer

By: _____
Pablo Velez, Chief Executive Officer

WULFF, HANSEN & CO.,
as Dissemination Agent

By: _____
Christopher Charles, President

EXHIBIT A

**NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT
OR QUARTERLY REPORT**

\$125,000,000

**El Centro Financing Authority
Hospital Revenue Refunding Bonds
(El Centro Regional Medical Center Project)
Series 2018**

Date of Issuance: April 19, 2018.

NOTICE IS HEREBY GIVEN that the District has not provided an [Annual Report or Quarterly Report] with respect to the above-named Bonds as required by the Amended and Restated Continuing Disclosure Agreement, dated as of April 1, 2018, and amended and restated as of October 15, 2016, between the District and the Dissemination Agent. [The District anticipates that the [Annual Report or Quarterly Report] will be filed by _____.]

Dated: _____, 20__

_____, on behalf of the District

EXHIBIT B

FORM OF PERIODIC CALCULATIONS

Imperial Valley Healthcare District - Financial Indicators Report
(Based on Prior 12 Months Activities)

For The 12 Months Ending: []

1. Debt Service Coverage Ratio

This ratio compares the total funds available to service debt compared to the debt plus interest due in a given year.

Formula:

$$\frac{\text{Cash Flow + Interest Expense}}{\text{Principal Payments Due + Interest}}$$

[START DATE] [END DATE] [START DATE] [END DATE]

DSCR = [] = []

Net Income
Pension GASB 68 (Only ECRMC)
Depreciation
Int. exp.-GO2012 bonds
total expenses incl int. exp
Oper. Expenses
Cash & Marketable Secrty
Long term Debt
Current portion of L.T.D.

PMH*	ECRMC*	IVHD CONSOLIDATED
[START DATE] [END DATE]	[START DATE] [END DATE]	[START DATE] [END DATE]

* Separate statistics for PMH and ECRMC will only be provided for periods through the trailing twelve months ending December 31, 2027.

2. Days Cash on Hand Ratio

This ratio measures the number of days of average cash expenses that the hospital maintains in cash and marketable investments.

Formula:

$$\frac{\text{Financial Assets}}{\text{Operating Expenses, Less Depreciation}}$$

365 Days

[START DATE] [END DATE] [START DATE] [END DATE]

DCOHR = [] = []

365 365

EXHIBIT F

Bringdown Certificate

[See attached.]

BRINGDOWN CERTIFICATE

Reference is made to the Amended and Restated Installment Purchase Agreement dated as of April 1, 2018 and amended and restated as of October 15, 2026 (the “Purchase Agreement”), among IMPERIAL VALLEY HEALTHCARE DISTRICT, a California healthcare district duly organized and existing under and by virtue of the laws of the State of California (the “Purchaser”) (as successor-in-interest to the El Centro Regional Medical Center, a municipal hospital, separate agency and enterprise operation of the City of El Centro duly organized and existing under and by virtue of the laws of the State of California (“ECRMC”)), and the EL CENTRO FINANCING AUTHORITY, a public entity duly organized and existing as a joint exercise of powers authority under and by virtue of the laws of the State of California (the “Authority”). Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Purchase Agreement. Pursuant to Section 5.03 of the Purchase Agreement, the undersigned, in their respective capacities as officers of the Purchaser, each certifies as follows:

- (a) I have read Section 5.03 of the Purchase Agreement and the definitions of the terms used therein.
- (b) I have reviewed the unaudited, pro forma, combined financial statements of the Purchaser and ECRMC for the twelve-month period ended October 15, 2026¹ (the “Effective Date”), copies of which are attached hereto as Exhibit A, together with the account statements for the Gross Revenue Fund as of September 30, 2026 and as of 12:01 a.m. on the date hereof, copies of which are attached hereto as Exhibit B, and examined such other additional information regarding the financial condition of the Purchaser and ECRMC as is in my opinion is necessary for me to express an informed opinion with respect to the matters to which I have certified below. Based on that review and examination, I hereby certify that:
 - (i) after the acquisition of ECRMC and the assumption of its obligations, the Purchaser has 45 Days Cash on Hand based on the Financial Assets as of the Effective Date and the Cash Operating Expenses for the twelve-month period ended October 15, 2026. The full calculations of Financial Assets, Cash Operating Expenses and Days Cash on Hand are set forth in Schedule 1 attached hereto;
 - (ii) the Pioneers Memorial Healthcare District Revenue Bonds 2017 (the “Pioneers Bonds”) were redeemed on October 14, 2026, and the cash used to pay the redemption price for the Pioneers Bonds is not included in the Financial Assets as of the Effective Date for the calculation in clause (b)(i) above; and
 - (iii) ECRMC and the Purchaser, collectively, had Net Income Available for Debt Service for the trailing twelve months ended on October 15, 2026 equal to at least 1.25 times Aggregate Debt Service on Senior Indebtedness for the twelve-month period ended October 15, 2026, provided that, for purposes of such calculation the Pioneers Bonds were not be included in the Long-Term Indebtedness. The full

¹ The portion of the pro forma unaudited financial statements of the Purchaser and ECRMC for the period from October 1 through the Effective Date are based on the best information available to Purchaser but are not based on “closed” books for such period.

calculations of Net Income Available for Debt Service and Aggregate Debt Service on Senior Indebtedness are set forth in Schedule 1 attached hereto.

- (c) Combined, unaudited financial statements of ECRMC and the Purchaser for the trailing twelve months ended October 15, 2026 are attached hereto as Exhibit C and a debt schedule is attached hereto as Exhibit D and such financial information is true and correct in all material respects.
- (d) No Purchase Agreement Defaults or Events of Default under the Trust Agreement have occurred and remain outstanding on the Effective Date and upon receipt hereof, no Purchase Agreement Default or Event of Default under the Trust Agreement shall exist as of the Effective Date.

IN WITNESS WHEREOF, the undersigned, in his/her capacity as a Interim Chief Executive Officer or Chief Executive Officer, as appropriate, of the Purchaser, has executed this certificate for and on behalf of the Purchaser, and has caused this certificate to be delivered this 15th day of October 2026

IMPERIAL VALLEY HEALTHCARE DISTRICT

By: _____
Carly Zamora, Interim Chief Executive Officer

By: _____
Pablo Velez, Chief Executive Officer

Exhibit A

Financial Statements

[See attached.]

Exhibit B

Account Statements of the Revenue Fund

[See attached.]

Exhibit C

Financial Statements

[See attached.]

Exhibit D

Debt Schedule

[See attached.]

SCHEDULE I[See attached]

EXHIBIT G

First Supplement to Tax Certificate

[See attached.]

**EL CENTRO FINANCING AUTHORITY
HOSPITAL REVENUE REFUNDING BONDS
(EL CENTRO REGIONAL MEDICAL CENTER PROJECT)
SERIES 2018**

October 15, 2026

**FIRST SUPPLEMENT TO
TAX CERTIFICATE AS TO ARBITRAGE AND
THE PROVISIONS OF SECTIONS 103 AND 141-150 OF
THE INTERNAL REVENUE CODE OF 1986**

The undersigned, on behalf of, respectively, the El Centro Financing Authority (the “Authority”), the City of El Centro, California (the “City”) and Imperial Valley Healthcare District (the “District”), acknowledge, agree, certify and represent as set forth below in connection with the Transaction described in Section 1 below. Capitalized terms used herein but not defined herein have the meanings required by the Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986 (the “Tax Certificate”), dated April 19, 2018, between the Authority and the City.

1. **Transaction.** The Authority, the City and the District are executing and delivering this First Supplement to Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986 (this “First Supplement”) in connection with the “Transaction” consisting of the sale of the Assets by the City and the Medical Center to the District and the assumption by the District of the Assumed Liabilities. The terms “Assets” and “Assumed Liabilities” have the meanings set forth in the Amended and Restated Trust Agreement, dated as of April 1, 2018, as amended and restated as of October 15, 2026 (the “Trust Agreement”), between the Authority and U.S. Bank Trust Company, National Association, as trustee. The Transaction is described in more detail in the recitals to the Trust Agreement. The Assumed Liabilities include the obligations of the City and the Medical Center under the Agreement, as more fully described in the Trust Agreement.

2. **Authority and Familiarity with Proceedings.** Each of the undersigned represents that (a) it has full authority to make the statements contained in this First Supplement on behalf of, respectively, the Authority, the City and the District, and (b) it is familiar with the proceedings taken preliminary to and in connection with the Transaction, the issuance of the Bonds and the uses of the Original Facility financed and refinanced by the Bonds.

3. **Continuing Application.** The Authority, the City and the Medical Center each represents that the certifications and statements of expectation and fact made by it in the Tax Certificate were true and correct on the date such certifications and statements were made and continue to be true and correct as of the date hereof, subject to the Transaction. The District acknowledges the agreements and covenants made by the City and the Medical Center in the Tax Certificate and hereby assumes such agreements and covenants as successor to the City and the Medical Center under the Tax Certificate. The District has attached to this First Supplement a true and correct copy of the Tax Certificate as Schedule II. To the knowledge of each of the undersigned, after due inquiry, there are no known facts or known expectations other than as

disclosed in the Tax Certificate or in this First Supplement relating to the expenditure, investment and use of the proceeds of the Bonds and the operation, ownership and uses of the Original Facility.

4. **Status of the Original Facility.** The description of the Original Facility set forth in the Tax Certificate is true, correct and complete as of the date hereof. There have been no changes to the composition, ownership or use of the Original Facility other than pursuant to the Transaction since the date the Bonds were originally issued, which was April 19, 2018.

5. **Status of District.** The District exists as a California healthcare district established by the California Legislature pursuant to Assembly Bill 918 (2023), Health and Safety Code section 32499.5 et seq. The District possesses the power of eminent domain pursuant to the Health and Safety Code and is intended to be a political subdivision of the State of California.

6. **Not Reissuance.** The Authority, the City and the District do not intend for the Transaction to result in a reissuance of the Bonds for federal income tax purposes. The Transaction does not change the repayment source of debt service on the Bonds, the yield of the Bonds or the dates on which payments must be made on the Bonds. No payments are being made to, or received from, the owners of the Bonds in connection with the Transaction. The Authority's capacity to pay debt service on the Bonds prior to the Transaction was not primarily speculative, and the Transaction is not resulting in a substantial enhancement of the ability of the Authority to pay debt service on the Bonds. The Authority and the District agree to not permit any amendment hereafter to any transaction documents for the Bonds without prior delivery to the Trustee of an opinion of Bond Counsel to the effect that such amendment will not adversely affect the excludability from gross income of interest on the Bonds for federal income tax purposes.

7. **Post-Issuance Tax Compliance Policy.** The District hereby adopts the post-issuance tax compliance policy attached hereto as Schedule I. The District will comply with such policy while the Bonds are outstanding. The District may modify or replace such policy as it deems necessary to ensure that the District fully complies with the tax requirements described in the Tax Certificate that are applicable to the Bonds.

8. **Cooperation.** The Authority, the City and the District agree to cooperate with one another in the event of an Internal Revenue Service examination of the Bonds. The City's obligation to so cooperate extends for the full term of the Bonds notwithstanding the transfer of Assumed Liabilities to the District as part of the Transaction.

9. **Additional Tax Covenants.** To ensure that interest on the Bonds is and remains excludable from gross income for federal income tax purposes, the Authority, the City and the District each covenants to comply with, and make all filings required by, all effective rules, rulings or regulations promulgated by the Department of the Treasury or the Internal Revenue Service with respect to the Bonds.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have duly executed this First Supplement as of the date first written above.

EL CENTRO FINANCING AUTHORITY

By: _____

Name: Robert Sawyer

Title: Executive Director

CITY OF EL CENTRO, CALIFORNIA

By: _____

Name: Robert Sawyer

Title: City Manager

IMPERIAL VALLEY
HEALTHCARE DISTRICT

By: _____

Name: Carly Zamora

Title: Interim Chief Executive Officer

By: _____

Name: Pablo Velez

Title: Chief Executive Officer

[Signature Page to First Supplement to Tax Certificate]

**SCHEDULE I TO
FIRST SUPPLEMENT TO TAX CERTIFICATE
POST-ISSUANCE TAX COMPLIANCE POLICY**

Adopted October 15, 2026

Imperial Valley Healthcare District (the “District”) hereby adopts this policy (this “Policy”) as its written policy for post-issuance tax compliance applicable to tax-advantaged loans, bonds, notes, leases, certificates of participation, installment purchase agreements or similar obligations (collectively, “Obligations”) heretofore and hereafter issued or executed and delivered by it or on its behalf. This Policy is intended to supplement any previous post-issuance tax compliance policy that may have been adopted by the District and any procedures evidenced in writing by any tax document for any Obligations heretofore or hereafter issued, entered into or executed and delivered by it or on its behalf, the related information returns filed in connection with any Obligations and the instructions to such information returns.

1. **Responsible Person.** The District has assigned to the Chief Financial Officer of the District (the “Responsible Person”) the responsibility for ensuring post-issuance tax and remedial action compliance with the requirements of any tax and financing documents for Obligations. This responsibility is included in the job description for the Responsible Person, and such person has or will review any prior post-issuance tax compliance policy, this Policy, any tax documents for any Obligations heretofore or hereafter issued, entered into or executed and delivered by it or on its behalf, the related information returns, if any, filed in connection with any Obligations (such as IRS Forms 8038 and 8038-G) and the instructions to such information returns, and consult with bond or tax counsel and other professionals as needed.

2. **Succession Planning.** The District will ensure that, when the current Responsible Person leaves such person’s current position at the District, the responsibility for financing and tax covenant compliance will be explained in detail to such person’s successor and such successor will be provided compliance training (as further described in the following section).

3. **Training.** Compliance training for the Responsible Person should include, among other things, annual meetings with bond counsel to discuss monitoring compliance with applicable tax laws and attendance at post-issuance tax compliance trainings organized by bond counsel or applicable industry associations.

4. **Procedures for Timely Expenditure of Proceeds.** The District understands that at least 85 percent of the net sale proceeds of new money Obligations must be spent to carry out the projects financed with the proceeds of the Obligations within three years of the date such Obligations are originally issued, entered into or executed and delivered. The District will treat as “sale proceeds” any amounts actually or constructively received by the District from issuance or execution and delivery of the Obligations, including amounts used to pay accrued interest other than pre-issuance accrued interest. “Net sale proceeds” means the sale proceeds less any amounts deposited into reasonably required reserve or replacement or rental payment reserve funds. The District has established or will establish reasonable accounting procedures for tracking and reporting to the Responsible Person the expenditure of net sale proceeds.

5. **Compliance with Arbitrage Yield Restriction and Rebate Requirements.** The Responsible Person will create a system to ensure that for all applicable Obligations, not less than six months prior to each five-year anniversary of the closing date for Obligations, the District will retain an arbitrage rebate consultant to prepare a report determining the yield of the Obligations under the Internal Revenue Code of 1986 (the “Code”) and whether there is any amount owed to the Internal Revenue Service under Section 148 of the Code.

6. **Ongoing Policy.** The Responsible Person will review any prior policy, this Policy, tax and financing documents relating to Obligations, information returns for obligations and related instructions to such information returns, and the status and use of the property financed or refinanced by the Obligations (the “Financed Property”) *on at least an annual basis and at the following intervals:* (a) six months prior to each five-year anniversary of the issue or execution and delivery date of the Obligations; (b) within 30 days of the date the Obligations are finally retired, defeased, refunded or terminated; (c) when any rebate payment is made; (d) when the Financed Property is “Placed in Service” (which means the date on which, based on all facts and circumstances, the property reaches a degree of completion that will permit its operation at substantially its design level and the property is, in fact, in operation at such level); (e) if the District determines that the Financed Property will not be completed; and (f) if any of the representations, statements, circumstances or expectations of the District that are set forth in the tax or financing documents for Obligations are no longer true, have changed or have not come to pass as described in such documents. This review will be made for the purposes of identifying any possible violation of federal tax requirements related to Obligations and to ensure the timely correction of those violations pursuant to the remedial action provisions outlined below or through the Voluntary Closing Agreement Program. If any possible violation is identified, the Responsible Person will notify the District and the District’s counsel or the District’s bond counsel so that any existing or expected violation can be corrected.

7. **Final Allocation.** With respect to any new money Obligations, once the Financed Property relating to the new money Obligations has been Placed in Service, the Responsible Person will identify all investment earnings from any investment of proceeds of the Obligations (such proceeds together with such investment earnings are hereinafter referred to as “Proceeds”), compile and reconcile all expenditures of such Proceeds to identify the specific costs paid from such Proceeds and the dates such costs were paid, identify the economic useful lives of each asset financed by the Proceeds and identify the payee or payees who received the Proceeds. The Responsible Person will retain such information with its books and records for the Obligations in the manner and for the duration required by Section 9 below.

8. **Additional Policies and Procedures.** The District acknowledges that certain types of Obligations, such as tax credit obligations, may have special rules regarding the timely expenditure of proceeds, arbitrage yield restriction and rebate requirements and remediation requirements, all of which will be described in the tax certificates for the Obligations. Such rules are incorporated herein (except to the extent that this Policy been revised to incorporate any of such rules), and the District agrees to follow such rules with respect to Obligations, if applicable.

9. **Recordkeeping.** The Responsible Person will develop and implement a system for maintaining records relating to this Policy. Such records must be kept and maintained for the life of the related Obligations, and any Obligations that refund or refinance such obligations, plus at

least four years (or such longer period as may be required in related tax documents for such obligations). These records may be maintained on paper, by electronic media or by any combination thereof.

10. Procedures to Comply with Remediation Requirements. The Responsible Person will establish and maintain a system for tracking and monitoring the use of the Financed property to ensure that the use of all such property will not violate the private business tests or the private loan financing test under Section 141 of the Code. If, after the issuance or execution and delivery of Obligations, the use of the Financed Property changes so that the private business tests or the private loan financing test would be met, or if another violation of this Policy occurs which requires correction, the District will, in connection with consulting bond counsel, undertake a closing agreement through the Voluntary Closing Agreement Program of the Internal Revenue Service or take one of the remedial actions described in the next section, if available.

11. Remedial Action Procedures. If a deliberate action is taken with respect to the Obligations and the Financed Property subsequent to the issuance or execution and delivery of the Obligations which action is not in compliance with the tax requirements of the Code or Regulations (a “Deliberate Action”), then the Responsible Person should consult with bond counsel regarding permissible remedial actions that may be taken to remediate the effect of any such Deliberate Action upon the federal tax status of the Obligations. Possible remedial actions, and the conditions to taking any such remedial actions, include (but are not necessarily limited to) the actions described below.

