

Payment Date. Should the District receive any Parcel Tax Revenues from the County, such Parcel Tax Revenues shall be held by the District in trust for the Owner and the District shall immediately transfer such Parcel Tax Revenues to the Trustee.

(c) *Release from Lien.*

(i) On August 1, 2018, August 1, 2019, August 1, 2020, and August 1, 2021, after all required payments on such date have been made, all remaining Parcel Tax Revenues shall be released from the lien of this Indenture and shall be transferred by the Trustee to the District.

(ii) Beginning on August 1, 2022, and on each August 1 thereafter, until the 2011 COPs are paid in full or legally defeased, all remaining Parcel Tax Revenues shall be released from the lien of this Indenture and shall be allocated as follows:

(A) if the remaining Parcel Tax Revenues are less than \$1.3 million, the Trustee shall transfer to the District the amount in excess of \$1,000,000, and the residual amount shall be retained by the Trustee and transferred to the Trustee for the 2011 COPs to be applied, on the first available redemption date, to the optional redemption of the 2011 COPs, and

(B) if the remaining Parcel Tax Revenues are greater than \$1.3 million, the Trustee shall transfer to the District (1) \$300,000 plus (2) an amount equal to the annual debt service savings (as calculated by the District) derived by the District from the refunding of the 2004 Certificates determined by comparing the debt service previously due on the 2004 COPs to the debt service requirements of the Bonds for that year, and the residual amount shall be transferred to the Trustee for the 2011 COPs to be applied, on the first available redemption date, to the optional redemption of the 2011 COPs.

(iii) Beginning on the August 1 following the date on which the 2011 COPs were paid in full or legally defeased, all remaining Parcel Tax Revenues shall be released from the lien of this Indenture and shall be transferred by the Trustee to the District.

Amounts transferred by the Trustee to the District shall be available for any lawful purpose of the District.

(d) *No Prior Lien.* The District has not heretofore made a pledge of, granted a lien on or security interest in, or made an assignment or sale of the Parcel Tax Revenues that ranks on a parity with or prior to the pledge granted under this Indenture other than the 2011 Installment Sale Agreement. The District will not hereafter make or suffer to exist any pledge or assignment of, lien on, or security interest in the Parcel Tax Revenues that ranks prior to or on a parity with the pledge granted under this Indenture, except as expressly permitted under this Indenture.

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

Section 5.04. Limitations on Future Obligations Secured by Parcel Tax Revenues.

(a) *No Obligations Superior to the Bonds.* In order to protect the availability of the Parcel Tax Revenues and the security for the principal or sinking fund installments of and interest on

the Bonds and any Parity Debt, the District hereby agrees that the District shall not, so long as any Bonds or any Parity Debt are outstanding, issue or incur any obligations payable from Parcel Tax Revenues superior to its payment obligations with respect to the Bonds or such Parity Debt.

(b) *Parity Debt.* The District further covenants that, except for obligations issued or incurred to redeem the Bonds or any Parity Debt in full, the District shall not issue or incur any Parity Debt unless it shall have received the prior written consent of the Owner.

(c) *No Limitation on Obligations Secured by Revenues Other Than Parcel Tax Revenues.* Nothing in this Indenture shall limit the District from issuing or incurring obligations payable from revenues or other moneys of the District other than Parcel Tax Revenues. Any provision of this Indenture that provides for the payment of amounts from "other available moneys of the District" or similar terms shall be subject, in all cases, to prior claims on such moneys.

(d) *Pro Rata Application of Parcel Tax Revenues.* If, at any time, there is a deficiency in Parcel Tax Revenues available to pay the principal or sinking fund installments of and interest on the Bonds and any amounts due with respect to Parity Debt, available Parcel Tax Revenues shall be applied on a *pro rata* basis to the payment of such principal or sinking fund installments of and interest on the Bonds and to the payment of amounts with respect to such Parity Debt then due.

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

Section 5.06. Investment of Moneys in Funds and Accounts. All moneys in any of the funds and accounts held by the Trustee and established pursuant to this Indenture shall be invested by the Trustee, upon Request of the District, solely in Permitted Investments. Permitted Investments may be purchased at such prices as the Trustee may be directed by the District. All Permitted Investments shall be acquired subject to the limitations set forth in Section 5.07 of this Indenture, the limitations as to maturities hereinafter in this Section 5.06 set forth and such additional limitations or requirements consistent with the foregoing as may be established by Request of the District. In the absence of any Request of the District to invest, the Trustee shall invest in those Permitted Investments described in clause (d) of the definition thereof. Moneys in all funds and accounts under this Indenture shall be invested in Permitted Investments maturing not later than the date on which it is estimated that such moneys will be required by the Trustee.

All interest, profits and other income received from the investment of moneys in any fund or account under this Indenture shall be deposited when received in the Debt Service Fund. Notwithstanding anything to the contrary contained in this paragraph, an amount of interest received with respect to any Permitted Investment equal to the amount of accrued interest, if any, paid as part of the purchase price of such Permitted Investment shall be credited to the fund or account from which such accrued interest was paid.