(a) Conditions to Remedial Actions. None of the remedial actions described in (b) below are available to remediate the effect of any Deliberate Action with respect to the Obligations and the Financed Property unless the following conditions have been satisfied and unless bond counsel advises otherwise:

(i) the District reasonably expected on the date the Obligations were originally issued or executed and delivered that the Obligations would meet neither the private business tests nor the private loan financing test of Section 141 of the Code and the Regulations thereunder for the entire term of the Obligations (such expectations may be based on the representations and expectations of the applicable conduit borrower, if there is one);

(ii) the average weighted maturity of the Obligations did not, as of such date, exceed 120 percent of the average economic life of the Financed Property;

(iii) unless otherwise excepted under the Regulations, the District delivers a certificate, instrument or other written records satisfactory to bond counsel demonstrating that the terms of the arrangement pursuant to which the Deliberate Action is taken is bona fide and arm’s-length, and that the non-exempt person using either the Financed Property or the proceeds of the Obligations as a result of the relevant Deliberate Action will pay fair market value for the use thereof;

(iv) any disposition must be made at fair market value and any Disposition Proceeds (defined below) actually or constructively received by the District as a result of

the Deliberate Action must be treated as gross proceeds of the Obligations and may not be invested in obligations bearing a yield in excess of the yield of the Obligations subsequent to the date of the Deliberate Action; and

(v) Proceeds of the Obligations affected by the remedial action must have been allocated to expenditures for the Financed Property or other allowable governmental purposes before the date on which the Deliberate Action occurs (except to the extent that redemption or defeasance, if permitted, is undertaken, as further described in (b)(i) below).

“Disposition Proceeds,” as such term is used in this section 11, means any amounts (including property, such as an agreement to provide services) derived from the sale, exchange or other disposition of property (other than investments) financed with the proceeds of the Obligations.

(b) Types of Remedial Action. Subject to the conditions described in (a) above, and only if the District obtains an opinion of bond counsel prior to taking any of the actions below to the effect that such actions will not adversely affect the excludability of interest on the Obligations from gross income for federal income tax purposes, remedial actions including but not limited to those listed below may be available to remediate a Deliberate Action subsequent to the issuance of the Obligations:

(i) *Redemption or Defeasance of Obligations.*

(A) If the Deliberate Action causing either the private business use test or the private loan financing test of Section 141 of the Code and the Regulations thereunder to be satisfied consists of a fair market value disposition of any portion of the Financed Property exclusively for cash, then the District may allocate the Disposition Proceeds to the redemption of Nonqualified Obligations (defined below) *pro rata* across all the then-outstanding maturities of the Obligations at the earliest call date of such maturities of the Obligations after the taking of the Deliberate Action. If any of the maturities of the Obligations outstanding at the time of the taking of the Deliberate Action are not callable within 90 days of the date of the Deliberate Action, the District may (subject generally to the limitations described in (C) below) allocate the Disposition Proceeds to the establishment of a Defeasance Escrow (defined below) for any such maturities of the Obligations within 90 days of the taking of such Deliberate Action.

(B) If the Deliberate Action consists of a fair market value disposition of any portion of the Financed Property for other than exclusively cash, then the District may use any funds (other than proceeds of the Obligations or proceeds of any obligation the interest on which is excludable from gross income for federal income tax purposes) for the redemption of all Nonqualified Obligations within 90 days of the date that such Deliberate Action was taken. In the event that insufficient maturities of the Obligations are callable by the date which is within 90 days after the date of the Deliberate Action, then such funds may be used for the establishment of a Defeasance Escrow within 90 days of the date of the Deliberate

Action for all the maturities of the Nonqualified Obligations not callable within 90 days of the date of the Deliberate Action.

(C) If a Defeasance Escrow is established for any maturities of Nonqualified Obligations that are not callable within 90 days of the date of the Deliberate Action, written notice must be provided to the Commissioner of Internal Revenue Service at the times and places as may be specified by applicable regulations, rulings or other guidance issued by the Department of the Treasury or the Internal Revenue Service. Note that the ability to create a Defeasance Escrow applies only if the Obligations to be defeased and redeemed all mature or are callable within ten and one-half (10.5) years of the date the Obligations are originally issued or executed and delivered. If the Obligations are not callable within ten and one-half years, and none of the other remedial actions described below are applicable, the remainder of this section 11 is for general information only, and bond counsel must be contacted to discuss other available options.

“Nonqualified Obligations,” as such term is used in this section 11, means that portion of the Obligations outstanding at the time of a Deliberate Action in an amount that, if the outstanding Obligations were issued or executed and delivered on the date on which the Deliberate Action occurs, the outstanding Obligations would not satisfy the private business use test or the private loan financing test, as applicable. For this purpose, the amount of private business use is the greatest percentage of private business use in any one-year period commencing with the Deliberate Action.

“Defeasance Escrow,” as such term is used in this section 11, means an irrevocable escrow established to redeem Obligations on their earliest call date in an amount that, together with investment earnings thereon, is sufficient to pay all the principal of, and interest and call premium on, obligations from the date the escrow is established to the earliest call date. A Defeasance Escrow may not be invested in higher yielding investments or in any investment under which the obligor is a user of the proceeds of the obligations.

(ii) *Alternative Use of Disposition Proceeds.* Use of any Disposition Proceeds in accordance with the following requirements may be treated as a Remedial Action with respect to the Obligations:

(A) the Deliberate Action consists of a disposition of all or any portion of the Financed Property for not less than the fair market value thereof for cash;

(B) the District reasonably expects to expend the Disposition Proceeds resulting from the Deliberate Action within two years of the date of the Deliberate Action;

(C) the Disposition Proceeds are treated as Proceeds of the Obligations for purposes of Section 141 of the Code and the Regulations thereunder, and the use of the Disposition Proceeds in the manner in which such Disposition Proceeds are in fact so used would not cause the Disposition Proceeds to satisfy the private activity bond tests;

(D) no action is taken after the date of the Deliberate Action to cause the private activity bond tests to be satisfied with respect to the Obligations, the Financed Property or the Disposition Proceeds (other than any such use that may be permitted in accordance with the Regulations); and

(E) Disposition Proceeds used in a manner that satisfies the private activity bond tests or which are not expended within two years of the date of the Deliberate Action must be used to redeem or defease Nonqualified Obligations in accordance with the requirements set forth in (i) above.

(iii) *Alternative Use of Facilities.* The District may be considered to have taken sufficient remedial actions to cause the Obligations to continue their applicable treatment under federal tax law if, subsequent to taking any Deliberate Action with respect to all or any portion of the Financed Property:

(A) the portion of the Financed Property subject to the Deliberate Action is used for a purpose that would be permitted for qualified tax-exempt obligations;

(B) the disposition of the portion of the Financed Property subject to the Deliberate Action is not financed by a person acquiring the Financed Property with proceeds of any obligation the interest on which is exempt from gross income under Section 103 of the Code for purposes of federal income taxation; and

(C) any Disposition Proceeds other than those arising from an agreement to provide services (including Disposition Proceeds arising from an installment sale) resulting from the Deliberate Action are used to pay the debt service on the Obligations on the next available payment date or, within 90 days of receipt thereof, are deposited into an escrow that is restricted as to the investment thereof to the yield of the Obligations to pay debt service on the Obligations on the next available payment date.

Absent an opinion of bond counsel, no Remedial Actions are available to remediate the satisfaction of the private security or payment test regarding the same with respect to the Obligations. Nothing herein is intended to prohibit Remedial Actions not described herein that may become available subsequent to the date the Obligations are originally issued or executed and delivered to remediate the effect of a Deliberate Action taken with respect to the Obligations, the proceeds thereof or the Financed Property.

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**SCHEDULE II TO
FIRST SUPPLEMENT TO TAX CERTIFICATE
COPY OF TAX CERTIFICATE**

(Attached)

\$125,000,000
El Centro Financing Authority
Hospital Revenue Refunding Bonds
(El Centro Regional Medical Center Project)
Series 2018

**TAX CERTIFICATE AS TO ARBITRAGE AND
THE PROVISIONS OF SECTIONS 103 AND 141-150 OF
THE INTERNAL REVENUE CODE OF 1986**

In connection with the issuance on the date hereof (the **“Delivery Date”**) by the El Centro Financing Authority (the **“Authority”**) of its \$125,000,000 aggregate principal amount of Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project) Series 2018 (the **“Bonds”**), and in furtherance of the covenants (i) of the City of El Centro, California (the **“City”**) contained in Section 5.10 of the Installment Purchase Agreement, dated as of April 1, 2018 (the **“Agreement”**), by and among the City, the Authority and the El Centro Regional Medical Center, a municipal hospital, separate agency and enterprise operation of the City (the **“Medical Center”**) and (ii) of the Authority contained in Section 6.07 of the Trust Agreement, dated as of April 1, 2018 (the **“Trust Agreement”**), between MUFG Union Bank, N.A., as Trustee (the **“Trustee”**) and the Authority, pursuant to which the Bonds are being issued, each of the Authority and the City makes and enters into the following Tax Certificate (the **“Tax Certificate”**). This Tax Certificate is made pursuant to sections 103 and 141 through 150 of the Internal Revenue Code of 1986 (the **“Code”**), and the Treasury Regulations promulgated thereunder (the **“Treasury Regulations”**). The Authority and the City are delivering this Tax Certificate to Norton Rose Fulbright US LLP (**“Bond Counsel”**) with the understanding and acknowledgement that Bond Counsel will rely on this Tax Certificate, and the representations, covenants and certifications contained herein, in rendering its opinion to the Authority with respect to the status of interest on the Bonds as excluded pursuant to section 103(a) of the Code from the gross income of the owners thereof for federal income tax purposes.

1. DEFINITIONS.

Capitalized terms, if not otherwise defined herein, have the meanings set forth in Appendix I or, where not so defined, in the Trust Agreement or in the Agreement, as applicable; *provided*, however, that terms first appearing herein enclosed in quotation marks and not otherwise defined have the same meanings as when used in sections 103 and 141-150 of the Code or the Treasury Regulations promulgated thereunder.

2. REPRESENTATIONS.

(a) Purposes of the Bonds. On the date hereof (the **“Delivery Date”**) the Bonds are being issued and immediately delivered to KeyBanc Capital Markets Inc., the underwriter of the initial offering of the Bonds (the **“Underwriter”**) in exchange for the proceeds of sale thereof. The Bonds are being issued for the purposes of: (i) financing capital improvements to facilities of the Medical Center (the **“2018 Original Facilities”**); (ii) with other available amounts, refunding on a current basis all of the \$25,000,000 El Centro Financing Authority Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project) Series 2015A (the **“2015A**

Bonds”), currently outstanding in the principal amount of \$22,160,000.00, and the \$25,000,000 El Centro Financing Authority Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project) Series 2015B (the “**2015B Bonds**” and, together with the 2015A Bonds, the “**2015 Bonds**”), currently outstanding in the principal amount of \$19,020,000; (iii) funding a debt service reserve fund in respect of the Bonds; (iv) paying interest on the Bonds accruing not later than April 30, 2020; and (v) paying issuance costs of the Bonds (collectively, the “**2018 Project**”). For purposes of this Tax Certificate, the purpose described in clause (i) of the immediately preceding sentence is referred to as the “**2018 New Money Purpose**” of the Bonds, and the purposes described in clauses (ii) is referred to as the “**2018 Refunding Purpose**” of the Bonds. The 2015 Bonds being refunded with the proceeds of the Bonds shall be referred to herein as the “**Refunded Bonds.**” As set forth in the tax certificate delivered by the City and the Authority in connection with the issuance of the 2015 Bonds, the 2015A Bonds and 2015B Bonds have been treated as a single issue under section 150 of the Code for the purposes set forth in section 1.150-1 of the Treasury Regulations.

On March 21, 2015, the Authority issued the 2015 Bonds, pursuant to the terms of that certain Trust Agreement, dated as of March 1, 2015 (the “**2015 Trust Agreement**”), by and between the Authority and MUFG Union Bank, N.A., as trustee (in such capacity the “**2015 Trustee**”). The 2015 Bonds were issued for purposes of (a) financing capital improvements to the Medical Center (the “**2015 Original Facilities**”), (b) refunding on a current basis all of the \$39,300,000 El Centro Financing Authority Insured Hospital Revenue Bonds (El Centro Regional Medical Center Project) Series 2001 (the “**2001 Bonds**”), (c) refunding Term Loan 340278-01 from Rabobank, N.A. (“**Rabobank**”) to the Medical Center, evidenced by that certain Term Loan Note of the Medical Center, dated June 28, 2013 (the “**2013 Rabobank Loan**”); and (d) paying issuance costs of the 2015 Bonds (collectively, the “**2015 Project**”). In connection with the issuance of the 2015 Bonds, the Authority, the Medical Center and the City executed and delivered the Installment Purchase Agreement, dated as of March 1, 2015, under which the Authority undertook to design, acquire, construct and equip the 2015 Original Facilities, and the City agreed to purchase the 2015 Original Facilities through the making of payments out of revenues of the Medical Center sufficient to provide for the payment of debt service on the 2015 Bonds. Except as set forth below, with respect to the project fund maintained for the 2015 Bonds, all of the proceeds of the 2015 Bonds (including all of the transferred proceeds thereof, if any) heretofore have been allocated to expenditures for the governmental purposes of that issue. See, also, Section 5 hereof.

On April 26, 2001, the Authority issued the 2001 Bonds, pursuant to the terms of that certain Trust Agreement, dated as of April 1, 2001 (the “**2001 Trust Agreement**”), by and between the Authority and Union Bank of California, N.A., now MUFG Union Bank, N.A., as trustee (in such capacity the “**2001 Trustee**”). The 2001 Bonds were issued for the purposes of: (a) financing capital improvements to the Medical Center (the “**2001 Original Facilities**”, each of the 2001 Original Facilities, the 2015 Original Facilities and the 2018 Original Facilities being referred to herein as an “**Original Facility**”); (b) funding a debt service reserve fund securing the payment of debt service on the 2001 Bonds; (c) paying a premium for a policy of bond insurance with respect to the 2001 Bonds; and (d) paying issuance costs of the 2001 Bonds (collectively, the “**2001 Project**”). None of the proceeds of the 2001 Bonds was used to pay debt service on any other governmental obligation. In connection with the issuance of the 2001 Bonds, the Authority, the Medical Center and the City executed and delivered the Installment Purchase Agreement,

dated as of April 1, 2001 (the **“2001 Agreement”**), under which the Authority undertook to design, acquire, construct and equip the 2001 Original Facilities, and the City agreed to purchase the 2001 Original Facilities through the making of payments out of revenues of the Medical Center sufficient to provide for the payment of debt service on the 2001 Bonds.

Pursuant to that certain Credit Agreement (Non-Revolving Line of Credit) dated as of December 22, 2011, between the Medical Center and Rabobank (the **“Rabobank Credit Agreement”**), Rabobank undertook to extend credit from time to time over a specified period to the Medical Center in the form of Line of Credit Loans manifest by the Rabobank Note. For purposes of this Tax Certificate, the City has treated that arrangement as a “drawdown loan” within the meaning of section 1.150-1(c)(4)(i) of the Treasury Regulations (the **“2011 Rabobank Loan”**), the first substantial draw on which was made on December 22, 2011 (the **“2011 Rabobank Delivery Date”**). The proceeds of the 2011 Rabobank Loan, and all investment earnings thereon, were allocated to the purposes set forth on *Attachment 1* hereto. None of the proceeds of the 2011 Rabobank Loan was used to pay debt service on any other governmental obligation. The proceeds of the 2013 Rabobank Loan were used exclusively to prepay and immediately retire the 2011 Rabobank Loan. See, also, Section 5 hereof.

(b) Source of Payment of the Bonds. The Bonds are limited obligations of the Authority, payable only out of payments received under the Agreement and certain funds held under the Trust Agreement. Under the Agreement, the City has agreed to make certain payments (the **“Installment Payments”**). The City’s obligation to make Installment Payments is secured by a security interest in the Gross Revenue Fund of the Medical Center and a pledge of all Gross Revenues of the Medical Center (as defined in the Trust Agreement), all as set forth in the Agreement.

(c) Single Issue. Neither of the Authority nor the City expects that other governmental obligations have been or will be issued that will be or have been: (a) sold at substantially the same time as any of the Bonds (*i.e.*, less than 15 days apart); (b) sold pursuant to the same plan of financing with the Bonds; and (c) reasonably expected to be paid from substantially the same source of funds as will be used to pay the Bonds.

(d) Multipurpose Issue. The Bonds constitute a multipurpose issue. For this purpose, the governmental purposes of the Bonds include the 2018 New Money Purpose and the 2018 Refunding Purpose. Pursuant to section 1.148-9(h) of the Treasury Regulations, for purposes of sections 148 and 149(d) of the Code the Authority may at any time allocate the Bonds to or among the governmental purposes of the Bonds. The Authority covenants to make no such allocation if as a result of such allocation any portion of the Bonds treated as a separate issue either would not be a tax-exempt issue or the allocation would produce results under sections 148 or 149(d) that would be more favorable than had separate issues actually been issued. In the absence of any such allocation, the reference to the “2018 Original Issue” herein is intended to refer to that portion of the Bonds that would be allocated to the 2018 New Money Purpose as a result of a ratable allocation of each maturity of the Bonds among the various governmental purposes in accordance with the portion of the proceeds of the Bonds to be applied to each such purpose. Further, for purposes of this Tax Certificate, the term “Original Issue” is intended to refer to each of the 2015 Bonds, the 2001 Bonds, the 2011 Rabobank Note and the 2018 Original Issue as the context may indicate, and the term “Original Facilities” in respect of each Original Issue is intended to refer to

each capital project, or portion thereof, financed in whole or in part out of proceeds of that Original Issue.

(e) No Replacement; Average Maturity. No portion of the amounts received from the sale of the Bonds will be used as a substitute for other funds that otherwise were to be used as a source of financing for the 2018 Project and that have been or will be used to acquire, directly or indirectly, Investment Property producing a yield in excess of the yield on the Bonds. The weighted average maturity of the Bonds (27.29 years) is no longer than 120% of the reasonably expected average, or average remaining, economic life of the units of property comprised by the Original Facilities, in each case determined in the same manner as under section 147(b) of the Code. In each case, the economic life of a unit of property comprised by an Original Facility was determined as of the later of the date on which such unit of property was placed in service or the date of issuance of the Original Issue by which it was originally financed, and: (i) in the case of a building, by applying the useful lives set forth in Revenue Procedure 62-21, 1962-2 C.B. 486 (provided, that for this purpose the economic life of a building (and its building systems) used as a hospital has been assumed to be no less than 40 years); (ii) the case of property other than a building or land, by applying the mid-point class life for such unit of property established under the Class Life Asset Depreciation Range System under Revenue Procedure 83-35, 1983-1 C.B. 745; and (iii) in the case of an interest in land, by assuming an economic life of 30 years, provided, however, that if not more than 25% of the proceeds of such issue were allocated to the acquisition of interests in land, then such uses of proceeds have been disregarded. Attached hereto as *Attachment I* is a schedule setting forth for each Original Issue a description of each of the Original Facilities in respect thereof, and a tabulation setting forth for each class of property comprised thereby the economic life of such property and percentage of the proceeds of the Original Issue allocated thereto. See, also, Section 5 of this Tax Certificate with regard to the obligation of the City to maintain and update *Attachment I* as necessary to reflect actual circumstances.

(f) Statement as to Facts, Estimates and Circumstances. The facts and estimates set forth in this Tax Certificate on which the Authority and the City's expectations as to the amount and use of the Gross Proceeds of the Bonds are based are made to the best of the knowledge and belief of the undersigned officer of the Authority and the City, respectively, and such officer believes that the Authority and the City's expectations are reasonable. Each of the undersigned is an officer of the Authority and the City, respectively, responsible for the issuance of the Bonds, who has made due inquiry with respect to and is fully informed as to the matters set forth herein.

(g) Bonds Not Hedge Bonds. In connection with the issuance of the 2015 Bonds and the 2001 Bonds, and at the time of the first substantial draw on the 2011 Rabobank Loan, each of the City and the Authority reasonably expected that no less than 85% of the spendable proceeds of the issue would be allocated to expenditures made within three years of such date; further, each of the City and the Authority warrants that at no time has more than 50% of the spendable proceeds of any such prior issue been held invested in an investment having a substantially guaranteed yield for four years or more. Each of the City and the Authority (i) reasonably expects that the spendable proceeds of the 2018 Original Issue will be allocated to expenditures for a governmental purpose within three years of the date hereof, and (ii) covenants that no more than 50% of the spendable proceeds of the 2018 Original Bonds will be held at any time invested in an investment

having a substantially guaranteed yield for four years or more. Accordingly, the City and the Authority believe that the Bonds are not “hedge bonds” within the meaning of section 149(g) of the Code.

3. REASONABLE EXPECTATIONS OF THE AUTHORITY AND CITY AS TO FACTS, ESTIMATES AND CIRCUMSTANCES.

Each of the Authority and the City makes the following representations and statements of fact and expectation on the basis of which it is not expected that the proceeds of or other amounts (including replaced proceeds) in respect of the Bonds will be used in a manner that will cause such Bonds to be “arbitrage bonds” within the meaning of section 148 of the Code.

(a) Application of Bond Sale Proceeds.

(1) Sale Proceeds; No Overissuance. The Series 2017 Bonds have been sold pursuant to a *bona fide* limited public offering by the Underwriter, as described in more detail in the certificate of the Underwriter (the “**Issue Price Certificate**”) attached as *Exhibit A* hereto. On the basis of the Issue Price Certificate, each of the Authority and the City reasonably expects that the aggregate amount to be received by the City for use by the Medical Center from the issuance of the Bonds will be \$115,008,360.55 (the “**Sale Proceeds**”), being equal to the aggregate par amount of the Bonds (\$125,000,000.00) less original issue discount (\$9,991,639.45). In addition, by reason of the refunding, unexpended sale and investment proceeds of the 2015 Bonds in the amount of \$1,402,412.42 (the “**2015 Proceeds Release**”) held in the Acquisition Account under the 2015 Trust Agreement (the “**2015 Acquisition Account**”), and revenues in the following accounts established under the 2015 Trust Agreement and in the following amounts (the “**2015 Revenues Release**”) will become available for the 2018 Project: 2015 Revenue Fund (\$1.27); 2015 Interest Account (\$56,323.35); 2015A Sinking Account (\$84,589.79); and 2015B Sinking Account (\$177,930.53). The Sale Proceeds, 2015 Proceeds Release and the 2015 Revenues Release, and any anticipated investment earnings thereon, do not in the aggregate exceed the amount necessary for the 2018 Project.

(2) Costs of Issuance Fund. On the Delivery Date, an amount of the Sale Proceeds equal to \$1,393,500.00 will be deposited into the Costs of Issuance Fund established under the Trust Agreement. Upon delivery of written directions of the Authority, such funds will be applied to the payment of costs of issuance of the Bonds. One hundred and eighty days following the delivery of the Bonds, the Trustee shall transfer any amounts then remaining in the Costs of Issuance Fund to the Revenue Fund. Upon such transfer, the Costs of Issuance Fund shall be closed.

(3) Series 2018 Bond Reserve Account. On the Delivery Date, Sale Proceeds in the amount of \$8,094,300.00 will be deposited into the Series 2018 Bond Reserve Account established under the Trust Agreement, described further below.

(4) Underwriter’s Discount. On the Delivery Date, an amount of the Sale Proceeds equal to \$1,541,855.00 will be retained by the Underwriter as payment by the Authority of an underwriter’s discount.

(5) **Redemption of the 2015 Bonds.** Under the 2015 Trust Agreement, a redemption fund was created (the “**2015 Redemption Fund**”), and within the 2015 Redemption Fund there is established the Optional Redemption Account (the “**2015 Optional Redemption Account**”). On the Delivery Date, the Trustee is to transfer to the 2015 Trustee for deposit in the 2015 Optional Redemption Account, Sale Proceeds in the amount of \$39,811,287.27; on that date the 2015 Trustee also is to withdraw from the accounts described above the 2015 Proceeds Release and 2015 Revenues Release and to deposit such monies into 2015 Optional Redemption Account: the entirety of amounts in the 2015 Optional Redemption Account following such deposits (\$41,532,544.63) is to be applied by the 2015 Trustee on the Delivery Date to the redemption of Refunded Bonds.

(6) **Series 2018 Capitalized Interest Account.** An amount of the Sale Proceeds equal to \$13,830,625.00 will be deposited into the Series 2018 Capitalized Interest Account, which is a subaccount of the Interest Account that is established within the Revenue Fund, and used for the payment of interest on the Bonds accruing on or before April 30, 2020.

(7) **Series 2018 Project Account.** On the Delivery Date, the balance of the Sale Proceeds, in the amount of \$50,336,793.28 will be deposited into the Series 2018 Project Account established in the Project Fund created under the Trust Agreement, to be allocated to expenditures in respect of the 2018 Original Facilities as further described herein. No less than 95% of Sale Proceeds allocated to the 2018 New Money Purpose will be allocated to capital expenditures (including interest on the Bonds, that is properly chargeable to capital account) in respect of the 2018 New Money Purpose.

(b) Unexpended Proceeds of the 2015 Bonds; Transferred Proceeds; Universal Cap.

(1) **Unexpended Proceeds.** The Authority and the City have each previously engaged in refunding transactions and understand that under section 1.148-9 of the Treasury Regulations, when proceeds of an issue of governmental obligations (the “refunding issue”) are used to pay principal of a second issue (the “prior issue”), a portion of the unexpended proceeds of the prior issue are deemed to cease to be such and rather to become treated as proceeds (“transferred proceeds”) of the refunding issue. The amount of unexpended proceeds of the prior issue that become transferred proceeds of the refunding issue on the occasion of any such payment is equal to the product of the unexpended proceeds of the prior issue and the ratio of the outstanding principal of the prior issue paid on such occasion out of proceeds of the refunding issue to the total outstanding principal of the prior issue immediately prior to such occasion. For that reason, it is important that the Authority and the City identify any unexpended proceeds of the 2015 Bonds.

(2) **Transferred Proceeds of the Bonds.** As represented above, on the date hereof the only unexpended proceeds of the 2015 Bonds are the amounts heretofore held in the 2015 Acquisition Account. The 2015 Acquisition Account Release, will be deposited in the 2015 Optional Redemption Account and applied to the redemption of the Refunded Bonds on the Delivery Date to pay a portion of the redemption price of the Refunded Bonds. Accordingly, following the redemption of the Refunded Bonds on April 19, 2018, there will be no transferred proceeds of the Bonds.

(c) Series 2018 Bond Reserve Account.

On the Delivery Date a portion of the Sale Proceeds in the amount described above will be deposited into the Series 2018 Bond Reserve Account. All money in the Series 2018 Bond Reserve Account is to be used and withdrawn by the Trustee solely for the purpose of making up any deficiency in the Interest Account or Principal Account relating to the Bonds or (together with any other moneys available therefor) for the payment or redemption of all Bonds then Outstanding.

The Reserve Requirement, at any date of determination, is equal to least of (i) the Maximum Annual Debt Service on the Bonds, (ii) 10% of the issue price of the Bonds as determined under the Code (or, if the issue price includes less than 2% original issue discount or premium, then 10% of the stated principal amount), or (iii) 125% of average Annual Debt Service on the Bonds. Based upon the representations of the Underwriter, which each of the Authority and the City believes are reasonable, the establishment and maintenance of the Series 2018 Bond Reserve Account in the amount of the Reserve Requirement and under the terms set forth in the Trust Agreement is customary as security for the payment of debt service on municipal obligations similar to the Bonds, the funding of the Series 2018 Bond Reserve Account in the amount of the Series 2018 Bond Reserve Account and as provided in the Trust Agreement and the undertaking to maintain the Series 2018 Bond Reserve Account in accordance with the Trust Agreement was reasonably required and necessary to the successful offering and sale of the Bonds at the interest rates and prices obtained. In light of the foregoing, each of the Authority and the City believes that the Series 2018 Bond Reserve Account constitutes a “reasonably required reserve or replacement fund” within the meaning of section 148(d) of the Code. Under the Trust Agreement, the Trustee is to determine the amount in the Series 2018 Bond Reserve Account no less frequently than twice each year: for such purpose, the value of each investment held in the Reserve Account is to be its fair market value as determined under section 1.148-5 of the Treasury Regulations. *To the extent that the balance in the Series 2018 Bond Reserve Account upon any valuation is in excess of the Bond Reserve Account Requirement for the Bonds, the Trustee shall pursuant to the provisions of the Trust Agreement transfer to hold an amount equal to such excess to the Revenue Fund.*

(d) Sinking Fund. As indicated above, the payment of debt service on the Bonds is expected to be made out of payments of interest on and repayments of principal of the Bonds that, in turn, are payable only out of Revenues.

Under the Trust Agreement, the Revenue Fund is created into which all Revenues received by the Authority are to be deposited. On or before the twenty-fifth (25th) day of each month (or, if the 25th day of the month is not a Business Day, the first Business Day after the 25th day of the month), the Trustee is required to transfer from the Revenue Fund and deposit into the following respective accounts (each of which the Trustee shall establish and maintain within the Revenue Fund) and then to the Rebate Fund, the following amounts, in the following order of priority, the requirements of each such account or fund (including an amount required for any deficiencies in any such account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account or fund subsequent in priority:

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

(b) to the Principal Account, 1/12 of the aggregate amount of principal becoming due and payable on the Outstanding Serial Bonds plus 1/12 of the aggregate amount of Mandatory Sinking Account Payments required to be paid into the respective Sinking Accounts for Outstanding Term Bonds, in each case during the next ensuing 12 months, until the balance in said Principal Account is equal to said aggregate amount of such principal and Mandatory Sinking Account Payments; provided, however, that from the date of delivery of a Series of Bonds until the first principal payment date with respect to such Series of Bonds (if less than 12 months), transfers to the Principal Account shall be sufficient on a monthly pro rata basis to pay the principal becoming due and payable on said principal payment date;

(c) to the Series 2018 Bond Reserve Account, and any other Bond Reserve Account, pro rata for the purpose of making up any deficiency therein; and

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

Any moneys remaining in the Revenue Fund after the foregoing transfers are made shall be transferred, upon request of the Medical Center to the Trustee in writing to the Medical Center. If no such written request is received, the Trustee shall apply moneys remaining in the Revenue Fund as a credit towards the next Interest Account and Principal Account deposits described above.

That portion of the Revenue Fund, the Interest Account (exclusive of the 2018 Capitalized Interest Account) and the Principal Account consisting of Revenues received by the Authority within each Bond Year of the Bonds that within such Bond Year will be transferred into the Interest Account (exclusive of the 2018 Capitalized Interest Account) or the Principal Account to be applied to the payment of current debt service on the Bonds, or are to be applied to the redemption of Bonds, and are so used within such Bond Year (collectively, the "Sinking Fund"), will be used primarily to achieve a proper matching of Revenues of the Authority and debt service on the Bonds within each Bond Year. Such funds in the aggregate will be depleted during each Bond Year, except for a reasonable carryover amount, if any, not to exceed the greater of (i) the earnings on the funds for the immediately preceding Bond Year, or (ii) 1/12 of the annual debt service on the Bonds for the immediately preceding Bond Year. For that reason, the Sinking Fund

will constitute a sinking fund that is a “bona fide debt service fund” within the meaning of such terms. *Any portion of the Revenue Fund or the Interest or Principal Accounts that is expected to be used to pay debt service on the Bonds but is not within the Sinking Fund (the “Excess Sinking Fund”) shall be held either not invested in Investment Property, or invested in Investment Property to produce a yield that does not exceed the yield on the Bonds.*

(e) **Rebate Fund.** The Trust Agreement establishes a Rebate Fund to serve as the repository for moneys to be deposited thereto and paid to the United States in order to satisfy the requirement of section 148(f) of the Code and sections 1.148-0 through 1.148-10 and 1.150-1 and 1.150-2 of the Treasury Regulations promulgated thereunder, to pay a portion of the investment earnings on proceeds derived from the sale of the Bonds, the investment earnings thereon and other amounts considered to be “gross proceeds” of the Bonds, to the United States (the “**Rebate Requirement**”). Further reference to the Rebate Requirement is made in this Tax Certificate. Moneys (other than Proceeds of the Bonds) in the Rebate Fund are neither pledged as security for the payment of, nor expected to be used to pay, debt service on the Bonds and, accordingly, are not “gross proceeds” of the Bonds.

(f) **No Other Replacement Funds.**

Other than the Revenue Fund, the Principal Account and the Interest Account, neither the Authority nor the City has established or will establish any fund or account monies in which are reasonably expected to be used to pay directly or indirectly debt service on the Bonds or within which there can be any reasonable assurance that monies would be available for the payment of such debt service were the City or the Authority to encounter financial difficulties.

(g) **Yield.**

(1) **Bond Yield.** The “yield” on the Bonds is the discount rate that, when used in computing the present value on the Delivery Date of all the expected issue payments of principal and interest and fees for qualified guarantees that are paid and to be paid on the Bonds, produces an amount equal to the present value, using the same discount rate, of the aggregate issue price of the issue on the Delivery Date thereof. Based upon certain information provided by the Underwriter and set forth in the Initial Issue Price Certificate, the Authority believes that the issue price of the Bonds is \$115,008,360.55 (the par amount of the Bonds of \$125,000,000.00, less original issue discount of \$9,991,639.45), and that the yield on the Bonds is not less than 6.1928%.

(2) **Expectations Regarding Arbitrage Investment Yield Limitations.**

(i) *Summary Chart.*

Fund	Temporary Period of Unrestricted Investment	Restriction After Temporary Period	Excepted From Rebate (Y)/(N)
Sale Proceeds in the Series 2018 Project Account	3 years	Yield on Bonds	N ⁽¹⁾
Investment Proceeds in in the Series 2018 Project Account	Later of 3 years from Delivery Date or one year following receipt	Yield on Bonds	N ⁽¹⁾
Sale or Investment Proceeds in Capitalized Interest	None	Yield on Bonds	N
Series 2018 Bond Reserve Account	Unlimited	N/A	N
Sinking Fund	13 months	Yield on Bonds	Y
Costs of Issuance Fund	13 months	Yield on Bonds	N
Other “Replacement Proceeds” of Bonds ⁽²⁾	30 days	Yield on Bonds	N

- (1) Provided, that the rebate obligation in respect of investments of the Series 2018 Project Account may be deemed satisfied to the extent that a spending exception under section 148(f)(4)(B) or (D) of the Code, or under section 1.148-7 of the Treasury Regulations is satisfied.
- (2) Generally, “replacement proceeds” of the Bonds refer to any amounts that either (i) have such a nexus to the 2018 Project as to justify the conclusion that such amounts would have been used for such project had not the Bonds been issued, (ii) are reasonably expected to be used to pay debt service on or to prepay the Bonds, or (iii) are held under circumstances where the holders of the Bonds reasonably may expect that such amounts would be available for the payment of debt service on the Bonds should the City of the Authority encounter financial difficulties. Without limitation of clause (iii) of the preceding sentence, amounts held under a “negative pledge” of the type described in section 1.148-1(c)(iii) of the Treasury Regulations will be “replacement proceeds” in respect of the Bonds to the extent allocated to such issues in accordance with the Treasury Regulations.

(ii) *Series 2018 Project Account.* The City represents and warrants that:

(i) acting through the Medical Center, it has or within six months of the Delivery Date it will have entered into a binding undertaking obligating the expenditure of no less than 5% of that portion of the Sale Proceeds deposited in the Series 2018 Project Account or Series 2018 Capitalized Interest Account on costs of the 2018 Original Facilities; (ii) within three years of the Delivery Date there shall have been allocated no less than 85% of such proceeds to costs of the 2018 Original Facilities; and (iii) it will cause the acquisition, construction, improvement and equipping of the 2018 Original Facilities, and the allocation of proceeds of the Bonds to expenditures therefore, to proceed with due diligence to completion. Sale Proceeds deposited into the Series 2018 Project Account may be invested without arbitrage yield restriction for a period of three years from the Delivery Date. In addition, Investment Proceeds held therein may be invested without arbitrage yield restriction until the later of the conclusion of such three-year period from the

Delivery Date or the date one year following receipt of such Investment Proceeds. Any Sale or Investment Proceeds held beyond such period must be held uninvested in Investment Property, or be used to acquire Investment Property to produce a yield that does not exceed the yield on the Bonds (provided that, if at the time there exists no gross proceeds of the Bonds that are subject to an arbitrage investment yield limitation, then the restriction on investment of such Sale and Investment Proceeds will be the yield on the Bonds plus 1/8%). *Such investment is, however, to be included in the rebate determination; provide that if an expenditure exception of the type set forth in section 148(f)(4) of the Code or section 1.148-7 of the Treasury Regulations is satisfied then and to the extent provided in such authority the rebate obligation with respect to investment of all or a portion of the Gross Proceeds of the Bonds may be deemed to have been satisfied.*

(iii) *Series 2018 Capitalized Interest Account.* As indicated above, the Proceeds of the Bonds held in the Series 2018 Capitalized Interest Account are to be applied to the payment of interest accruing on the Bonds prior to April 30, 2020. In light of the multipurpose structure of the Bonds, each of the City and the Authority understands that for federal income tax purposes a portion, but not all, of such interest accruing on the Bonds is properly chargeable to capital accounts in respect of the 2018 Original Facilities that the balance of such interest is not so capitalizable. In the exercise of financial prudence, the City has determined that the revenues of the Medical Center will not be sufficient to pay such interest on a current basis during the start-up period of the 2015 Original Facilities and the construction of the 2018 Original Facilities without exposing it to unreasonable risk. Accordingly, the City has determined that the governmental necessity of such funding outweighs any possible burden. The Authority herewith waives the right to invest, without regard to arbitrage yield restriction, that portion of the Proceeds of the Bonds held in the Series 2018 Capitalized Interest Account, and properly chargeable to capital account, for an initial temporary period under section 1.148-2 of the Treasury Regulations. *Each of the City and the Authority covenants that amounts held in the Series 2018 Capitalized Interest Account will be held not invested, or invested to produce a yield not in excess of the yield on the Bonds.*

(iv) *Other "Gross Proceeds" of the Bonds.* Neither the Authority nor the City expects that any Gross Proceeds of the Bonds, beyond those described above, will arise during the term of the Bonds. However, to the extent that any such Gross Proceeds do arise (e.g., by reason of the pledge of invested amounts as additional security for the Bonds, or by reason of the creation of a fund of monies reasonably expected to be used to pay debt service on the Bonds), and any such amounts are to be held for a period that is in excess of thirty days from the date of receipt by the Authority or the City, such amounts will be held either not invested in Investment Property, or invested in Investment Property to produce a "yield" that is not in excess of the "yield" on the Bonds.