The Trustee may commingle any of the funds or accounts established pursuant to this Indenture into a separate fund or funds for investment purposes only, provided that all funds or accounts held by the Trustee under this Indenture shall be accounted for separately as required by this Indenture. The Trustee may act as principal or agent in the making or

disposing of any investment. The Trustee may sell, or present for redemption, any Permitted Investments so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such Permitted Investment is credited, and the Trustee shall not be liable or responsible for any loss resulting from such investment.

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

The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee under this Indenture.

Section 5.07. Acquisition, Disposition and Valuation of Investments by the District. The District covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Indenture, or otherwise containing gross proceeds of the Bonds (within the meaning of section 148 of the Code) shall be acquired, disposed of, and valued at fair market value. In making any valuations of investments under this Indenture, the Trustee may utilize and rely upon securities pricing services, including those within its regular accounting system.

Section 5.08. Statutory Lien. The Lien Statute imposes a lien on the Parcel Tax Revenues to secure the District's obligations under this Indenture, under the 2011 Installment Sale Agreement and any Parity Debt issued or incurred to refund the Bonds or the 2011 COPs. Pursuant to the Lien Statute, the Parcel Tax Revenues are immediately subject to such lien, and the lien immediately attaches to the Parcel Tax Revenues and is effective, binding, and enforceable against the District, its successors, purchasers of the Parcel Tax Revenues, creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any physical delivery, recordation, filing, or further act.

Section 5.09. New Business Activity. In the event the District desires to operate a new business activity during the term of the Bonds, it must provide the Owner with a business plan, including financial projections, relating to said business activity and operations. If the financial projections do not project more than \$1,000,000 in annual District expenses (exclusive of the expenses required for the operation of the District), then consent of the Owner is not required. However, if the annual District expenses of said operation (or the aggregate of other similar new District business operations) does exceed \$1,000,000 annually, then consent of Owner is required. If the District receives the written consent of the Owner, the District can proceed with the operation of this new business operation. If instead, consent is not received from the Owner, when consent is required, the District may still proceed forward with the new business operation but the Owner has the right to increase the prevailing interest rate on the Bonds to the New Business Rate until the Bonds are fully repaid and redeemed.

ARTICLE VI

DISTRICT COVENANTS

Section 6.01. Maintenance of Levy and Collection of the Parcel Tax. The District shall take all actions required by law, by the County or by the State in order to have the Parcel Tax levied and collected each tax year and to take all actions to enforce collection of the Parcel Tax and the remittance of the Parcel Tax Revenues to the Trustee so long as any Bonds or any Parity Debt are Outstanding.

Section 6.02. No Arbitrage. The District shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Bonds would have caused the Bonds to be "arbitrage bonds" within the meaning of section 148 of the Code.

Section 6.03. Private Activity Bond Limitation. The District shall assure that the proceeds of the Bonds are not so used as to cause the Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

Section 6.04. Federal Guarantee Prohibition. The District shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code.

Section 6.05. Rebate Requirement. The District shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Bonds.

Section 6.06. Maintenance of Tax-Exemption. The District shall take all actions necessary to assure the exclusion of interest on the Bonds from the gross income of the Owner to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Bonds.

Section 6.07. Further Assurances. The District will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owner the rights and benefits provided in this Indenture.

Section 6.08. Bankruptcy Plan. The District shall take all actions necessary to assure compliance with the bankruptcy plan approved on January 2, 2018.

ARTICLE VII

REPRESENTATIONS AND WARRANTIES OF THE DISTRICT

Section 7.01. Representations and Warranties of the District. The District makes the following representations and warranties to the Trustee that as of the date of the execution of this Indenture:

(a) The District is a local health care district duly organized and existing under the laws of the State, has full legal right, power and authority to enter into this Indenture and the Escrow Agreement and to carry out and consummate all transactions contemplated by this Indenture and the Escrow Agreement, and by proper corporate action has duly authorized the execution and delivery of this Indenture and the Escrow Agreement.

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

(c) This Indenture and the Escrow Agreement have been duly authorized, executed and delivered by the District, and, if executed by the other parties thereto, constitute the legal, valid and binding agreements of the District enforceable in accordance with their respective terms; except, in all cases, as may be limited by bankruptcy, insolvency, moratorium and other similar laws affecting creditors' rights generally and to the application of equitable principles if equitable remedies are sought.

(d) The execution and delivery of this Indenture and the Escrow Agreement, the consummation of the transactions herein contemplated and the fulfillment of or compliance with the terms and conditions hereof and thereof will not in any material respect conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) to the knowledge of the District, after reasonable inquiry and investigation, any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, trust agreement, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the District is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the District.