4. REBATE REQUIREMENT, CALCULATIONS AND PAYMENT. Each of the Authority and the City has covenanted to comply with the rebate requirements of section 148(f) of the Code as the same apply to the Bonds. The regulations promulgated under section

148(f) are summarized in Appendix III. In order to assure compliance with this covenant, the Authority and the City will engage a professional consultant to provide such additional guidance and make such computations as are necessary to assure such compliance.

5. ALLOCATION AND ACCOUNTING RULES. Each of the Authority and the City has covenanted to comply with the requirements of section 148 of the Code. The regulations promulgated thereunder pertaining to the permitted methods of and time for allocation and accounting for proceeds, investments and expenditures are summarized in Appendix IV. Without limitation of the preceding covenant or the discussion in Appendix IV, but by way of emphasis of Section D of said Appendix IV, each of the Authority and the City acknowledges its understanding that unless prior to final date for such election¹ the earlier of (i) 18 months after the later of the date an expenditure is paid or the earliest date on which a project financed by an Original Issue was or is placed in service, or (ii) 60 days after the earlier of the fifth anniversary of the issue date of that Original Issue or the final retirement of that Original Issue, an eligible alternative allocation methodology was or is explicitly or by its practice elected by the City, then the Authority and the City will be deemed to have elected to use the “specific tracing” method of allocation.

Without limitation of the foregoing covenant, each of the Authority and the City more specifically represents, *with respect to each of the Original Issues*, that:

1. None of the proceeds of that Original Issue was or will be allocated to the reimbursement of an expenditure that, as to that issue, was an Original Expenditure that was not a Preliminary Expenditure unless (i) such Original Expenditure was described in a Reimbursement Intent Resolution adopted by the City, the Medical Center or the Authority, and (ii) such Original Expenditure was first paid by, or pursuant to an agreement with or otherwise on behalf of, the City, the Medical Center or the Authority not earlier than 60 days prior to the Intent Resolution Date in respect of such Reimbursement Intent Resolution; provided that in no event were or will be proceeds allocated to an Original Expenditure if they were paid more than 18 months before the date of execution and delivery of that Original Issue, unless those expenditures were for property that was placed in service not more than 18 months before such date, in which case proceeds may have been allocated to those Original Expenditures provided that those expenditures were paid no more than three years prior to such date of issuance;
2. No more than 20% of the proceeds of that Original Issue were or will be allocated to Preliminary Expenditures in respect of that issue; and
3. None of the proceeds of that Original Issue were or will be allocated to the reimbursement of a Working Capital Expenditure unless either (i) both on the date on which such Working Capital Expenditure was paid and on the date on which such

¹ The final date for election of an allocation methodology is the earlier of (i) 18 months after the later of the date an expenditure is paid or the earliest date on which a project financed by an Original Issue was or is placed in service, or (ii) 60 days after the earlier of the fifth anniversary of the issue date of that Original Issue or the final retirement of that Original Issue. If no allocation methodology has been elected (explicitly or by the routine accounting methodology of the issuer), the “specific tracing” method is deemed to have been elected.

purported allocation was or is made the City, Medical Center and the Authority, collectively, had or has no “available amounts” (within the meaning of section 1.148-6(d)(3)(iii) of the Treasury Regulations) from which to make such payment or reimbursement, (ii) the Working Capital Expenditure was a *de minimis* expenditure in respect to that Original Issue, was an extraordinary expenditure or was otherwise described in section 1.148-6(d)(3)(ii) of the Treasury Regulations, or (iii) the Working Capital Expenditure was otherwise not subject to the “proceeds spent last” rules of section 1.148-6(d) of the Treasury Regulations.

To the extent that the City, the Medical Center or the Authority allocated or allocates proceeds of an Original Issue to any Original Expenditure in respect of that issue in reliance on a Reimbursement Intent Resolution as described in clause (1) above, a copy of such Reimbursement Intent Resolution has been attached hereto (or was placed and has been maintained with an executed copy of the transcript documents relating to the execution and delivery of that Original Issue).

From time to time, the City will provide to the Authority an updated version of the schedule attached hereto as *Attachment I*, reflecting the actual and then anticipated uses of such proceeds of the Original Issues and, upon completion of the 2018 New Money Purpose, the Authority will prepare and attach to this Tax Certificate a final version of such schedule on which is set forth in detail (or through incorporation by reference of identified records clearly) the allocation of proceeds of the Bonds to expenditures, the computation of reasonably expected economic life (as described above) and any other matters that the Authority believes may be necessary subsequently to demonstrate compliance with the requirements of sections 103 and 141-150 of the Code.

Without limitation of any provision of this Tax Certificate or of the Appendices hereto, the City has established and will maintain and make available to the Authority until a date not earlier than six years following the final retirement of the Bonds (and of any note or bond issued to refund or re-refund all or any portion of the Bonds) detailed records sufficient to establish compliance with this Section 5 (and the expenditure and use of proceeds requirements, restrictions and limitations set forth in this Tax Certificate and under sections 103 and 141-150 of the Code of: (i) the allocation methodology and amount of each allocation of Gross Proceeds of each of the Original Issues to any capital or working capital expenditure (and, in the case of an allocation to working capital expenditures, evidence sufficient to establish that on the date of such working capital expenditure there existed no “available amounts” in respect of that expenditure); (ii) the fact (e.g., cancelled check, evidence of wire transfer) of an actual payment corresponding to such allocation; (iii) the identification of the payee and documentary support (e.g., invoices, contracts, legislative or other authorization) for such payment; (iv) the purpose of such evidence; and (v) any other information that the Authority believes may be necessary to such documentation.

6. PROHIBITED INVESTMENTS AND DISPOSITIONS. Upon the purchase or sale of a Nonpurpose Investment, Gross Proceeds of an issue are not to be allocated to a payment for that Nonpurpose Investment in an amount greater than, or to a receipt from that Nonpurpose Investment in an amount less than, the fair market value of the Nonpurpose Investment as of the purchase or sale date. The purpose of this rule is to prevent the deflection of impermissible arbitrage to a third party by purchase or sale of a Nonpurpose Investment at other than fair market value. For this purpose, the fair market value of a Nonpurpose Investment is adjusted to take into

account Qualified Administrative Costs allocable to the investment. Thus, Qualified Administrative Costs increase the amount of Gross Proceeds that may be allocated to the acquisition of, or decrease the amount of Gross Proceeds that must be taken into account from, the acquisition or disposition of a Nonpurpose Investment. Each of the Authority and the City covenants that it will comply with the procedures set forth in Appendix V hereof with respect to compliance with these requirements, and with the provisions set forth in section 1.148-5 of the Treasury Regulations and other applicable guidance provided by the Internal Revenue Service with respect thereto.

Without limitation of any provision of this Tax Certificate or of the Appendices hereto, each of the Authority and the City has established or will establish and maintain (or cause to be established and maintained) until a date not earlier than six years following the final retirement of the Bonds (and of any note or bond issued to refund or re-refund all or any portion of the Bonds) detailed records sufficient to establish compliance with this Section 6 (and with the arbitrage, arbitrage rebate, hedge bond or other investment-affected requirements, restrictions and limitations set forth in this Tax Certificate and under sections 103 and 141-150 of the Code) of the acquisition, disposition or other allocation of any Nonpurpose Investment to or away from Gross Proceeds of the Bonds, including particularly: (i) the date of such allocation; (ii) the identity and terms of such investment (including, where appropriate, a copy of the instrument, contract, lease or other documentary manifestation of such Investment Property); (iii) the value (as determined in accordance with the provisions of section 1.148-5(d) of the Regulations) of such investment on the date of allocation (and on each other date on which valuation is necessary to assure compliance with the aforementioned provisions); (iv) the date and amount of each payment made for or pursuant to such investment and the source (by fund or account) of that payment; (v) the date and amount of each payment received directly or indirectly in respect of such investment; and (vi) any other information that the Authority or the City believes will be necessary to such demonstration.

7. NO FEDERAL GUARANTEE. Each of the Authority and the City represents that no portion of the payment of the principal of or the interest on the Bonds is or will be guaranteed, directly or indirectly, by the United States or any agency or instrumentality thereof. For purposes of the preceding sentence, any entity having the statutory power to borrow against the United States Treasury has been treated as an “instrumentality” of the United States. Without limitation of the foregoing, each of the Authority and the City covenants never to invest as much as five percent or more of the Proceeds of the Bonds in federally insured deposits or accounts or otherwise invest such proceeds in any obligation the payment of principal or interest on which is (in whole or in part) a direct obligation of or guaranteed by the United States (or any agency or instrumentality thereof). Notwithstanding the foregoing, the Authority may invest the proceeds of the Bonds in any investment guaranteed by the following agencies of the United States: (a) the Federal Housing Administration; (b) the Veterans Administration; (c) the Federal National Mortgage Association; (d) the Federal Home Loan Mortgage Corporation; and (e) the Government National Mortgage Association. Moreover, the Authority may invest the Proceeds of the Bonds: (a) during an initial temporary period until such proceeds are needed for the purpose for which the Bonds were issued; (b) in the Sinking Fund (as defined above); (c) in obligations issued by the United States Treasury; (d) in obligations issued pursuant to Section 21B(d)(3) of the Federal Home Loan Bank Act, as amended by Section 511(a) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, or any successor provision; or (e) in a refunding escrow.

8. RESTRICTIONS ON NONGOVERNMENTAL USE. For purposes of the following covenants, each of the Authority and the City will treat the proceeds of the Refunding Portion of the Bonds as being used ratably for the same purposes as were the proceeds of the 2001 Bonds, to the extent such debt is being refunded by the Bonds.

The covenants of each of the Authority and the City to maintain the exclusion pursuant to section 103(a) of the Code of interest on the Bonds from the gross income of the owners thereof for federal income tax purposes may be satisfied only if the each of the Authority and the City complies with the limitations under section 141 of the Code in order to assure that the Bonds are not and do not become "private activity bonds." For purposes of section 141 of the Code, use of property or improvements financed or refinanced with proceeds of the Bonds will be treated as use of such proceeds.

Except to the extent that such use will not cause the Bonds to be "private activity bonds" within the meaning of section 141 of the Code, no portion of the proceeds of the Bonds will be used in such a manner that any of the following limitations is exceeded:

- 1) an amount exceeding \$5 million of the proceeds of the Bonds was or is used to make or finance loans (other than loans that enable the borrower to finance any governmental tax or assessment of general application for an essential governmental function or that are used to acquire or carry Nonpurpose Investments) to any person other than a governmental unit;
- 2) both (b) (i) more than 10% of the proceeds of Bonds were or are used by, and (ii) more than 10% of the debt service on Bonds was or is to be paid out of monies received in respect of the use of property used by (or was or is secured by property used by) any person or persons either in trades or businesses carried on by natural persons or in activities (whether or not trades or businesses) carried on by persons other than natural persons, unless such person or persons are state or local governmental units or instrumentalities;
- 3) both (i) more than 5% of the proceeds of the Bonds are used by, and (ii) more than 5% of the debt service on the Bonds is to be paid out of monies received in respect of the use of property used by (or is secured by property used by), any person or persons either in trades or businesses carried on by natural persons or in activities (whether or not trades or businesses) carried on by persons other than natural persons, unless such person or persons are state or local governmental units or instrumentalities, where for purposes of this clause (3) only, every use (whether by a nongovernmental person) that is related and not disproportionate to the governmental uses to which proceeds of the Bonds are put is treated as use by a state or local governmental unit; or
- 4) More than 5% of the proceeds of the Bonds are used with respect to any output facility (other than for the furnishing of water) and (i) any of the proceeds are used for the acquisition of "nongovernmental output property" (within the meaning of section 141(d) of the Code) or (ii) the "nonqualified portion" (within the meaning of section 141(b)(8) of the Code) in respect of

the Bonds, when aggregated with the nonqualified portions of all prior tax-exempt issues specified in section 141(d)(4) of the Code, exceeds \$15 million.

Each of the Authority and the City further represents that, were the 2015 Bonds redeemed on the date hereof in other than a refunding transaction, that issue also would not satisfy the Private Activity Bond Tests.

“Use” of property or improvements will be deemed to be established if the putative user has an ownership or proprietary interest in, or possession under a leasehold of, the property, or if the putative user is contractually obligated to provide to the Authority or the City services with respect to any function of the property (e.g., a management contract), or if the putative user has rights and burdens substantially similar to those of an owner or lessee. In the case of property or improvements intended to be used by natural persons, an arrangement for that type of use will not result in private business use unless that arrangement conveys to a nongovernmental person special legal entitlements with respect to the property or improvements. In the case of a use of financed or refinanced property or improvements not so intended, private business use may be established by reason of special economic benefits inuring to a nongovernmental person (e.g., by reason of the proximity of the property to other property used by the nongovernmental person). Notwithstanding the foregoing, use of financed property as a member of the general public will not create private business use; however, use of financed property by nongovernmental persons in their trades or businesses may be treated as general public use only if the property is intended to be available and in fact is reasonably available for use on the same basis by natural persons not engaged in a trade or business.

Each of the Authority and the City also understands that for purposes of section 141 of the Code, any formal or informal contractual arrangement for the provision of operating or other services with respect to an Original Facility (a “*management contract*”) generally will result in “private business use” of the proceeds of the Original Issue by the service provider. However, “management contracts” do not generally include contracts for services if those services are solely incidental to the primary governmental function or functions of a facility (such as janitorial services), or contracts to provide services if the only compensation is the reimbursement of the service provider for actual and direct expenses paid by the service provider to unrelated parties.

The following paragraphs discuss management contracts particularly in the context of the provision of medical services by the Medical Center; it is not intended to limit the generality of the discussion or covenants in this Section 8. The City has entered into a number of management contracts in respect of the provision of medical and other services for the Medical Center. Examples of such contracts include, but are not limited to, contracts with private physicians or physician groups for the provision of medical direction in specialty areas, for the operation of special services (e.g., radiological, oncological, imaging and other services), for the operation of dietary services and for the operation of pharmacology services. The City recognizes that any such arrangement might establish a private business use relationship between the service vendor and facilities financed by an Original Issue.

However, the Internal Revenue Service has provided and may from time to time in the future provide guidance as to particular types of management contracts that are not treated as resulting in “private business use”. For example, the Service has promulgated Revenue Procedure

2017-13², providing that certain “qualified management contracts” will be treated as not necessarily creating private business use. The City is familiar with that guidance and covenants that it will not enter into (or substantially modify or extend) any “management contract” pursuant to which a nongovernmental person is to provide management services with respect to the provision of medical care in or through any property comprised by an Original Facility, or any other service with respect to any function of any such property, unless either (i) that contract satisfies one or another of the safe harbor provisions established under Revenue Procedure 2017-13, or (ii) the City has obtained the advice of Bond Counsel or of other legal counsel nationally recognized as expert in the federal income taxation of municipal obligations to the effect that entry into such contract will not cause interest on any Bond to fail to be excluded pursuant to section 103(a) of the Code from the gross income of the owner thereof for federal income tax purposes.

Guidelines for Management Contracts in Effect Prior to August 18, 2017. As to each management contract in effect prior to August 18, 2017 (and not materially modified or extended thereafter) relating to any Original Facility financed or refinanced with the proceeds of the Bonds, the City represents and covenants that such contract has continuously met, and will continue to meet, the safe harbor conditions established under Revenue Procedures 97-13, as modified by Revenue Procedure 2001-39 and amplified by Notice 2014-67 of the Internal Revenue Service. These Guidelines are applicable to one or more prior issues of the City and the City herewith confirms its familiarity with those Guidelines.

Guidelines for Existing Management Contracts Entered into or Substantially Modified or Extended on or after August 18, 2017. As to each management contract entered into (or substantially modified or extended) on or after August 18, 2017 relating to any Original Facility financed or refinanced with the proceeds of the Bonds, the City represents and covenants that such contract has met and will continuously meet the principles established under Revenue Procedure 2017-13 in order that the contract not result in creation of a private business use relationship of the service provider and an Original Facility financed or refinanced with the proceeds of the Bonds.

9. INFORMATION REPORTING. The Authority and the City have reviewed the Internal Revenue Service Form 8038-G to be filed in connection with the execution and delivery of the Bonds, a copy of which is attached hereto as *Exhibit C*, and all of the information contained therein is, to the best of their knowledge, true and complete.

10. WRITTEN COMPLIANCE POLICY. The City has adopted a written policy, that also applies to the Authority, regarding its continuing compliance with the requirements of sections 103 and 141-150 of the Code necessary to the exclusion pursuant to section 103(a) of the Code of interest on the Bonds from the gross income of the owners thereof for federal income tax purposes. It identifies one or more officers of the Authority or the City charged with the responsibility for monitoring such compliance, and prescribes steps to be taken in the event potential or actual noncompliance is detected. Such policy addresses the creation, collection and maintenance of books and records sufficient to satisfy the requirements of Sections 5 and 6 of this

² Revenue Procedure 2017-13 is applicable to any management contract entered into on or after January 17, 2017, or in existence prior to that date but materially modified or extended on or after August 18, 2017, and is optionally applicable to contracts entered into prior to January 17, 2017. As to contracts entered into prior to August 18, 2017 (and not materially modified or extended on or after that date), the City may continue to rely upon safe harbors established under the earlier guidance (Revenue Procedure 97-13, as modified by Revenue Procedure 2001-39 and Notice 2014-67) promulgated by the Service, with which the City also is familiar.

Tax Certificate and, more generally, to substantiate compliance with the Authority's and the City's representations and certifications contained in this Tax Certificate. Such books and records will include all documentation material to the determination that interest on the Bonds is excluded pursuant to section 103(a) of the Code from the gross income of the owners thereof for federal income tax purposes. Without limitation of the foregoing, the Authority or the City will maintain detailed books and records regarding: (i) the investment and allocation to expenditures of sale, investment and replacement proceeds of the Bonds (including without limitation copies of all Trustee account statements, investment contracts, arbitrage rebate computations, etc.); (ii) the use of each unit of property or facility to which any of the foregoing amounts are or are to be allocated (including without limitation copies of all design, construction, management, service, supply, output or other contracts, invoices and other documents related to the construction, operation, maintenance, sale, lease or other disposition, decommissioning or abandonment of such property); and (iii) any other matters necessary to demonstrate that the Bonds are described in section 103(a) of the Code. The Authority or the City will maintain until at least six years after the final retirement of the Bonds (and any bonds that refund any portion of the Bonds) all such books and records. See Sections 5 and 6 for additional undertakings regarding the creation and maintenance of such books and records.

11. AMENDMENTS. This Tax Certificate has been executed pursuant to the Trust Agreement and the Agreement wherein the Authority and the City, respectively, have covenanted to take such actions as are necessary to maintain the exclusion pursuant to section 103(a) of the Code of interest on the Bonds from the gross income of the owners thereof for purposes of federal income taxation. This Tax Certificate sets forth the information, representations, and procedures necessary in order for Bond Counsel to render its opinion regarding such exclusion of interest and may be amended or supplemented from time to time only to maintain such exclusion and only with the approval of Bond Counsel.

Notwithstanding any other provision herein, the covenants and obligations contained herein may be and shall be deemed modified to the extent the Authority or the City secures an opinion of Bond Counsel that any action required hereunder is no longer required or that some further action is required in order to maintain the exclusion of interest on the Bonds from gross income for purposes of federal income taxation.

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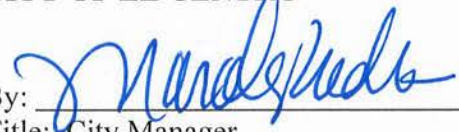
12. SUPPLEMENTATION OF THIS CERTIFICATE. The Authority and the City understand the need to supplement this Tax Certificate periodically to reflect further developments in the federal income tax laws governing the exclusion pursuant to section 103(a) of the Code of interest on governmental obligations, and will, at least once every Bond Year, seek the advice of its counsel as to the propriety of seeking the review of and supplements to this Tax Certificate from Bond Counsel.

Dated: April 19, 2018

EL CENTRO FINANCING AUTHORITY

By: 
Title: Chair

CITY OF EL CENTRO

By: 
Title: City Manager

APPENDIX I

DEFINITIONS

- A. BOND YEAR shall mean each one year period that ends on the day selected by the Issuer. If no day is selected by the Issuer before the date that is five years from the Delivery Date, each Bond Year ends on the anniversary of the Delivery Date and on the final maturity date.
- B. BOND COUNSEL shall mean Norton Rose Fulbright US LLP, or any other law firm or law firms appointed by the Issuer, having a national reputation in the field of municipal finance whose opinions are generally accepted by purchasers of municipal bonds.
- C. BOND YIELD shall have the meaning set forth in Section 3 of the Tax Certificate.
- D. CAPITAL EXPENDITURE shall mean a cost of a type properly chargeable (or chargeable upon proper election) to a capital account under general Federal income tax principles.
- E. CODE shall mean the Internal Revenue Code of 1986.
- F. COMMINGLED FUND shall mean any fund or account containing both Gross Proceeds of an issue and amounts in excess of \$25,000 that are not Gross Proceeds of that issue if the amounts in the fund or account are invested and accounted for collectively, without regard to the source of funds deposited in the fund or account.
- G. COMPUTATION DATE shall mean each date on which the rebate for an issue is computed.
- H. COMPUTATION DATE CREDIT shall mean with respect to an issue a credit of \$1,000 against the rebatable arbitrage on (i) the last day of each Bond Year during which there are amounts allocated to Gross Proceeds of an issue subject to the Rebate Requirement and (ii) the final maturity date for an issue.
- I. COMPUTATION PERIOD shall mean the period between Computation Dates. The first Computation Period begins on the date hereof and ends on the first Computation Date. Each succeeding Computation Period begins on the date immediately following the Computation Date and ends on the next Computation Date.
- J. GROSS PROCEEDS shall mean any Proceeds or Replacement Proceeds of an issue.
- K. INTENT RESOLUTION DATE shall mean that date on which the Issuer or the Medical Center adopted a resolution described in section 1.150-2 of the Regulations, expressing its intent that certain Original Expenditures be reimbursed out of Proceeds (in respect of such Original Expenditures, the "REIMBURSEMENT INTENT RESOLUTION"). The Reimbursement Intent Resolutions shall have described the project for which the Original Expenditures were paid and stated the maximum principal amount of obligations expected to be issued for that project.
- L. INVESTMENT PROCEEDS shall mean any amounts actually or constructively received from investing Proceeds of an issue.

- M. INVESTMENT PROPERTY shall mean any security or obligation within the meaning of section 148(b)(2) of the Code, any annuity contract, any interest in any residential rental property for family units which is not located within the jurisdiction of the Issuer, any “specified private activity bond” within the meaning of section 57(a)(5)(C), and any other Investment-Type Property.
- N. INVESTMENT-TYPE PROPERTY includes any property that is held principally as a passive vehicle for the production of income. A prepayment for property or services by the Issuer is Investment-Type Property if a principal purpose for prepaying is to receive an investment return from the time the prepayment is made until the time payment otherwise would be made. A prepayment is not Investment-Type Property if (i) the prepayment is made for a substantial business purpose other than investment return and there is no commercially reasonable alternative to the prepayment and (ii) prepayments on substantially the same terms are made by a substantial percentage of persons who are similarly situated to the Issuer but who are not beneficiaries of tax-exempt financing.
- O. MULTIPURPOSE ISSUE shall mean an issue that is used for two or more separate governmental purposes.
- P. NET SALE PROCEEDS shall mean Sale Proceeds, less the portion of those Sale Proceeds invested in a reasonably required reserve or replacement fund.
- Q. NONPURPOSE INVESTMENT shall mean any Investment Property that is not a Purpose Investment.
- R. NONPURPOSE PAYMENT shall mean:
1. amounts actually or constructively paid to acquire a Nonpurpose Investment (or treated as paid to a Commingled Fund);
 2. in the case of a Nonpurpose Investment that is first allocated to an issue on a date after it is actually acquired (*e.g.*, an investment that becomes allocable to Transferred Proceeds or to Replacement Proceeds) or that becomes subject to the Rebate Requirement on a date after it is actually acquired (*e.g.*, an investment allocated to a reasonably required reserve or replacement fund for a construction issue at the end of the two year spending period), the Value of that investment on that date;
 3. in the case of a Nonpurpose Investment that was allocated to an issue at the end of the preceding Computation Period, the Value of that Nonpurpose Investment at the beginning of the Computation Period; and
 4. the Computation Date Credit.
- S. NONPURPOSE RECEIPT shall mean:
1. amounts actually or constructively received from a Nonpurpose Investment (including amounts treated as received from a Commingled Fund);

2. in the case of a Nonpurpose Investment that ceases to be allocated to an issue before its disposition or redemption date (*e.g.*, an investment that becomes allocable to Transferred Proceeds of another issue or that ceases to be allocable to the issue pursuant to the Universal Cap) or that ceases to be subject to the Rebate Requirement on a date earlier than its disposition or redemption date (*e.g.*, an investment allocated to a fund initially subject to the Rebate Requirement but that subsequently qualifies as a *bona fide* debt service fund), the Value of that Nonpurpose Investment on that date; and
 3. in the case of a Nonpurpose Investment that is held at the end of a Computation Period, the Value of that Nonpurpose Investment at the end of that Computation Period.
- T. ORIGINAL EXPENDITURE shall mean certain capital expenditures paid by or on behalf of the Issuer prior to the Delivery Date.
- U. PLAIN PAR BOND (OR PLAIN PAR INVESTMENT) shall mean a bond (or an investment): (i) issued (or in the case of an investment acquired on a date other than the issue date, acquired) with not more than a de minimis amount (*i.e.*, two percent of stated principal amount) of original issue discount or original issue premium; (ii) issued for a price that does not include accrued interest, other than Pre-Issuance Accrued Interest; (iii) that bears interest from the issue date at a single, stated, fixed rate or that is a variable rate debt instrument under section 1275 of the Code, in each case with interest payable at least annually; and (iv) that has a lowest stated redemption price that is not less than its outstanding principal amount.
- V. PRE-ISSUANCE ACCRUED INTEREST shall mean amounts representing interest that has accrued on an obligation for a period of not greater than one year before its issue date but only if those amounts are paid within one year after the Delivery Date.
- W. PRELIMINARY EXPENDITURE shall mean an Original Expenditure paid for architectural, engineering, surveying, soil testing, reimbursement bond issuance, and similar costs that were incurred prior to commencement of acquisition, construction, or rehabilitation of the project, other than land acquisition, site preparation, and similar costs incident to commencement of construction.
- X. PROCEEDS shall mean any Sale Proceeds, Investment Proceeds and Transferred Proceeds of an issue.
- Y. PURPOSE INVESTMENT shall mean an investment that is acquired to carry out the governmental purpose of an issue.
- Z. QUALIFIED ADMINISTRATIVE COSTS shall mean reasonable, direct administrative costs, other than carrying costs, such as separately stated brokerage and selling commissions that are comparable to those charged nongovernmental entities in transactions not involving tax-exempt bond proceeds, but not legal and accounting fees, recordkeeping, custody or similar costs. For a guaranteed investment contract, a broker's commission paid on behalf of either an issuer or the provider is not a Qualified Administrative Cost to the extent that

the present value of the commission exceeds the aggregate principal value of annual amounts each of which is equal to .05 percent of the amount reasonably expected to be invested in the respective annual period. For investments purchased for a yield restricted defeasance escrow, a fee paid to a bidding agent is a Qualified Administrative Cost only if the fee is comparable to a fee that would be charged for a reasonably comparable investment if acquired with a source of funds other than gross proceeds of tax-exempt bonds, it is reasonable and it does not exceed the lesser of \$10,000 or .1% of the initial principal amount of investments deposited in the yield restricted defeasance escrow.

AA. REBATE BOND YIELD shall mean the Bond Yield unless:

1. the Issuer enters into a hedge transaction (*e.g.*, interest rate swap, interest rate cap or collar) that has not been taken into account in computing the Bond Yield, in which case the Issuer shall consult with Bond Counsel for guidance in determining the Rebate Bond Yield; or
2. the Issuer, in a transaction that is separate and apart from the original sale of an issue, transfers, waives or modifies any right that is part of the terms of an issue (*e.g.*, a sale of the call rights on an issue). The Issuer shall consult with Bond Counsel prior to entering into any such transaction and for guidance in determining the Rebate Bond Yield.

BB. REBATE REQUIREMENT shall have the same meaning as when used in Section 4 of the Tax Certificate.

CC. REPLACEMENT PROCEEDS shall mean amounts that have a sufficiently direct nexus to an issue to conclude that the amounts would have been used for that governmental purpose if the Proceeds of the issue were not used or to be used for that governmental purpose. For this purpose, governmental purposes include the expected use of amounts for the payment of debt service on a particular date. The mere availability or preliminary earmarking of amounts for a governmental purpose, however, does not in itself establish a sufficient nexus to cause those amounts to be Replacement Proceeds. Replacement Proceeds include, but are not limited to, amounts held in a sinking fund or a pledged fund. For these purposes, an amount is pledged to pay principal of or interest on an issue if there is reasonable assurance that the amount will be available for such purposes in the event that the Issuer in respect of such issue encounters financial difficulties. Replacement Proceeds also include, but are not limited to, amounts held in any fund or account with respect to which the Issuer or any other person substantially interested in the Issue has covenanted to maintain at least a minimum balance other than (i) a fund the balance in which need be evaluated no more frequently than twice each year or (ii) a fund in respect of the moneys in which the owner may grant a security interest senior to the direct and indirect interests of the Bondholders.

DD. SALE PROCEEDS shall mean any amounts actually or constructively received by the Issuer from the sale of an issue, including amounts used to pay underwriters' discount or compensation and interest other than Pre-Issuance Accrued Interest.

- EE. TREASURY REGULATIONS shall mean the Treasury Regulations contained in sections 1.141-0 through 1.141-15, 1.148-0 through 1.148-11, inclusive, 1.149(b)-1, 1.149(d)-1 and 1.149(g)-1, and 1.150-1 and 1.150-2 and to the extent applicable, any subsequent amendments to such regulations or any successor regulations.
- FF. UNIVERSAL CAP in respect of an issue shall mean the value of all then outstanding bonds of the issue.
- GG. VALUE (OF A BOND) shall mean with respect to a bond issued with not more than two percent original issue discount or original issue premium, the outstanding principal amount, plus accrued unpaid interest; for any other bond, its present value.
- HH. VALUE (OF AN INVESTMENT) shall have the following meaning in the following circumstances:
1. GENERAL RULES. Subject to the special rules in the following paragraph, an issuer may determine the value of an investment on a date using one of the following valuation methods consistently applied for all purposes relating to arbitrage and rebate with respect to that investment on that date:
 - (1) an investment with not more than two percent original issue discount or original issue premium may be valued at its outstanding stated principal amount, plus accrued unpaid interest;
 - (2) a fixed rate investment may be valued at its present value; and
 - (3) an investment may be valued at its fair market value on a date (see Appendix V).
 2. SPECIAL RULES. Yield restricted investments are to be valued at present value provided that (except for purposes of allocating transferred proceeds to an issue, for purposes of the universal cap and for investments in a commingled fund other than a *bona fide* debt service fund unless it is a certain commingled fund):
 - (1) an investment must be valued at its fair market value when it is first allocated to an issue, when it is disposed of and when it is deemed acquired or deemed disposed of, and provided further that;
 - (2) in the case of transferred proceeds, the value of a nonpurpose investment that is allocated to transferred proceeds of a refunding issue on a transfer date may not exceed the value of that investment on the transfer date used for purposes of applying the arbitrage restrictions to the refunded issue.

APPENDIX II

[RESERVED]

APPENDIX III

REBATE REQUIREMENT

- A. **GENERALLY.** Section 148(f) of the Code requires that certain earnings on Nonpurpose Investments allocable to the Gross Proceeds of an issue be paid to the United States to prevent the bonds of the issue from being arbitrage bonds. The arbitrage that must be rebated is based on the difference between the amount actually earned on Nonpurpose Investments and the amount that would have been earned if those investments had a yield equal to the yield on the issue. As of any date, the rebate amount for an issue is the excess of the future value, as of that date, of all receipts on Nonpurpose Investments over the future value, as of that date, of all payments on Nonpurpose Investments. The future value of a payment or receipt at the end of any period is determined using the economic accrual method and equals the value of that payment or receipt when it is paid or received (or treated as paid or received), plus interest assumed to be earned and compounded over the period at a rate equal to the yield on the issue, using the same compounding interval and financial conventions used to compute that yield.
- B. **COMPUTATION DATES (OTHER THAN THE FINAL COMPUTATION DATE).** For a fixed yield issue, the Issuer may treat any date as a Computation Date provided such date is within five years of the Delivery Date. For a variable yield issue, the Issuer may treat the last day of any Bond Year that is not later than five years from the Delivery Date as a Computation Date and may not change that treatment after the first rebate payment, if any, is due. After the first rebate payment, if any, is due, the Issuer must consistently treat either the end of each Bond Year or the end of each fifth Bond Year as Computation Dates and may not change these Computation Dates after the first rebate payment, if any, is due.
- C. **FINAL COMPUTATION DATE.** The date that the final bond of an issue is actually retired (as distinguished from defeased) is the Final Computation Date. For an issue finally retired within three years of its Delivery Date, however, the Final Computation Date need not occur before the end of 8 months after the Delivery Date or during the period in which the Issuer reasonably expects that any of the spending exceptions to the rebate requirement will apply to the issue.
- D. **AMOUNT OF REQUIRED REBATE.** For Computation Dates other than the Final Computation Date, the Issuer must rebate an amount that when added to the future value, as of that Computation Date, of previous rebate payments made for the issue, equals at least 90 percent of the rebate amount as of that date. For the Final Computation Date, a final rebate payment must be paid in an amount that, when added to the future value of previous rebate payments made for the issue, equals 100 percent of the rebate amount as of that date.
- E. **TIME AND MANNER OF PAYMENT.** Each rebate payment must be paid no later than 60 days after the Computation Date to which the payment relates. Any rebate payment paid within this 60-day period may be treated as paid on the Computation Date to which it relates. Unless otherwise provided in subsequent guidance of the Internal revenue Service, each payment made pursuant to this Appendix III shall be filed with the Internal Revenue Service Center, Ogden, UT 84201, and shall be accompanied by a properly completed and executed Form 8038-T.
- F. **PENALTY IN LIEU OF LOSS OF TAX EXEMPTION.** The failure to pay the correct rebate amount when required will cause the bonds of the issue to be arbitrage bonds, unless the

Commissioner determines that the failure was not caused by willful neglect and the Issuer promptly pays a penalty to the United States. If no bond of the issue is a private activity bond (other than a qualified 501(c)(3) bond), the penalty equals 50 percent of the rebate amount not paid when required to be paid, plus interest on that amount. Otherwise, the penalty equals 100 percent of the rebate amount not paid when required to be paid, plus interest on that amount. Interest accrues at the underpayment rate under section 6621 of the Code, beginning on the date the correct rebate amount is due and ending on the date 10 days before it is paid. The penalty is automatically waived if the rebate amount that the Issuer failed to pay plus interest is paid within 180 days after discovery of the failure, unless the Commissioner determines that the failure was due to willful neglect, or the issue is under examination by the Commissioner at any time during the period beginning on the date the failure first occurred and ending on the date 90 days after the receipt of the rebate amount. Generally, extensions of this 180-day period and waivers of the penalty in other cases will be granted by the Commissioner only in unusual circumstances.

G. SPENDING EXCEPTIONS FROM REBATE. Notwithstanding the foregoing, the Code and Treasury Regulations provide certain exceptions that, if complied with, will result in the Issuer being treated as having satisfied the obligation to pay rebate with respect to some or all of the Gross Proceeds of the bonds. These exceptions are complex, and satisfaction of any of the exceptions must be confirmed by an independent accountant or other professional expert in the application of the arbitrage rebate provisions of section 148(f) of the Code. The following is a brief summary of each of these exceptions:

- i) SIX MONTH EXCEPTION. If the gross proceeds of the bonds (other than gross proceeds held in a *bona fide* debt service fund, amounts in a reasonably required reserve or replacement fund, amounts that were not anticipated to be gross proceeds but that become so after the end of the 6-month spending period, sale or investment proceeds derived from repayments of purpose investments of the bonds, or repayments of grants financed by the bonds (the “*Excepted Gross Proceeds*”) are expended within the 6-month period commencing on the date of issuance of the bonds, and if the rebate requirement is satisfied with respect to all amounts described in the preceding parenthetical (other than with respect to earnings on the *bona fide* debt service fund), then the rebate requirement shall be treated as satisfied;
- ii) 18-MONTH EXCEPTION. If the gross proceeds of the bonds (exclusive of the Excepted Gross Proceeds) are allocated to expenditures in accordance with the following schedule measured from the issue date, and the rebate requirements are satisfied with respect to all Excepted Gross Proceeds (other than with respect to earnings on the *bona fide* debt service fund), and all of the sale proceeds and investment proceeds of the bonds qualified for the 3-year temporary period for capital projects (established under section 1.148-3(e)(2) of the Treasury Regulations), then the rebate requirement shall be treated as satisfied:
 - (1) At least 15 percent within 6 months;
 - (2) At least 60 percent within 12 months; and

- (3) 100 percent within 18 months (provided that reasonable retainage (described in section 1.148-7(h) of the Treasury Regulations) may be allocated to expenditures within 30-months of the date of issuance).
- iii) 2-YEAR EXCEPTION. If the bonds constitute a “construction issue” (within the meaning of section 1.148-7(f) of the Treasury Regulations, which requires, inter alia, that at least 75% of the “available construction proceeds” (as defined in section 148(f)(4)(C)(vi) of the Code) are to be allocated to construction expenditures for property to be owned by a state or local governmental unit or a 501(c)(3) organization), and the available construction proceeds of the bonds are allocated to expenditures in accordance with the following schedule measured from the issue date, then the rebate requirements are satisfied with respect to all available construction proceeds Excepted Gross Proceeds (other than with respect to earnings on the *bona fide* debt service fund), and all of the sale proceeds and investment proceeds of the bonds qualified for the 3-year temporary period for capital projects (established under section 1.148-3(e)(2) of the Treasury Regulations), then the rebate requirement shall be treated as satisfied:
 - (1) At least 10 percent within 6 months;
 - (2) At least 45 percent within 1 year;
 - (3) At least 75 percent within 18 months; and
 - (4) 100 percent within 24 months (provided that reasonable retainage (described in section 1.148-7(h) of the Treasury Regulations) may be allocated to expenditures within 36-months of the date of issuance).