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

(f) There is no action, suit, proceeding, inquiry or investigation, before or by any court or federal, state, municipal or other governmental authority, pending, or to the knowledge of the District, after reasonable inquiry and investigation, threatened against or affecting the District or the assets, properties or operations of the District which, if determined adversely to the District or its interests, could have a material adverse effect upon the consummation of the transactions contemplated by or the fulfillment or compliance with the terms and conditions of or the validity or enforceability of this Indenture or the Escrow Agreement or upon the financial condition, assets, properties or operations of the District, and the District is not in default (and no event has occurred and is continuing which with the giving of notice or the passage of time

or both would constitute a default) with respect to any order or decree of any court or any order, regulation or express demand of any federal, state, municipal or other governmental authority which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Indenture or the Escrow Agreement or the financial condition, assets, properties or operations of the District or its properties.

(g) The audited financial statements of the District at December 31, 2017, for the year ended on such date fairly present the financial position of the District at December 31, 2017, and the results of operations for the year ended on such date, with such exceptions as may be disclosed therein, and since December 31, 2017, there has been no material adverse change in the financial condition or results of operations of the District or otherwise.

(h) No information, exhibit or report furnished by the District in connection with the execution of this Indenture contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

ARTICLE VIII

PARTICULAR COVENANTS

Section 8.01. Punctual Payment. The District shall punctually pay or cause to be paid the principal or sinking fund installments of, redemption premium, if any, and interest to become due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of this Indenture, according to the true intent and meaning thereof.

Section 8.02. Extension of Payment of Bonds. The District shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any or claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default under this Indenture, to the benefits of this Indenture, except subject to the prior payment in full of the principal all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section 8.02 shall be deemed to limit the right of the District to issue bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

Section 8.03. Accounting Records and Financial Statements Relating to the Bonds. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with the Trustee's accounting practices for books of record and account relating to similar trust accounts, in which sufficient entries shall be made of all transactions relating to the proceeds of Bonds and all funds and accounts established pursuant to this Indenture and held by the Trustee. Such books of record and account and any other commercially reasonable requested information shall be available for inspection by the District and the Owner, or his agent or representative duly authorized in writing, upon prior written notice and at any time during regular business hours and under reasonable circumstances. If not readily, publicly available, the District agrees to provide to the Owner, copies of its certified, audited annual financial statements (on a comparative basis) within 270 days following the District's Fiscal Year end.

Section 8.04. Information to be provided to the Owner.

(a) The District shall provide the Owner with the following documentation and information within nine months of the end of the District's Fiscal Year:

- (i) The audited financial statements of the District for the preceding Fiscal Year;
- (ii) The current year assessed valuation of real property within the District;
- (iii) Levy, receipts and delinquency of the previously fiscal year Parcel Tax Revenues and ad valorem taxes for the preceding Fiscal Year; and
- (iv) A certification from the District that it is not aware of any default or Event of Default.

(b) The District shall provide the Owner with its annual approved operating budget within one month after its adoption.

(c) The District will provide the Owner with any information or documentation pertaining to the bankruptcy plan approved on January 2, 2018, upon receipt.

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

Section 8.05. Additional Rights of the Original Purchaser. The following provisions shall apply so long as the Original Purchaser owns the Bonds:

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

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

(c) The District shall inform the Original Purchaser promptly upon the occurrence of an Event of Taxability and an Event of Default.

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

(e) The Trustee or the District, as applicable, shall notify the Original Purchaser of any failure of the District to provide relevant notices, certificates or other similar documents.

(f) The District shall pay or reimburse the Original Purchaser for any and all charges, fees, costs and expenses that the Original Purchaser may reasonably pay or incur in connection with the following: (i) the administration, enforcement, defense, or preservation of any rights or security hereunder or under the Indenture; (ii) the pursuit of any remedies hereunder, under the Indenture, or otherwise afforded by law or equity; (iii) any amendment, waiver, or other action with respect to or related to this Indenture whether or not executed or completed; (iv) the violation by the Authority of any law, rule, or regulation or any judgment, order or decree applicable to it; or (v) any litigation or other dispute in connection with this Indenture.

Section 8.06. Waiver of Laws. The District shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in this Indenture or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the District to the extent permitted by law.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES OF BONDOWNERS

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

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

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

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

(d) if the District shall fail to observe or perform any covenant, condition, agreement or provision in this Indenture on its part to be observed or performed (including but not limited to compliance with the bankruptcy plan approved on January 2, 2018), other than as referred to in subsection (a), (b) or (c) of this Section 9.01, or shall breach any warranty by the District herein contained, for a period of thirty (30) days after written notice, specifying such failure or breach and requesting that it be remedied, has been given to the District by the Trustee; except that, if such failure or breach can be remedied but not within such thirty (30) day period and if the District has taken all action reasonably possible to remedy such failure or breach within such thirty (30) day period, such failure or breach shall not become an Event of Default for so long as the District shall diligently proceed to remedy the same in accordance with and subject to any directions or limitations of time established by the Trustee and the Owner and provided that such extended period shall not exceed an additional thirty (30) days, unless a longer period is permitted by the Owner;