Under the Code and Treasury Regulations, an issue comprising a construction purpose and also any other purpose or other purposes (e.g., acquisition or refunding), the Issuer under certain circumstances may bifurcate the issue for purposes of applying the rebate requirements, and may qualify the construction portion of the issue under the foregoing exception.

- H. RECOVERY OF OVERPAYMENT OF REBATE. The Issuer may recover an overpayment of a rebate amount for an issue of tax-exempt bonds by establishing to the satisfaction of the Commissioner that the overpayment occurred. An overpayment is the excess of the amount paid to the United States for an issue under section 148 over the sum of the rebate amount for the issue as of the most recent Computation Date and all amounts that are otherwise required to be paid under section 148 as of the date the recovery is requested. Notwithstanding the preceding sentence, an overpayment may be recovered only to the extent that a recovery on the date that it is first requested would not result in an additional rebate amount if that date were treated as a Computation Date. Furthermore, except for overpayments in certain limited circumstance, an overpayment of less than \$5,000 may not be recovered before the Final Computation Date.
- I. RECORDKEEPING REQUIREMENT. The Issuer must retain records of the determination of its Rebate Requirement until six years after the retirement of the last obligation of the issue.

APPENDIX IV

ALLOCATION AND ACCOUNTING RULES

- A. **GENERAL RULE.** The Issuer may use any reasonable, consistently applied accounting method to account for Gross Proceeds, investments and expenditures of an issue. An accounting method is “consistently applied” if it is applied uniformly within a Fiscal Period and between Fiscal Periods to account for Gross Proceeds of an issue and any amounts that are in a commingled fund.
- B. **ALLOCATION OF GROSS PROCEEDS TO AN ISSUE.** Amounts are allocable to only one issue at a time as Gross Proceeds. Amounts cease to be allocated to an issue as Proceeds only when those amounts (i) are allocated to an expenditure for a governmental purpose; (ii) are allocated to transferred proceeds of another issue of obligations; or (iii) cease to be allocated to that issue at retirement of the issue or under the Universal Cap.
- C. **ALLOCATION OF GROSS PROCEEDS TO INVESTMENTS.** Upon the purchase or sale of a Nonpurpose Investment, Gross Proceeds of an issue are not allocated to a payment for that Nonpurpose Investment in an amount greater than, or to a receipt from that Nonpurpose Investment in an amount less than, the fair market value of the Nonpurpose Investment as of the purchase or sale date. The fair market value of a Nonpurpose Investment is adjusted to take into account Qualified Administrative Costs allocable to the investment. Thus, Qualified Administrative Costs increase the payments for, or decrease the receipts from, a Nonpurpose Investment.
- D. **ALLOCATION OF GROSS PROCEEDS TO EXPENDITURES.** Reasonable accounting methods for allocating funds from different sources to expenditures for the same governmental purpose include a “specific tracing” method, a “gross-proceeds-spent-first” method, a “first-in-first-out” method or a ratable allocation method, so long as the method used is consistently applied. An allocation of Gross Proceeds of an issue to an expenditure must involve a current outlay of cash for a governmental purpose of the issue. A current outlay of cash means an outlay reasonably expected to occur not later than five banking days after the date as of which the allocation of Gross Proceeds to the expenditure is made. Each allocation of gross proceeds to expenditures must be made not later than 18 months after the later of the date the expenditure is paid or the date the project, if any, that is financed by the issue is placed in service, but in any event by the date 60 days after the earlier of the fifth anniversary of the issue date or the final retirement of the issue.
- E. **COMMINGLED FUNDS.** Any fund or account that contains both Gross Proceeds of an issue and amounts in excess of \$25,000 that are not Gross Proceeds of that issue if the amounts in the fund or account are invested and accounted for collectively, without regard to the source of the funds deposited therein, constitutes a “COMMINGLED FUND.” All payments and receipts (including deemed payments and receipts) on investments held by a commingled fund must be allocated (but not necessarily distributed) among each different source of funds invested in the commingled fund in accordance with a consistently applied, reasonable ratable allocation method. Reasonable ratable allocation methods include, without limitation, methods that allocate payments and receipts in proportion to either (i) the average daily balances of the amounts in the commingled fund from each different

source of funds during any consistent time period within its fiscal year, but at least quarterly (the “Fiscal Period”); or (ii) the average of the beginning and ending balances of the amounts in the commingled fund from each different source of funds for a Fiscal Period that does not exceed one month.

Funds invested in the commingled fund may be allocated directly to expenditures for governmental purposes pursuant to a reasonable consistently applied accounting method. If a ratable allocation method is used to allocate expenditures from the commingled fund, the same ratable allocation method must be used to allocate payments and receipts on investments in the commingled fund.

Generally a commingled fund must treat all its investments as if sold at fair market value either on the last day of the fiscal year or on the last day of each Fiscal Period. The net gains or losses from these deemed sales of investments must be allocated to each different source of funds invested in the commingled fund during the period since the last allocation. This mark-to-market requirement does not apply if (i) the remaining weighted average maturity of all investments held by a commingled fund during a particular fiscal year does not exceed 18 months, and the investments held by the commingled fund during that fiscal year consist exclusively of obligations; or (ii) the commingled fund operated exclusively as a reserve fund, sinking fund or replacement fund for two or more issues of the same issuer. Subject to the Universal Cap limitation, and the principle that amounts are allocable to only one issue at a time as Gross Proceeds, investments held by a commingled fund that serves as a common reserve fund, replacement fund or sinking fund must be allocated ratably among the issues served by the commingled fund in proportion to either (i) the relative values of the bonds of those issues; (ii) the relative amounts of the remaining maximum annual debt service requirements on the outstanding principal amounts of those issues; or (iii) the relative original stated principal amounts of the outstanding issues.

- F. **UNIVERSAL CAP.** Amounts that would otherwise be Gross Proceeds allocable to an issue are allocated (and remain allocated) to the issue only to the extent that the Value of the Nonpurpose Investments allocable to those Gross Proceeds does not exceed the Value of all outstanding bonds of the issue. Nonpurpose Investments allocated to Gross Proceeds in a *bona fide* debt service fund for an issue are not taken into account in determining the Value of the Nonpurpose Investments, and those Nonpurpose Investments remain allocated to the issue. To the extent that the Value of the Nonpurpose Investments allocable to the Gross Proceeds of an issue exceed the Value of all outstanding bonds of that issue, the Issuer should seek the advice of Bond Counsel for the procedures necessary to comply with the Universal Cap.
- G. **EXPENDITURE FOR WORKING CAPITAL PURPOSES.** Subject to certain exceptions, the Proceeds of an issue may be allocated to “working capital expenditures” as of any date only to the extent that those expenditures exceed “available amounts” as of that date (*i.e.*, “proceeds-spent-last”).

For purposes of this section, “working capital expenditures” include all expenditures other than “capital expenditures.” “Capital expenditures” are costs of a type properly chargeable (or chargeable upon proper election) to a capital account under general

federal income tax principles. Such costs include, for example, costs incurred to acquire, construct, or improve land, buildings and equipment having a reasonably expected useful life in excess of one year. Thus, working capital expenditures include, among other things, expenditures for current operating expenses and debt service.

For purposes of this section, “available amount” means any amount that is available to the Issuer for working capital expenditure purposes of the type financed by the issue. Available amount excludes Proceeds of the issue but includes cash, investments and other amounts held in accounts or otherwise by an issuer for working capital expenditures of the type being financed by the issue without legislative or judicial action and without a legislative, judicial, or contractual requirement that those amounts be reimbursed. Notwithstanding the preceding sentence, a “reasonable working capital reserve” is treated as unavailable. A working capital reserve is reasonable if it does not exceed five percent of the actual working capital expenditures of the Issuer in the fiscal year before the year in which the determination of available amounts is made. For purpose of the preceding sentence only, in determining the working capital expenditures of an issuer for a prior fiscal year, any expenditures (whether capital or working capital expenditures) that are paid out of current revenues may be treated as working capital expenditures.

The proceeds-spent-last requirement does not apply to expenditures to pay: (i) any issuance costs of the issue or any qualified administrative costs; (ii) fees for qualified guarantees of the issue or payments for a qualified hedge for the issue; (iii) interest on the issue for a period commencing on the Delivery Date and ending on the date that is the later of three years from the Delivery Date or one year after the date on which the financed project is placed in service; (iv) the United States for yield reduction payments (including rebate payments) or penalties for the failure to meet the spend down requirements associated with certain spending exceptions to the rebate requirement; (v) costs, other than those described in (i) through (iv) above, that do not exceed five percent of the Sale Proceeds of an issue and that are directly related to capital expenditures financed by the issue (*e.g.*, initial operating expenses for a new capital project); (vi) principal or interest on an issue paid from unexpected excess sale or investment proceeds; (vii) principal or interest on an issue paid from investment earnings on a reserve or replacement fund that are deposited in a *bona fide* debt service fund; and (viii) principal, interest, or redemption premium on a prior issue and, for a crossover refunding issue, interest on that issue. Notwithstanding the preceding paragraph, the exceptions described above do not apply if the allocation merely substitutes Gross Proceeds for other amounts that would have been used to make those expenditures in a manner that gives rise to Replacement Proceeds.

APPENDIX V

VALUE OF INVESTMENTS

- A. **FAIR MARKET VALUE.** The fair market value of an investment is the price at which a willing buyer would purchase the investment from a willing seller in a *bona fide* arm's-length transaction. Fair market value generally is determined on the date on which a contract to purchase or sell the Nonpurpose Investment becomes binding (*i.e.*, the trade date rather than the settlement date). An investment that is not of a type traded on an established securities market, within the meaning of section 1273 of the Code, is rebuttably presumed to be acquired or disposed of for a price that is not equal to its fair market value. The fair market value of a United States Treasury obligation that is purchased directly from the United States Treasury is its purchase price.
- B. **CERTIFICATES OF DEPOSIT.** A certificate of deposit that has a fixed interest rate, a fixed payment schedule, and a substantial penalty for early withdrawal shall be treated as purchased at its fair market value if the yield on the certificate of deposit is not less than (i) the yield on reasonably comparable direct obligations of the United States and (ii) the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.
- C. **GUARANTEED INVESTMENT CONTRACTS OR INVESTMENTS PURCHASED FOR A YIELD-RESTRICTED ESCROW.** The purchase price of a guaranteed investment contract or of an investment purchased for a yield-restricted escrow is treated as its fair market value on the purchase date only if:
- i) The Issuer makes a *bona fide* solicitation for the investment, where:
 - (1) The bid specifications are in writing and are timely forwarded to potential providers;
 - (2) The bid specifications include all material terms of the bid. A term is material if it may directly or indirectly affect the yield or the cost of the investment;
 - (3) The bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the Issuer or any other person (whether or not in connection with the bond issue), and that the bid is not being submitted solely as a courtesy to the Issuer or any other person for purposes of satisfying the requirements of paragraph (d)(6)(iii)(B)(1) or (2) of this section;
 - (4) The terms of the bid specifications are commercially reasonable. A term is commercially reasonable if there is a legitimate business purpose for the term other than to increase the purchase price or reduce the yield of the

investment. For example, for solicitations of investments for a yield restricted defeasance escrow, the hold firm period must be no longer than the Issuer reasonably requires;

- (5) For purchases of guaranteed investment contracts only, the terms of the solicitation take into account the Issuer's reasonably expected deposit and drawdown schedule for the amounts to be invested;
 - (6) All potential providers have an equal opportunity to bid. For example, no potential provider is given the opportunity to review other bids (i.e., a last look) before providing a bid; and
 - (7) At least three reasonably competitive providers are solicited for bids. A reasonably competitive provider is a provider that has an established industry reputation as a competitive provider of the type of investments being purchased.
- ii) The Issuer receives at least three bids from providers that the Issuer solicited under a *bona fide* solicitation described above that do not have a material financial interest in the issue. A lead underwriter in a negotiated underwriting transaction is deemed to have a material financial interest in the issue until 15 days after the issue date of the issue. In addition, any entity acting as a financial advisor to the Issuer with respect to the purchase of the investment at the time the bid specifications are forwarded to potential providers has a material financial interest in the issue. A provider that is a related party to a provider that has a material financial interest in the issue is deemed to have a material financial interest in the issue.
 - (1) At least one of the three bids described in clause (ii), above, is from a reasonably competitive provider, within the meaning of paragraph 1.148-5(d)(6)(iii)(A)(7) of the Treasury Regulations.
 - (2) If the Issuer uses an agent to conduct the bidding process, the agent did not bid to provide the investment.
- iii) The winning bid satisfies following:
 - (1) In the case of a guaranteed investment contract, the Issuer purchases the highest-yielding guaranteed investment contract for which a qualifying bid is made (determined net of broker's or other third party's fees);
 - (2) In the case of any other investment:
 - (a) The winning bid is the lowest cost *bona fide* bid (including any broker's fees). The lowest cost bid is either the lowest cost bid for the portfolio or, if the Issuer compares the bids on an investment-by-investment basis, the aggregate cost of a portfolio comprised of the lowest cost bid for each investment. Any payment received by the Issuer from a provider at the time a guaranteed investment contract

is purchased (e.g., an escrow float contract) for a yield restricted defeasance escrow under a bidding procedure meeting the requirements of this paragraph (iii) is taken into account in determining the lowest cost bid;

- (b) The lowest cost *bona fide* bid (including any broker's fees) is not greater than the cost of the most efficient portfolio comprised exclusively of State and Local Government Series Securities from the United States Department of the Treasury, Bureau of Public Debt. The cost of the most efficient portfolio of State and Local Government Series Securities is to be determined at the time that bids are required to be submitted pursuant to the terms of the bid specifications;
- (c) If State and Local Government Series Securities from the United States Department of the Treasury, Bureau of Public Debt are not available for purchase on the day that bids are required to be submitted pursuant to terms of the bid specifications because sales of those securities have been suspended, the cost comparison of this section is not required;
- (d) the yield on the investment (determined net of broker's or other third party's fees) is not less than the yield then available from the provider on reasonably comparable guaranteed investment contracts, if any, offered to other persons from a source of funds other than gross proceeds of tax-exempt bonds;
- (e) the determination of the terms of the guaranteed investment contract takes into account as a significant factor the Issuer's reasonably expected drawdown schedule for the amounts to be invested, exclusive of amounts deposited in debt service funds and reasonably required reserve or replacement funds;
- (f) the terms of the guaranteed investment contract, including collateral security requirements, are reasonable; and
- (g) the obligor on the investment contract or provider of the investment certifies the administrative costs that it is paying (or expects to pay) to third parties in connection with the investment.

The Issuer shall maintain records adequate to determine the fair market value of the investments described above allocated to an issue at least until three years after the last bond of the issue is finally retired.

ATTACHMENT I

ALLOCATION OF PROCEEDS OF ORIGINAL ISSUES AND ECONOMIC LIFE OF ORIGINAL FACILITIES

2011 Rabobank Loan

Non-revolving line of credit

2015 Original Facilities

The 2015 Original Facilities - capital improvements to El Centro Regional Medical Center, including but not limited to the upgrade of the Medical Center's central utility plant, and the building of a Medical Plaza building, that will expand outpatient services to the community and bring Medical Center personnel back on the hospital's campus from rented spaces around El Centro.

Central Utility Plant Upgrade – The central utility plant (“CUP”) project was approved by the Office of Statewide Health Planning and Development (“OSHPD”) in 2014 and permit has been issued for the start of construction. The main tasks of the project were the replacement of generators, chillers, and boilers and modifications of utility lines, and total project cost was approximately \$12,693,702.

Medical Office Building– The new medical office building (the “Medical Office Building”) that will be located on the hospital campus. Construction on the Medical Office Building began in 2017. The Medical Office Building is expected to open for patients by July, 2018, subject to licensing approvals. The Medical Office Building will house UCSD San Diego Health System physicians who will treat patients in the areas of oncology, general surgery, orthopedic surgery, colorectal surgery, urology, and pulmonology. The services will be provided under the Medical Center's license as outpatient departments of the hospital. The Medical Office Building will also house the Medical Center's Outpatient Imaging Department. In addition, the Medical Center intends to lease some of the space in the Medical Office Building to physicians whose practices are in the City, including a pediatrician. Finally, the Medical Office Building will house Hospital administrative offices and space that can be used for community health education programs. The cost of the Medical Office Building project is approximately \$13,993,000.

2018 Original Project

Ancillary Services Building. The Ancillary Services Building will be a 29,000 square foot facility that will house the Medical Center's administrative offices, pharmacy, central sterile processing laboratory, materials management department, dietary services department, morgue facility, and medical records department. The construction of the Ancillary Services Building is expected to be the only new construction portion of the Project that will be required to achieve seismic compliance under SB 306 by 2020. The plans for the construction of the Ancillary Services Building were approved by the California Office of Statewide Health Planning and Development in 2014. As part of the Ancillary Services Building construction, it will be necessary

for the Medical Center to build temporary laboratory space in order to prevent disruption in patient care while the new central sterile processing laboratory in the Ancillary Services Building is built. The cost of the Ancillary Services Building project is expected to be \$26,706,210 and the cost of the temporary laboratory space is expected to be \$3,150,000.

Emergency Department Expansion. The expansion includes building new drop-off areas at the public entrance to the Emergency Department to increase efficiency for patients arriving at the Hospital and accessing providers. Inside of the Emergency Department, 12 new exam bays with triage areas and large waiting rooms will be built to address current congestion in the Emergency Department. Part of the existing Emergency Department will be re-configured in order to improve patient flow and throughput. The cost of the Emergency Department expansion project is expected to be \$6,939,784.

Boiler Room and Medical Air and Vacuum Upgrades. These upgrades will allow consolidation of all heating, ventilation, and air conditioning functions into one central location, including replacing old boilers in other buildings on the Medical Center campus. These upgrades are designed to enhance the medical air and vacuum capabilities of the Medical Center to support the expanded Emergency Department and the rest of the buildings on the Medical Center campus. The cost of the boiler room and medical air and vacuum upgrades project is expected to be \$2,625,000.

Existing Building Upgrades. The Medical Center is looking toward future State statutory seismic performance requirements such as SPC-4D, which allows hospitals to upgrade existing buildings in order to meet the 2030 seismic compliance deadline. By meeting the requirements of SPC-4D, the Medical Center can avoid new construction and instead make structural modifications on new buildings to comply with State seismic safety standards. These upgrades will include replacing existing roof diaphragms and constructing new roof and new mechanical systems in the following Medical Center buildings: North Wing, West Addition, Central Wing, and Labor and Delivery building. The existing building upgrades are also designed to result in restoring 12 women health services postpartum beds and upgrading four neonatal intensive care unit beds. The cost of the existing building upgrades project is expected to be \$8,531,108.

SCHEDULE I

ECONOMIC LIFE SCHEDULE

Use of Proceeds as a Percentage of Sale and Investment Proceeds*

<u>Class of Property</u>	<u>2001 Bonds</u>	<u>2011 Rabobank Loan</u>	<u>Series 2015 Bonds</u>	<u>Series 2018 Bonds</u>
Buildings (40-year safe harbor)	95%	91%	87%	82%
Equipment for Medical Services (9-year safe harbor)	5	9	13	15
Furniture, Fixtures and Equipment (10-year safe harbor)	0	0	0	1
Information Technology (6 year safe-harbor)	0	0	0	2

* Amount net of sale proceeds used to fund “neutral costs” (e.g., paying for costs of issuance and the funding of a debt service reserve fund for such issue).

EXHIBIT A

\$125,000,000
El Centro Financing Authority
Hospital Revenue Refunding Bonds
(El Centro Regional Medical Center Project)
Series 2018

ISSUE PRICE CERTIFICATE

April 19, 2018

El Centro Financing Authority
El Centro, California

Norton Rose Fulbright US LLP
Los Angeles, California

Ladies and Gentlemen:

We have served as the Underwriter in connection with the issuance by El Centro Financing Authority (the “**Issuer**”) of the above-captioned bonds (the “**Bonds**”).

We hereby certify that:

(i) April 4, 2018 was the first day on which there was a binding contract in writing for the sale or exchange of the Bonds by the Issuer to us, and on that day (the “**Sale Date**”), we undertook pursuant to such contract to make a bona fide limited public offering of all of the Bonds to members of the public constituting qualified institutional buyers, as defined in Rule 144A promulgated under the Securities Act of 1933, as amended (the “**Securities Act**”) or accredited investors, as defined in Rule 501(a) promulgated under the Securities Act (collectively the “**Public Offerees**”);

(ii) All of the Bonds of each maturity were offered in a bona fide limited offering to the Public Offerees at the initial offering price shown on the inside cover page of the Limited Offering Memorandum (the “**Limited Offering Memorandum**”) dated April 4, 2018 relating to such offering (the “**Initial Offering Price**” of such maturity);

(ii) All of the Bonds of each maturity were sold on the Sale Date to Preston Hollow Capital, LLC (the “**Purchaser**”) at the Initial Offering Price of that maturity; based upon the principal amount of each maturity and its Initial Offering Price, the aggregate issue price of the Bonds (the Bonds having been sold without accrued interest) is \$115,008,360.55;

(iii) Under the Trust Agreement pursuant to which the Bonds are to be issued, the Issuer is obligated to fund and maintain as a debt service reserve fund the Series 2018 Bond Reserve Account in an amount equal to the Series 2018 Bond Reserve Account Requirement as established in the Trust Agreement. Based upon our experience in the municipal marketplace, we believe that establishing and maintaining the Series 2018 Bond Reserve Account in the amount of the Series 2018 Bond Reserve Account Requirement is customary and ordinary in the industry for municipal issues having the structure and creditworthiness of the Bonds and was necessary to the successful offering of the Bonds at the interest rates and prices obtained; and

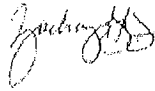
(iv) we provided the yield proof attached hereto as Schedule A to the Issuer and to its Bond Counsel, Norton Rose Fulbright US LLP. For purposes of this Certificate, the yield was calculated, as described to us by Bond Counsel, as the discount rate that, when used in computing the present value as of the date of issuance of the Bonds of the principal and interest payment(s) to be made on the Bonds, produces an amount equal to the issue price of the Bonds. Notwithstanding the foregoing, we remind you that we are not accountants or actuaries, nor are we engaged in the practice of law. Accordingly, while we believe the calculations described above to be correct, we do not warrant them to be so nor do we make any legal representations regarding the sufficiency of the calculations.

For purposes of this Certificate:

- (i) “public” means any person other than an underwriter or a related party;
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public); and
- (iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other.

The undersigned understands that the statements made herein will be relied upon by the Issuer in its efforts to comply with the conditions imposed by the Internal Revenue Code of 1986 (the "Code"), and will be relied upon by Bond Counsel in rendering its legal opinion concerning the exclusion pursuant to section 103(a) of the Code of interest on the Bonds from the gross income of the owners thereof for federal income tax purposes. Nothing herein represents our interpretation of any laws or regulations under the Code.

KEYBANC CAPITAL MARKETS INC.



By: _____
Title: Managing Director

EXHIBIT B
IRS FORM 8038-G
(See Attached)

NORTON ROSE FULBRIGHT

May 14, 2018

VIA CERTIFIED MAIL

Department of the Treasury
Internal Revenue Service Center
Ogden, UT 84201

Norton Rose Fulbright US LLP
555 South Flower Street
Forty-First Floor
Los Angeles, California 90071
United States

Direct line +1 213 892 9330
susan.ohara@nortonrosefulbright.com

Tel +1 213 892 9200
Fax +1 213 892 9494
nortonrosefulbright.com

Re: \$125,000,000 El Centro Financing Authority Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project) Series 2018

Ladies and Gentlemen:

Enclosed for filing please find the original completed Form 8038-G (Information Return for Tax-Exempt Governmental Obligations) for the above-referenced obligation. If you have questions or require additional information, please contact Richard Kornblith at (213) 892-9312 or me at (213) 892-9330.

Very truly yours,



Susan Ohara
Sr. Paralegal – Public Finance

SSO
Enclosure

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)

► See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

Part I Reporting Authority

If Amended Return, check here ☐

1 Issuer's name EI Centro Financing Authority		2 Issuer's employer identification number (EIN) 95-6000704
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address) 1275 West Main Street	Room/suite	5 Report number (For IRS Use Only) 3
6 City, town, or post office, state, and ZIP code EI Centro, California 92243		7 Date of issue 04/19/2018
8 Name of issue Hospital Revenue Refunding Bonds (EI Centro Regional Medical Center Project) Series 2018		9 CUSIP number 282831AC0
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Marcela Piedra, Executive Director		10b Telephone number of officer or other employee shown on 10a (760) 337-4540

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11 Education	11		
12 Health and hospital	12	115,008,360	55
13 Transportation	13		
14 Public safety	14		
15 Environment (including sewage bonds)	15		
16 Housing	16		
17 Utilities	17		
18 Other. Describe ►	18		
19 If obligations are TANs or RANs, check only box 19a ☐			
If obligations are BANs, check only box 19b ☐			
20 If obligations are in the form of a lease or installment sale, check box ☐			

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	07/01/2058	\$ 115,008,360.55	\$ 125,000,000.00	27.79 years	6.1928 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22 Proceeds used for accrued interest	22		
23 Issue price of entire issue (enter amount from line 21, column (b))	23	115,008,360	55
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	2,935,355	00
25 Proceeds used for credit enhancement	25		
26 Proceeds allocated to reasonably required reserve or replacement fund	26	8,094,300	00
27 Proceeds used to currently refund prior issues	27	39,811,287	27
28 Proceeds used to advance refund prior issues	28		
29 Total (add lines 24 through 28)	29	50,840,942	27
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	64,167,418	28

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31 Enter the remaining weighted average maturity of the bonds to be currently refunded	7.25	years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded		years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	04/19/2018	
34 Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)	03/12/2015	

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 63773S

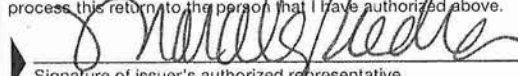
Form **8038-G** (Rev. 9-2011)

Part VI Miscellaneous

- 35** Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) **35**
- 36a** Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions) **36a**
- b** Enter the final maturity date of the GIC ▶ _____
- c** Enter the name of the GIC provider ▶ _____
- 37** Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units **37**
- 38a** If this issue is a loan made from the proceeds of another tax-exempt issue, check box ☐ and enter the following information:
- b** Enter the date of the master pool obligation ▶ _____
- c** Enter the EIN of the issuer of the master pool obligation ▶ _____
- d** Enter the name of the issuer of the master pool obligation ▶ _____
- 39** If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ☐
- 40** If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ☐
- 41a** If the issuer has identified a hedge, check here ☐ and enter the following information:
- b** Name of hedge provider ▶ _____
- c** Type of hedge ▶ _____
- d** Term of hedge ▶ _____
- 42** If the issuer has superintegrated the hedge, check box ☐
- 43** If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ☒
- 44** If the issuer has established written procedures to monitor the requirements of section 148, check box ☒
- 45a** If some portion of the proceeds was used to reimburse expenditures, check here ☐ and enter the amount of reimbursement ▶ _____
- b** Enter the date the official intent was adopted ▶ _____

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return to the person that I have authorized above.

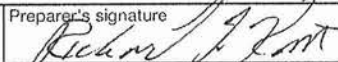

Signature of issuer's authorized representative

April 19, 2018
Date

Marcela Piedra, Executive Director
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name
Richard L. Kornblith

Preparer's signature


Date
5-11-18

Check ☐ if self-employed

PTIN

P01063972

Firm's name ▶ Norton Rose Fulbright US LLP

Firm's EIN ▶ 74-1201087

Firm's address ▶ 555 S. Flower Street, 41st Floor, Los Angeles, CA 90071

Phone no. (213) 892-9312

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FROM

WALZ

FORM #45663 VERSION: E0218

Label #1

Department of the Treasury
Internal Revenue Service Center
Ogden, UT 84201
US

Label #2

Susan Ohara
Norton Rose Fulbright US LLP
555 South Flower Street
Forty-First Floor
Los Angeles, CA 90071
US

Label #3

Susan Ohara
Norton Rose Fulbright US LLP
555 South Flower Street
Forty-First Floor
Los Angeles, CA 90071
US

U.S. Postal Service®
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

USPS® ARTICLE NUMBER

9414 7266 9904 2120 8208 46

Certified Mail Fee	\$	3.45
Return Receipt (Hardcopy)	\$	2.75
Return Receipt (Electronic)	\$	
Certified Mail Restricted Delivery	\$	
Postage	\$	
Total Postage and Fees	\$	

Postmark
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Sent to:

Department of the Treasury
Internal Revenue Service Center
Ogden, UT 84201
US

Reference Information

SO15712/1001006175/-Ohara.Susan



← TEAR ALONG THIS LINE

A FOLD AND TEAR THIS WAY → OPTIONAL

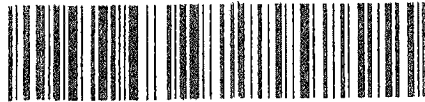
B Label #5 (OPTIONAL)

PS Ship Tracking Label
(affix to back of envelope)



CERT00858023

Label #6 - Return Receipt Barcode (Sender's Record)

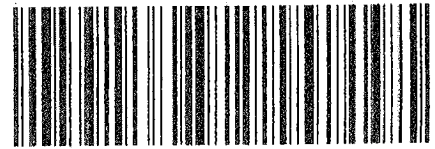


9590 9266 9904 2120 8208 49

Label #7 - Certified Mail Article Number

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS. FOLD AT DOTTED LINE

CERTIFIED MAIL®



9414 7266 9904 2120 8208 46

Label #4

Certified Article Number

9414 7266 9904 2120 8208 46

SENDER'S RECORD

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Return Receipt (Form 3811) Barcode



9590 9266 9904 2120 8208 49

1. Article Addressed to:

Department of the Treasury
Internal Revenue Service Center
Ogden, UT 84201
US

2. Certified Mail (Form 3800) Article Number

9414 7266 9904 2120 8208 46

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☐ Agent ☒ Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type:
☒ Certified Mail
☐ Certified Mail Restricted Delivery

Reference Information

SO15712/1001006175/-Ohara.Susan -
8038-C



PS Form 3811, Facsimile, July 2015

Domestic Return Receipt

Thank you for using Return Receipt Service

RETURN RECEIPT REQUESTED
USPS® MAIL CARRIER
DETACH ALONG PERFORATION

Thank you for using Return Receipt Service

U.S. Postal Service®
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

USPS® ARTICLE NUMBER

9414 7266 9904 2120 8208 46

Certified Mail Fee	\$	3.45
Return Receipt (Hardcopy)	\$	2.75
Return Receipt (Electronic)	\$	
Certified Mail Restricted Delivery	\$	
Postage	\$	
Total Postage and Fees	\$	



Sent to:

Department of the Treasury
Internal Revenue Service Center
Ogden, UT 84201
US

Reference Information

SO15712/1001006175/-Ohara, Susan



EXHIBIT C

\$125,000,000

**El Centro Financing Authority
Hospital Revenue Refunding Bonds
(El Centro Regional Medical Center Project)
Series 2018**

CERTIFICATE OF THE PURCHASER

The undersigned, on behalf of PRESTON HOLLOW CAPITAL, LLC (the “Purchaser”), hereby certifies as set forth below with respect to the purchase of the above-captioned obligations (the “Bonds”) of El Centro Financing Authority (the “Issuer”).

1. ***Purchase of the Bonds.*** On the date of this certificate, the Purchaser is receiving delivery of the entirety of each maturity of the Bonds for an aggregate purchase price of \$115,008,360.55. The Bonds were purchased on April 4, 2018, in a limited public offering made by KeyBanc Capital Markets Inc. The price or yield at which the Purchaser purchased the Bonds of each maturity is that price or yield set forth on the inside cover of the Amended and Restated Limited Offering Memorandum, dated April 17, 2018. The Purchaser is not acting as an Underwriter with respect to the Bonds. The Purchaser has no present intention to sell, reoffer, or otherwise dispose of the Bonds (or any portion of the Bonds or any interest in the Bonds). The Purchaser has not contracted with any person pursuant to a written agreement to have such person participate in the initial sale of the Bonds and the Purchaser has not agreed with the Issuer pursuant to a written agreement to sell the Bonds to persons other than the Purchaser or a related party to the Purchaser.

2. ***Defined Terms.***

(a) ***Public*** means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(b) ***Underwriter*** means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986 and the Treasury Regulations thereunder.

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Norton Rose Fulbright US LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

PRESTON HOLLOW CAPITAL, LLC,
as Purchaser

By: _____

Name:

Title:


Clifford M. Weiner
Managing Director

Dated: April 19, 2018

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement, dated as of April 1, 2018 (this “Disclosure Agreement”), is executed and delivered by the City of El Centro (the “City”), the El Centro Regional Medical Center (the “Medical Center”) and Wulff Hansen & Co., as dissemination agent (the “Dissemination Agent”), relating to the \$125,000,000 aggregate principal amount of El Centro Financing Authority Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project), Series 2018 (the “Bonds”). The City, the Medical Center and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the City, the Medical Center and the Dissemination Agent for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. The City, the Medical Center and the Dissemination Agent acknowledge that the El Centro Financing Authority (the “Authority”) has no responsibility for continuing disclosure.

SECTION 2. Definitions. In addition to the definitions set forth in the Trust Agreement, dated as of April 1, 2018 (the “Trust Agreement”), by and between the Authority and MUFG Union Bank, N.A., as trustee (the “Trustee”), which apply to any capitalized term used but not defined in this Disclosure Agreement, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any annual report provided by the Medical Center to the MSRB pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Authorized Medical Center Representative” shall mean the chief executive officer or the chief financial officer of the Medical Center or any other person designated in writing to the Dissemination Agent to act as a representative of the Medical Center for purposes of this Disclosure Agreement.

“Beneficial Owner” shall mean any Person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including Persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Business Day” shall mean a day other than (a) Saturday or Sunday, (b) a day on which banking institutions in the city (initially, Los Angeles, California) in which the Principal Corporate Trust Office is located are authorized or required by law to be closed, and (c) a day on which the New York Stock Exchange is authorized or required by law or executive order to be closed.

“Disclosure Representative” shall mean the Authorized Medical Center Representative or his or her designee or such other Person as the Authorized Medical Center Representative shall designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean Wulff Hansen & Co., acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by

the Medical Center and which has filed with the Medical Center a written acceptance of such designation.

“EMMA” shall mean the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System for municipal securities disclosures, maintained on the internet at <http://emma.msrb.org>.

“Holder” shall mean any Person holding of record one or more Bonds.

“Limited Offering Memorandum” shall mean the Amended and Restated Limited Offering Memorandum, dated April 17, 2018, relating to the Bonds.

“Listed Events” shall mean any of the events listed in Section 5 of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any other Person designated or authorized by the SEC to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made through the EMMA website of the MSRB, currently located at <http://emma.msrb.org>.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Quarterly Report” shall mean any quarterly report provided by the Medical Center to the MSRB pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Repository” shall mean, until otherwise designated by the SEC, EMMA.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as amended from time to time.

“SEC” shall mean the Securities and Exchange Commission.

“State” shall mean the State of California.

SECTION 3. Provision of Annual Reports and Quarterly Reports.

(a) So long as the Bonds remain outstanding under the Trust Agreement, the Medical Center shall, or shall cause the Dissemination Agent to, not later than 180 days after the end of the Medical Center’s Fiscal Year, commencing with the Annual Report for the Fiscal Year ended June 30, 2018, provide to the MSRB, through EMMA, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement. So long as the Bonds remain outstanding under the Trust Agreement, the Medical Center shall, or shall cause the Dissemination Agent to, provide the Quarterly Report, not later than 60 days after the end of each calendar quarter, to the MSRB, through EMMA. The Annual Report and each Quarterly Report must be submitted in electronic format, accompanied by such identifying information as provided by the MSRB.

The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; provided, that the audited financial statements of the Medical Center may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Fiscal Year changes for the Medical Center, the Medical Center shall give notice of such change in the manner provided under Section 5(e) hereof.

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report or a Quarterly Report to the MSRB, through EMMA, the Authorized Medical Center Representative shall provide the Annual Report or the Quarterly Report to the Dissemination Agent. If by such date, the Dissemination Agent has not received a copy of the Annual Report or the Quarterly Report, as applicable, the Dissemination Agent shall contact the Authorized Medical Center Representative to determine if the Medical Center is in compliance with the first sentence of subsection (a).

(c) If the Dissemination Agent is unable to verify that an Annual Report or any Quarterly Report has been provided to the MSRB, by the date required in herein, the Dissemination Agent shall send a notice to the MSRB in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine the electronic filing address of, and then-current procedures for submitting Annual Reports and Quarterly Reports to, the MSRB each year prior to the date for providing the Annual Report; and

(ii) to the extent known to the Dissemination Agent file a report with the Medical Center certifying that the Annual Report and each Quarterly Report has been provided to the MSRB pursuant to this Disclosure Agreement, and stating the date it was provided.