(e) if any default shall exist under any agreement governing any Parity Debt and such default shall continue beyond the grace period, if any, provided for with respect to such default, or if the debt service payments on any Indebtedness which is not Parity Debt are accelerated;

(f) if a final judgment for the payment of money in excess of one million dollars (\$1,000,000) (not covered by insurance) shall be rendered against the District and the same shall remain undischarged for a period of sixty (60) days during which the execution of such judgment shall not be effectively stayed;

(g) if the District files a petition in voluntary bankruptcy, for the composition of its affairs or for its corporate reorganization under any state or federal bankruptcy or insolvency law, or makes an assignment for the benefit of creditors, or admits in writing to its insolvency or inability to pay debts as they mature, or consents in writing to the appointment of a trustee or receiver for itself;

(h) if a court of competent jurisdiction shall enter an order, judgment or decree declaring the District an insolvent or adjudging it bankrupt, or appointing a trustee or receiver of the District, or approving a petition filed against the District seeking reorganization of the District under any applicable bankruptcy or insolvency law or statute of the United States of America or

any state thereof, and such order, judgment or decree shall not be vacated or set aside or stayed within sixty (60) days from the date of the entry thereof; or

(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 District, and such custody or control shall not be terminated within sixty (60) days from the date of assumption of such custody or control.

Section 9.02. Acceleration of Maturities. If an Event of Default shall occur, then, and in each and every such case during the continuance of such Event of Default, the Default Rate shall apply and the Trustee or the Owner shall be entitled, upon notice in writing to the District, to declare the principal of all of the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Indenture or in the Bonds contained to the contrary notwithstanding.

Any such declaration, however, is subject to the condition that if, at any time after such declaration and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the District shall deposit with the Trustee a sum sufficient to pay all the principal or sinking fund installments or redemption premium, if any, of and installments of interest on the Bonds payment of which is overdue, with interest on such overdue principal at the Default Rate, and the reasonable charges and expenses of Trustee and the Owner including reasonable and actual attorneys' fees and collection costs), and any and all other defaults known to the Trustee (other than in the payment of principal or sinking fund installments of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Owner, by written notice to the District and the Trustee, or the Trustee if such declaration was made by the Trustee, may, on behalf of the Owner, rescind and annul such declaration and its consequences and waive such default; but no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

Section 9.03. Application of Parcel Tax Revenues and Other Funds After Default. If an Event of Default shall occur and be continuing, without the requirement of an acceleration, all Parcel Tax Revenues and any other funds then held or thereafter received by the Trustee under any of the provisions of this Indenture (subject to Sections 5.01 and 14.11 of this Indenture) shall be applied by the Trustee as follows and in the following order:

(a) To the payment of any reasonable expenses necessary in the opinion of the Trustee and the Owner to protect the interests of the Owner after payment of the fees and expenses (including those previously outstanding) of the Trustee and the Owner (including the reasonable and actual fees and disbursements of counsel and accountants, and collection costs) incurred in and about the performance of its powers and duties under this Indenture and/or the exercise of remedies under this Indenture;

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

(i) Unless the principal of all of the Bonds shall have become or have been declared due and payable,

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

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

(ii) If the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal or sinking fund installments of and interest then due and unpaid upon the Bonds, with interest on the overdue principal at the Default Rate, and, if the amount available shall not be sufficient to pay in full the whole amount so due and unpaid, then to the payment thereof ratably, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference.

Section 9.04. Trustee to Represent Owner. The Trustee is hereby irrevocably appointed (and any successive Owner, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Owner for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to the Owner under the provisions of the Bonds, this Indenture, the Law, and applicable provisions of any other law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Owner, the Trustee in its discretion may, and upon the written request of the Owner, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Owner under this Indenture by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained in this Indenture, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in the Owner under this Indenture, the Law or any other law related hereto; and upon instituting such proceeding, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Parcel Tax Revenues and any other available moneys of the District under this Indenture, pending such proceedings. If the Trustee shall receive conflicting directions from two or more groups, each satisfying the minimum percentages determined above, the Trustee shall have the right not to follow any such instructions and shall be deemed entitled to indemnification under this Indenture. All rights of action under this Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of the Owner, subject to the provisions of this Indenture (including Section 9.02).

Counsel to the Trustee is not counsel to the Owner and communications between the Trustee and its counsel shall be deemed privileged.

Section 9.05. Owner's Direction of Proceedings. The Owner shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings taken by the Trustee under this Indenture, provided that such direction shall not (a) be otherwise than in accordance with law and the provisions of this Indenture or (b) subject the Trustee to personal liability.

Section 9.06. Limitation on Owner's Right to Sue. The Owner shall have no right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Indenture, the Law or any other applicable law with respect to such Bond, unless (a) the Owner shall have given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owner shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) the Owner shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; (d) the Trustee shall have refused or omitted to comply with such request for a period of thirty (30) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee; and (e) no direction inconsistent with such written request has been given to the Trustee during such thirty (30) day period by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by the Owner of Bonds of any remedy under this Indenture or under law; it being understood and intended that the Owner shall have no right in any manner whatever by his, her or their action to affect, disturb or prejudice the security of this Indenture or the rights of the Owner, or to enforce any right under this Indenture, the Law or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of the Owner, subject to the provisions of this Indenture (including Section 9.02).