SECTION 4. Content of Annual Reports and Quarterly Reports. The Medical Center's Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the Medical Center for the prior Fiscal Year, prepared in accordance with GAAP. If the Medical Center's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Limited Offering Memorandum, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) The tabular financial information and operating data contained in Appendix A-1 of the Limited Offering Memorandum under the following captions or tables presented on an annual basis, for the prior Fiscal Year:

(i) the information under the heading "ACCREDITATIONS, LICENSES AND AFFILIATIONS" to the extent there have been any changes from the preceding Fiscal Year.

- (ii) the table entitled "Licensed Beds" in the section entitled "HEALTHCARE SERVICES";
- (iii) the table entitled "Top Ten Admitting Physicians" in the section entitled "MEDICAL STAFF";
- (iv) the table entitled "Certain Operating and Financial Factors" under the subsection entitled "Summary of Financial Performance" in the section entitled "MANAGEMENT'S DISCUSSION OF OPERATIONS AND FINANCIAL PERFORMANCE";
- (v) the tables entitled "Operating Statistics," "Patient Days," "Patient Discharges," "Average Length of Stay," "Percentage of Occupancy," "Statements of Revenues and Expenses," and "Balance Sheet" in the section entitled "FINANCIAL INFORMATION" but not, for the avoidance of doubt, the textual summaries included adjacent to such tables;
- (vi) the tables entitled "Long-Term Indebtedness" and "Capitalization" in the section entitled "LONG-TERM INDEBTEDNESS AND CAPITALIZATION" but not, for the avoidance of doubt, the textual summaries included adjacent to such table;
- (vii) the table entitled "Historical and Pro Forma Debt Service Coverage" under the subsection entitled "Historical and Pro Forma Debt Service Coverage" in the section entitled "LONG-TERM INDEBTEDNESS AND CAPITALIZATION" but not, for the avoidance of doubt, the textual summaries included adjacent to such table or the data appearing in the Pro forma maximum annual debt service and Pro forma debt service coverage ratio line items appearing in such table;
- (viii) the table entitled "Gross Patient Revenue by Payer Source" under the subsection entitled "Summary of Gross Patient Revenue by Payer Source" in the section entitled "THIRD PARTY REIMBURSEMENT AND SOURCES OF PAYMENT" but not, for the avoidance of doubt, the textual summaries included adjacent to such table;
- (ix) the table entitled "Cash Position and Liquidity" in the section entitled "INVESTMENTS" but not, for the avoidance of doubt, the textual summaries included adjacent to such table; and
- (x) the table provided under the subsection entitled "Changes in the Net Pension Liability" in the section entitled "RETIREMENT PLAN."

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Medical Center or public entities related thereto, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The Medical Center shall clearly identify each such other document so included by reference.

Each Quarterly Report of the Medical Center shall contain, or include by reference, an income statement and balance sheet for the Medical Center prepared by Medical Center staff, or, at the sole option of the Medical Center, a consultant selected by the Medical Center.

The contents, presentation and format of the Annual Reports and Quarterly Reports may be modified from time to time as determined in the judgment of the Medical Center to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Medical Center or to reflect changes in the business, structure, operations, legal form of the Medical Center or any mergers, consolidations, acquisitions or dispositions made by or affecting the Medical Center; provided, that any such modifications shall comply with the requirements of the Rule.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Authorized Medical Center Representative shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, in a timely manner not more than ten (10) Business Days after the occurrence of the event:

- (1) principal and interest payment delinquencies;
- (2) defeasances;
- (3) tender offers;
- (4) rating changes;
- (5) adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB);
- (6) unscheduled draws on the debt service reserves reflecting financial difficulties;
- (7) unscheduled draws on credit enhancements reflecting financial difficulties;
- (8) substitution of credit or liquidity providers or their failure to perform; or
- (9) bankruptcy, insolvency, receivership or similar proceedings.

For these purposes, any event described in the immediately preceding paragraph (9) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Medical Center in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Medical Center, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Medical Center.

(b) Pursuant to the provisions of this Section 5, the Authorized Medical Center Representative shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not more than ten (10) Business Days after the occurrence of the event:

(1) the consummation of a merger, consolidation, or acquisition involving the Medical Center or the sale of all or substantially all of the assets of the Medical Center, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

(2) appointment of a successor or additional Trustee or the change of the name of a Trustee;

(3) non-payment related defaults;

(4) modifications to the rights of Owners;

(5) notices of redemption;

(6) release, substitution or sale of property securing repayment of the Bonds;

(7) in addition to the adverse tax opinions or determinations of taxability described in Section 5(a)(5) above, any other notices or determinations with respect to the tax status of the Bonds, or other events affecting the tax status of the Bonds.

(c) Whenever the Medical Center obtains knowledge of the occurrence of a Listed Event, described in subsection (b) of this Section 5, the Medical Center shall as soon as possible determine if such event would be material under applicable federal securities law.

(d) If the Medical Center determines that knowledge of the occurrence of a Listed Event described in subsection (b) of this Section 5 would be material under applicable federal securities law, the Medical Center shall promptly notify the Dissemination Agent in writing and instruct the Dissemination Agent to report the occurrence to the MSRB in a timely manner not more than ten (10) Business Days after the event.

(e) If the Dissemination Agent has been instructed by the Authorized Medical Center Representative to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB.

SECTION 6. Filings with the MSRB. All information, operating data, financial statements, notices and other documents provided to the MSRB in accordance with this Disclosure Agreement shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 7. Termination of Reporting Obligation. The City's and the Medical Center's respective obligations under this Disclosure Agreement with respect to the Bonds shall terminate upon the legal defeasance, redemption or payment in full of all of the Bonds of such

series of Bonds. If such termination occurs prior to the final maturity of the Bonds, the Authorized Medical Center Representative shall give notice of such termination in the same manner as for a Listed Event under Section 5(e).

SECTION 8. Dissemination Agent. The Authorized Medical Center Representative may, from time to time, appoint or engage another dissemination agent to assist the Dissemination Agent with the acknowledgement of the City in carrying out its obligations under this Disclosure Agreement, and may discharge any such dissemination agent(s), with or without appointing a successor to such additional dissemination agent(s). The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Authorized Medical Center Representative pursuant to this Disclosure Agreement, except in the case of gross negligence or willful misconduct. If at any time there is not any other designated Dissemination Agent, the Authorized Medical Center Representative shall be the Dissemination Agent. The Dissemination Agent may resign by providing thirty days written notice to the City and the Medical Center. The Dissemination Agent shall have no duty to prepare any information report nor shall the Dissemination Agent be responsible for filing any report not provided to it by the Medical Center in a timely manner and in a form suitable for filing.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the City and the Medical Center may amend this Disclosure Agreement, provided no amendment increasing or affecting the obligations or duties of the Dissemination Agent shall be effective without the consent of the Dissemination Agent, and any provision of this Disclosure Agreement may be amended or waived if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to the City and the Medical Center to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the City or the Medical Center from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report, Quarterly Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Medical Center chooses to include any information in any Annual Report, Quarterly Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the City or the Medical Center shall have no obligation under this Agreement to update such information or include it in any future Annual Report or Quarterly Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the City, the Medical Center or the Dissemination Agent to comply with any provision of this Disclosure Agreement, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the City, the Medical Center or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Trust Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the City, the Medical Center or the Dissemination Agent to comply with this Disclosure Agreement shall be an equitable action to compel performance.

with a copy (which shall not constitute notice under this Section 13) to:

Sheppard, Mullin, Richter & Hampton LLP
12275 El Camino Real, Suite 200
San Diego, CA 92130
Attention: Elizabeth Balfour
Email: ebalfour@sheppardmullin.com

To the Dissemination Agent:

Wulff Hansen & Co.
100 Smith Ranch Road
Suite 330
San Rafael, CA 94903
Attention: Roy Nelson
Email: rnelson@wulffhansen.com

SECTION 14. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the City the Medical Center, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other Person.

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 16. Governing Law. This Disclosure Agreement shall be governed and construed in accordance with the law of the State of California.

IN WITNESS WHEREOF, the parties hereto have caused this Disclosure Agreement to be duly executed and delivered by their respective officers as of the date first above written.

CITY OF EL CENTRO

By: 
City Manager

EI CENTRO REGIONAL MEDICAL CENTER

By: _____
Authorized Officer

WULFF HANSEN & CO.,
as Dissemination Agent

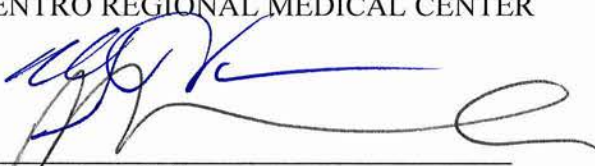
By: _____
Christopher Charles, President

IN WITNESS WHEREOF, the parties hereto have caused this Disclosure Agreement to be duly executed and delivered by their respective officers as of the date first above written.

CITY OF EL CENTRO

By: _____
City Manager

EL CENTRO REGIONAL MEDICAL CENTER

By:  _____
Authorized Officer

WULFF HANSEN & CO.,
as Dissemination Agent

By: _____
Christopher Charles, President

IN WITNESS WHEREOF, the parties hereto have caused this Disclosure Agreement to be duly executed and delivered by their respective officers as of the date first above written.

CITY OF EL CENTRO

By: _____
City Manager

EI CENTRO REGIONAL MEDICAL CENTER

By: _____
Authorized Officer

WULFF HANSEN & CO.,
as Dissemination Agent

By:  _____
Christopher Charles, President

EXHIBIT A

**NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT
OR QUARTERLY REPORT**

**\$125,000,000
El Centro Financing Authority
Hospital Revenue Refunding Bonds
(El Centro Regional Medical Center Project)
Series 2018**

Date of Issuance: April 19, 2018.

NOTICE IS HEREBY GIVEN that the Medical Center has not provided an [Annual Report or Quarterly Report] with respect to the above-named Bonds as required by the Continuing Disclosure Agreement, dated as of April 1, 2018, among the City, the Medical Center and the Dissemination Agent. [The Medical Center anticipates that the [Annual Report or Quarterly Report] will be filed by _____.]

Dated: _____, 20__

_____, on behalf of the Medical
Center and the City

EXHIBIT H

Default Interest Letter

[See attached.]



PRESTON HOLLOW
COMMUNITY CAPITAL

October 8, 2026

Imperial Valley Healthcare District
207 West Legion Road
Brawley, California 92227

Re: \$125,000,000 El Centro Financing Authority Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project) Series 2018 (the "Bonds")

Ladies and Gentlemen:

Reference is hereby made to the Trust Agreement, dated as of April 1, 2018 (the "Trust Agreement"), by and between El Centro Financing Authority, as issuer (the "Authority"), and U.S. Bank Trust National Association, as successor indenture trustee (the "Trustee"), pursuant to which the Authority issued the Bonds to refinance certain existing obligations and to assist El Centro Regional Medical Center (the "Medical Center") in financing certain improvements more fully described in the Trust Agreement (the "Project"). Reference is also made to the Installment Purchase Agreement, dated as of April 1, 2018 (the "IPA" and, together with the Trust Agreement and all related security documents, the "Bond Agreements"), by and among the City of El Centro, California (the "City"), the Medical Center, and the Authority, pursuant to which the City agreed to purchase the Project from the Authority.

2023 DACA Default

On August 7, 2023, the Trustee published a notice on EMMA (the "DACA Notice")¹ informing holders of the occurrence of a Purchase Agreement Default under section 8.01(c) of the IPA and an Event of Default under section 7.01(d) of the Trust Agreement effective August 7, 2023, due to the Medical Center's failure to establish, after notice and an opportunity to cure, accounts subject to a Depository Account Control Agreement and a collection account agreement in compliance with section 4.03 of the IPA (the "2023 DACA Default"). The DACA Notice also informed holders that pursuant to section 7.03 of the Trust Agreement, the applicable interest rate on the Bonds would increase by 5.0% per annum as a result of the 2023 DACA Default ("DACA Default Interest").

On October 10, 2023, the Medical Center partially cured the 2023 DACA Default by entering into a deposit account control agreement with Wells Fargo Bank National Association ("Well Fargo") and the Trustee. The Medical Center subsequently entered into a collection account agreement

¹ See <https://emma.msrb.org/P21716999-P21319936-P21752774.pdf>.

with Wells Fargo and the Trustee on January 30, 2024. Accordingly, the Medical Center fully cured the 2023 DACA Default effective as of January 30, 2024.

2022-2023 DSCR Default

On December 18, 2023, the Trustee published a notice on EMMA (the “DSCR Notice”)² informing holders of, among other things, the occurrence of a Purchase Agreement Default under section 8.01(j) of the IPA and an Event of Default under section 7.01(d) of the Trust Agreement as a result of the Medical Center’s failure to maintain Net Income Available for Debt Service on all outstanding Senior Indebtedness and Subordinated Indebtedness equal to at least 1.00 times the Aggregate Debt Service for two consecutive Fiscal Years (each of the Fiscal Years ending June 30, 2022 and June 30, 2023) (the “2022-2023 DSCR Default”).

The DSCR Notice similarly informed holders that pursuant to section 7.03 of the Trust Agreement, the applicable interest rate on the Bonds would, from August 7, 2023, increase by 5.0% per annum as a result of the 2022-2023 DSCR Default (the “DSCR Default Interest” and, together with the DACA Default Interest, the “Default Interest”), until such date as the 2023 DACA Default and 2022-2023 DSCR Default were cured in full or waived by the holders of not less than a majority of the aggregate principal amount of the outstanding Bonds.

On August 14, 2024, the Medical Center reported Net Income Available for Debt Service on all outstanding Senior Indebtedness and Subordinated Indebtedness equal to at least 1.00 times the Aggregate Debt Service for the Fiscal Year ending June 30, 2024. Accordingly, the Medical Center fully cured the 2022-2023 DSCR Default effective as of June 30, 2024. As a result, the applicable interest rate on the Bonds reverted to the non-default interest rate provided in the Trust Agreement effective as of July 1, 2024.

Accrual of Default Interest

By notice dated January 9, 2024,³ the Trustee informed holders that the Trustee would record and track in its books and records the accrual of Default Interest relating to the 2023 DACA Default and 2022-2023 DSCR Default effective as of August 7, 2023, but forbear from collecting such Default Interest from the Medical Center until such time as the holder of a majority of the aggregate principal amount of the outstanding Bonds directed the Trustee to institute collection efforts.

PHCC LLC (dba Preston Hollow Community Capital) (“PHCC”) asserts that Default Interest has accrued and is due and owing on all Bonds as a result of the 2023 DACA Default and the 2022-2023 DSCR Default from August 7, 2023, through June 30, 2024. PHCC acknowledges, however, that the Medical Center, on behalf of itself and its successors in interest and assigns, has reserved

² See <https://emma.msrb.org/P11714461-P11317652-P11750184.pdf>.

³ See <https://emma.msrb.org/P11720473-P11322402-P11755694.pdf>.

the right to dispute the applicability of Default Interest arising from the 2023 DACA Default and the 2022-2023 DSCR Default.

2025-2026 Covenant Defaults

On July 28, 2025, the Medical Center reported⁴ Net Income Available for Debt Service on all outstanding Senior Indebtedness and Subordinated Indebtedness of 0.27 times the Aggregate Debt Service for the Fiscal Year ending June 30, 2025, which fails to comply with the requirements of section 5.03(b) of the IPA (the “2025 DSCR Default”). The Medical Center further reported Days Cash on Hand of 19.25 days as of June 30, 2025, which also fails to comply with the requirements of section 5.03(b) of the IPA (the “2025 DCOH Default”).

On August 12, 2026, the Medical Center reported⁵ Days Cash on Hand of 26.57 days as of June 30, 2026, which fails to comply with the requirements of section 5.03(b) of the IPA (the “2026 DCOH Default,” and together with the 2025 DSCR Default and the 2025 DCOH Default, the “2025-2026 Covenant Defaults”).

Upon information and belief, no Purchase Agreement Default under the IPA or Event of Default under the Trust Agreement was declared, and no Default Interest was accrued, in connection with the 2025-2026 Covenant Defaults.

On October 15, 2026, the Imperial Valley Healthcare District (“IVHD”), as the successor in interest to the Medical Center, is expected to furnish statements to the Trustee in an acceptable form and substance confirming that IVHD, after acquiring the Medical Center and assuming its liability, will have Days Cash on Hand equal to at least 45 days as of October 15, 2026, and the Medical Center and IVHD collectively will have Net Income Available for Debt Service equal to at least 1.25 times the Aggregate Debt Service on Senior Indebtedness for the trailing 12 months ended October 15, 2026. In the event IVHD furnishes such statements, under section 5.03(b) of the IPA, as amended and restated as of October 15, 2026, no Purchase Agreement Default under the IPA or Event of Default under the Trust Agreement will exist as of October 15, 2026.

Conditional Waiver and Release of Default Interest

Now, therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the agreements herein contained, the undersigned hereby agree that if, and only if, the Bonds are fully redeemed or defeased on or before October 15, 2031, in a manner consistent with the terms and conditions of the Bond Agreements (as may be amended and/or restated from time to time in the future), PHCC shall waive and release any accrued and unpaid Default Interest incurred as a result of the 2023 DACA Default, 2022-2023 DSCR Default, and the 2025-2026 Covenant Defaults (if any) for any Bonds directly or indirectly owned by PHCC.

⁴ See <https://emma.msrb.org/P21948264-P21487833-P21939307.pdf>.

⁵ See <https://emma.msrb.org/P22078185-P21579102-P22040045.pdf>.

Miscellaneous

1. Governing Law and Waiver of Jury Trial. The provisions of Sections 10.03 and 10.04 of the IPA are hereby incorporated by reference, *mutatis mutandis*, as if originally made a part hereof.
2. Full Force and Effect and Limited Waiver. Except as expressly amended or waived hereby, all of the representations, warranties, terms, covenants, conditions, and other provisions of the Bond Agreements shall remain unchanged and shall continue to be, and shall remain, in full force and effect in accordance with their respective terms. The releases and waivers set forth herein shall be limited precisely as provided for herein to the provisions expressly provided herein and shall not be deemed to be an amendment to, waiver of, consent to, or modification of any other term or provision of any of the Bond Agreements or of any future transaction or further or future action that would require the consent of the Trustee or the Majority Holder under any of the Bond Agreements.
3. Modifications. This letter may not be modified or amended except by written instrument signed by PHCC and IVHD. This letter constitutes the entire agreement concerning the subject matter hereof and supersedes any prior or contemporaneous oral and written agreements concerning the subject matter hereof other than the Bond Agreements.
4. Counterparts. This letter may be executed in one or more counterparts, each of which will be deemed an original and all of which taken together will constitute one and the same instrument. A facsimile or electronic copy of this Agreement and any signatures hereon will be considered for all purposes an original.

Please indicate your agreement with the terms of this letter by countersigning in the space below and returning the original executed letter to the undersigned.

Sincerely,

PHCC LLC

By: _____



Name: Stephen R. Clarke

Title: General Counsel

Email: sclarke@phccap.com

Acknowledged and agreed this ____ day of October 2026.

IMPERIAL VALLEY HEALTHCARE DISTRICT

By: _____

Name: _____

Title: _____

Email: _____