Section 9.07. Absolute Obligation of District. Nothing in Section 9.06 of this Indenture or in any other provision of this Indenture, or in the Bonds, contained shall affect or impair the obligation of the District, which is absolute and unconditional to pay the principal or sinking fund installments of, redemption premium, if any, and interest on the Bonds to the Owner at their respective dates of maturity, or upon call for redemption, as herein provided, but only out of the Parcel Tax Revenues and any other available moneys of the District, or affect or impair the right of the Owner, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

Section 9.08. Termination of Proceedings. In case any proceedings taken by the Trustee or the Owner on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Owner, then in every such case the District, the Trustee and the Owner, subject to any determination in such proceedings, shall be restored to their former positions and rights under this Indenture, severally and respectively, and all rights, remedies, powers and duties of the District, the Trustee and the Owner shall continue as though no such proceedings had been taken.

Section 9.09. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Owner is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law or in equity, shall be cumulative

and in addition to any other remedy given under this Indenture or now or hereafter existing at law or in equity or otherwise, including, without limitation, the right to seek mandamus and special performance.

Section 9.10. No Waiver of Default. No delay or omission of the Trustee or of the Owner to exercise any right or power arising upon the occurrence of any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or to the Owners of the Bonds may be exercised from time to time and as often as may be deemed expedient.

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

ARTICLE X
THE TRUSTEE

Section 10.01. Duties, Immunities and Liabilities of Trustee.

(a) The Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture and no implied duties shall be read into this Indenture. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(b) The District may remove the Trustee at any time unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Trustee shall cease to be eligible in accordance with subsection (e) of this Section 10.01, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee, and thereupon shall appoint a successor Trustee by an instrument in writing.

(c) The Trustee may at any time resign by giving written notice of such resignation to the District and by giving the Owner notice of such resignation by mail at the addresses shown on the registration books maintained by the Trustee. Upon receiving such notice of resignation, the District shall promptly appoint a successor Trustee by an instrument in writing.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within forty-five (45) days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or the Owner may petition, at the expense of the District, any federal court or any other court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, (a) order the District to appoint a successor Trustee, or (b) appoint such successor Trustee. Any successor Trustee appointed under this Indenture, shall signify its acceptance of such appointment by executing and delivering to the District and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Request of the District or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the District shall execute and deliver any and all instruments as may be reasonably required for more fully and

certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the District shall give notice of the succession of such Trustee to the trusts under this Indenture by mail to the Owner at the address shown on the registration books maintained by the Trustee. If the District fails to mail such notice within fifteen (15) days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the District. The Trustee shall be paid all amounts owing to it concurrent with the receipt by the successor Trustee of the trusts of this Indenture.

(e) Any Trustee appointed under the provisions of this Section 10.01 in succession to the Trustee shall be a bank, corporation or trust company having the powers of a trust company having a corporate trust office in the State, having a combined capital and surplus (or the parent holding company of which has a combined capital and surplus) of at least fifty million dollars (\$50,000,000), and subject to supervision or examination by federal or state authority. If such bank, corporation or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such bank, corporation or trust (or holding) company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section 10.01.

Section 10.02. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under subsection (e) of Section 10.01 of this Indenture, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 10.03. Liability of Trustee. The recitals of facts in this Indenture and in the Bonds contained shall be taken as statements of the District, and the Trustee assumes no responsibility for the correctness of the same, and makes no representations as to the validity or sufficiency of this Indenture or of the Bonds, and shall incur no responsibility or liability in respect thereof, other than in connection with the express duties or obligations in this Indenture or in the Bonds assigned to or imposed upon it. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties under this Indenture, except for its own negligence or willful misconduct. The Trustee may become the Owner of Bonds with the same rights it would have if it were not the Trustee, and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Owner, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding. The Trustee shall not be deemed to have knowledge of any Event of Default unless and until an officer at the Principal Corporate Trust Office responsible for the administration of its duties under this Indenture shall have actual knowledge thereof or the Trustee shall have received written notice thereof at the Principal Corporate Trust Office. The Trustee shall not be bound to inquire as to the performance or observance of any of the terms, conditions, covenants or agreements in this Indenture or of any of the documents executed in connection with the Bonds, or as to the existence of any default or Event of Default thereunder. The Trustee shall not be responsible for the validity or effectiveness of any collateral given or

held by it. As used in this Indenture, the term "actual knowledge" means the actual fact or statement of knowing, without any duty to make any investigation with regard thereto.

Section 10.04. Right of Trustee to Rely on Documents. The Trustee shall be protected in acting upon any notice, resolution, request, consent, requisition, order, certificate, report, opinion, note or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Before the Trustee acts or refrains from acting, the Trustee may consult with counsel, who may be counsel of or to the District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Indenture in good faith and in accord therewith.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate of the District, and such Certificate shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such Certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

The Trustee shall have no responsibility with respect to any information, statement or any other disclosure material prepared or distributed with respect to the Bonds.

Before taking any action under this Article X or Article IX of this Indenture, the Trustee may require indemnity satisfactory to the Trustee be furnished from any expenses and to protect it against any liability it may incur under this Indenture.

The immunities extended to the Trustee also extend to its directors, officers, employees, attorneys, agents and receivers.

The Trustee may execute any of the trusts or powers hereof and perform any of its duties through attorneys, agents and receivers and shall not be answerable for the conduct of the same if appointed by it with reasonable care.

The Trustee shall not be liable for any action taken or not taken by it in accordance with the direction of a majority (or other percentage provided for in this Indenture) in aggregate principal amount of Bonds outstanding relating to the exercise of any right, power or remedy available to the Trustee.

The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty.

No provision of this Indenture shall require the Trustee to risk or advance its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of its rights under this Indenture.

Section 10.05. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the District and the Owner, and its agents and representatives duly authorize in writing, upon prior written notice and at reasonable hours and under reasonable conditions.

Section 10.06. Compensation of Trustee. Absent any agreement to the contrary, the District covenants to pay to the Trustee from time to time, and the Trustee shall be entitled to, reasonable compensation for all services rendered by it in the exercise and performance of any of the powers and duties under this Indenture of the Trustee, which such compensation shall not be limited by or in regard to the compensation for a trustee of an express trust, and the District will pay or reimburse the Trustee promptly upon its request, for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any of the provisions of this Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and of all persons but regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence or willful misconduct.

Section 10.07. Indemnification. The District covenants, to the extent permitted by law, to indemnify the Trustee, its officers, directors, employees, attorneys, agents and receivers and to hold it harmless from and against any loss, liability, expenses, suits, claims or advance, including fees and expenses of counsel and other experts, incurred or made without negligence or willful misconduct on the part of the Trustee, in the exercise and performance of any of the powers and duties under this Indenture by the Trustee, including the costs and expenses of defending itself against or investigating any claim of liability arising under this Indenture. The provisions of Section 10.06 and this Section 10.07 shall survive the removal or resignation of the Trustee or the termination of this Indenture.

ARTICLE XI

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 11.01. Amendments Permitted.

(a) This Indenture and the rights and obligations of the District, the Owners of the Bonds and the Trustee may be modified or amended from time to time and at any time by a Supplemental Indenture, which the District and the Trustee may enter into with the written consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding filed with the Trustee; provided that if such modification or amendment will, by its terms, not take effect so long as any Bonds remain Outstanding, the consent of the Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Bonds Outstanding under this Section 11.01. No such modification or amendment shall (i) extend the fixed maturity of any Bond, or reduce the amount of principal thereof, or extend the time of payment or reduce the amount of any Mandatory Sinking Account Payment provided in this Indenture for the payment of any Bond, or reduce the rate of interest thereon, or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the consent of the Owner of each Bond so affected, or (ii) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or permit the creation of any lien on the Parcel Tax Revenues and any other available moneys of the District under this Indenture prior to or on a parity with the lien created by this Indenture, or deprive the Owners of the Bonds of the lien created by this Indenture on such Parcel Tax Revenues and other assets (except as expressly provided in this Indenture), without the consent of the Owners of all of the Bonds then Outstanding. It shall not be necessary for the consent of the Owner to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof. Promptly after the adoption by the District of any Supplemental Indenture pursuant to this subsection (a), the Trustee shall mail a notice, setting forth in general terms the substance of such Supplemental Indenture to the Owners of the Bonds at the addresses shown on the registration books of the Trustee. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

(b) This Indenture and the rights and obligations of the District, of the Trustee and of the Owners of the Bonds may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the District and the Trustee may enter into without the consent of the Owner but only to the extent permitted by law and only for any one or more of the following purposes:

(i) to add to the covenants and agreements of the District in this Indenture to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the District, provided, that no such covenant, agreement, pledge, assignment or surrender shall adversely affect the interests of the Owners of the Bonds;

(ii) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in this Indenture, or in regard to matters or questions arising under this Indenture, as the District may deem necessary or desirable and not inconsistent with this Indenture, and which shall not adversely affect the interests of the Owners of the Bonds;

(iii) to modify, amend or supplement this Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not adversely affect the interests of the Owners of the Bonds; and

(iv) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Bonds.

(c) The Trustee may in its discretion, but shall not be obligated to, enter into any such Supplemental Indenture which materially affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

(d) Prior to entering into any Supplemental Indenture, the Trustee shall be furnished by the District with an Opinion of Counsel of recognized standing in the field of law relating to municipal bonds, to the effect that the execution and delivery of such Supplemental Indenture by the Trustee and the District (i) is in compliance with the terms and conditions hereof and (ii) will not cause interest on any Bonds Outstanding to become includable in gross income for federal income tax purposes.

Section 11.02. Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article XI, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the District, the Trustee and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced under this Indenture subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 11.03. Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after any Supplemental Indenture becomes effective pursuant to this Article XI may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the District and the Trustee as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand of the Owner of any Bond Outstanding at the time of such execution and presentation of his Bond for the purpose at the Principal Corporate Trust Office or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation shall be made on such Bond. If the Supplemental Indenture shall so provide, new Bonds so modified as to conform, in the opinion of the District and the Trustee, to any modification or amendment contain in such Supplemental Indenture, shall be prepared and executed by the District and authenticated by the Trustee, and upon demand of the Owners of any Bonds then Outstanding shall be exchanged at the Principal Corporate Trust Office, without cost to the Owner, upon surrender for cancellation of such Bonds, in equal aggregate principal amounts of the same maturity.

Section 11.04. Amendment of Particular Bonds. The provisions of this Article XI shall not prevent the Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

ARTICLE XII
DEFEASANCE

Section 12.01. Discharge of Indenture. All or a portion of the Bonds may be paid by the District in any of the following ways; provided that the District also pays or causes to be paid any other sums payable under this Indenture by the District:

(a) by paying or causing to be paid the principal or sinking fund installments of and interest on Bonds Outstanding, as and when the same become due and payable;

(b) by depositing with the Trustee, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 12.03 of this Indenture) to pay or redeem Bonds Outstanding; or

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

If the District shall pay all Bonds and shall also pay or cause to be paid all other sums payable under this Indenture by the District, then and in that case, at the election of the District (evidenced by a Certificate of the District, filed with the Trustee, signifying the intention of the District to discharge all such indebtedness and this Indenture), and notwithstanding that any Bonds shall not have been surrendered for payment, this Indenture and the pledge of Parcel Tax Revenues and other assets made under this Indenture and all covenants, agreements and other obligations of the District under this Indenture shall cease, terminate, become void and be completely discharged and satisfied. In such event, upon Request of the District, the Trustee shall cause an accounting for such period or periods as may be requested by the District to be prepared and filed with the District and shall execute and deliver to the District all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over, transfer, assign or deliver to the District all moneys or securities or other property held by it pursuant to this Indenture which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

Section 12.02. Discharge of Liability on Bonds. Upon the deposit with the Trustee, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 12.03 of this Indenture) to pay or redeem any Outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bonds), provided that, if such Bond is to be redeemed prior to maturity, notice of such redemption shall have been given as in Article IV of this Indenture provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, then all liability of the District in respect of such Bond shall cease, terminate and be completely discharged, and the Owner thereof shall thereafter be entitled only to payment out of such money or securities deposited with the Trustee as aforesaid for their payment, subject, however, to the provisions of Section 12.04 of this Indenture and the continuing duties of the Trustee under this Indenture including, without limitation, the provisions of Section 2.05 and Section 2.06 of this Indenture.

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

Section 12.03. Deposit of Money or Securities with Trustee. Whenever in this Indenture it is provided or permitted that there be deposited with or held in trust by the Trustee money or

securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may include money or securities held by the Trustee in the funds and accounts established pursuant to this Indenture and shall be:

(a) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as in Article IV of this Indenture provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal or sinking fund installments of such Bonds and all unpaid interest thereon to the redemption date; or

(b) cash and/or Defeasance Obligations, the principal of and interest on which when due will provide money sufficient in the opinion of a certified public accountant to pay the principal or sinking fund installments of, redemption premium, if any, and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such principal or sinking fund installments of, redemption premium, if any, and interest become due, provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article IV of this Indenture provided or provision satisfactory to the Trustee shall have been made for the giving of such notice;

provided, in each case, that the Trustee shall have been irrevocably instructed (by the terms of this Indenture or by Request of the District) to apply such money to the payment of such principal or sinking fund installments of, redemption premium, if any, and interest with respect to such Bonds.

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

Section 12.04. Payment of Bonds After Discharge of Indenture. Any moneys held by the Trustee in trust for the payment of the principal or sinking fund installments of, redemption premium, if any, or interest on, any Bonds and remaining unclaimed for the period which is one year less than the statutory escheat period after the principal of all of the Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in this Indenture), if such moneys were so held at such date, or the period which is one year less than the statutory escheat period after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall, be repaid to the District free from the trusts created by this Indenture, and all liability of the Trustee with respect to such moneys shall thereupon cease; *provided, however*, that before the repayment of such moneys to the District as aforesaid, the Trustee may (at the cost of the District) first mail to the Owners of any Bonds remaining unpaid at the addresses shown on the registration books maintained by the Trustee a notice, in such form as may be deemed appropriate by the Trustee, with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the District of the moneys held for the payment thereof. Notwithstanding the foregoing, with respect to the the Bonds, any amounts held by the Trustee after discharge shall be paid without presentation or surrender, except that the Owner will surrender its Bonds following receipt of

all amounts due and owing under this Indenture and following the request of the District or the Trustee.

ARTICLE XIII

MISCELLANEOUS

Section 13.01. Liability of District Limited to Parcel Tax Revenues. Notwithstanding anything contained in this Indenture or in the Bonds, the District shall not be required to advance any moneys derived from any source other than the Parcel Tax Revenues and any other available moneys of the District under this Indenture for any of the purposes in this Indenture mentioned, whether for the payment of the principal or sinking fund installments of, redemption premium, if any, or interest on the Bonds or for any other purpose of this Indenture.

Section 13.02. Successor Is Deemed Included in All References to Predecessor. Whenever in this Indenture either the District or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the District or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 13.03. Limitation of Rights to Parties and Owner. Nothing in this Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any person other than the District, the Trustee and the Owners of the Bonds, any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the District, the Trustee and the Owners of the Bonds.

Section 13.04. Waiver of Notice. Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 13.05. Destruction of Bonds. Whenever in this Indenture provision is made for the cancellation by the Trustee and the delivery to the District of any Bonds, the Trustee may, in lieu of such cancellation and delivery, destroy such Bonds, and deliver a certificate of such destruction to the District.

Section 13.06. Severability of Invalid Provisions. If any one or more of the provisions contained in this Indenture or in the Bond shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Indenture and such invalidity, illegality or unenforceability shall not affect any other provisions of this Indenture, and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained in this Indenture. The District hereby declares that it would have entered into this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

Section 13.07. Notices. All written notices to be given under this Indenture shall be given by facsimile or by mail first class, postage prepaid, to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other parties in writing from

time to time. Any such notice shall be deemed to have been received 48 hours after deposit in the United States mail, with postage fully prepaid.

If to the District:	West Contra Costa Healthcare District 2200 San Pablo Avenue, Suite 201 Pinole, California 94564 Attention: Chief Executive Officer Phone: (510) 417-2210 Fax: (510) 275-9586
If to the Trustee:	U.S. Bank National Association One California Street, Suite 1000 San Francisco, CA 94111 Attention: Global Corporate Trust Services Phone: (415) 677-3622 Fax: (415) 677-3769
If to the Original Purchaser:	Pacific Western Bank 9701 Wilshire Boulevard, Suite 700 Beverly Hills, CA 90212 Attention: Managing Director Phone: (310) 887-8509

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

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

Section 13.08. Evidence of Rights of Owner. Any request, consent or other instrument required or permitted by this Indenture to be signed and executed by the Owner may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by the Owner in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or of the holding by any person of Bonds transferable by delivery, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and of the District if made in the manner provided in this Section 13.08.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The ownership of Bonds shall be proved by the bond registration books held by the Trustee.

Any request, consent, or other instrument or writing of the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the District in accordance therewith or in reliance thereon.

Section 13.09. Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the District, or by any other obligor on the Bonds, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with the District or any other obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section 13.09 if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the District or any other obligor on the Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee. Upon request of the Trustee, the District shall specify to the Trustee those Bonds disqualified pursuant to this Section 13.09 and the Trustee may conclusively rely on such certificate.

Section 13.10. Money Held for Particular Bonds. The money held by the Trustee for the payment of the principal or sinking fund installments of, redemption premium, if any, or interest due on any date with respect to particular Bonds (or portions of Bonds in the case of registered Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto, subject, however, to the provisions of Section 12.04 of this Indenture but without any liability for the interest thereon.

Section 13.11. Funds and Accounts. Any fund required by this Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds shall at all times be maintained in accordance with customary standards of the corporate trust industry, to the extent practicable, and with due regard for the protection of the security of the Bonds and the rights of every Owner thereof.

Section 13.12. Article and Section Headings and References. The headings or titles of the several Articles and Sections of this Indenture, and any table of contents appended to copies of this Indenture, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Indenture.

All references in this Indenture to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision of this Indenture; and words of the masculine gender shall mean and include words of the feminine and neuter genders.

Section 13.13. Waiver of Personal Liability. No Board member, officer, agent or employee of the District shall be individually or personally liable for the payment of principal or sinking fund installments of, redemption premium, if any, or interest on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing

herein contained shall relieve any such Board member, officer, agent or employee from the performance of any official duty provided by law or by this Indenture.

Section 13.14. Execution in Several Counterparts. This Indenture may be executed in any number of counterparts and each of counterparts shall for all purposes be deemed to be an original; and all such counterparts or as many of them as the District and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 13.15. Judicial Reference.

(a) The District hereby agrees as follows:

(i) each proceeding or hearing based upon or arising out of, directly or indirectly, this Indenture or any document related thereto, any dealings of the District related to the subject matter of this Indenture or any related transactions (hereinafter, a "Claim") shall be determined by a consensual general judicial reference (the "Reference") pursuant to the provisions of section 638 *et seq.* of the California Code of Civil Procedure, as such statutes may be amended or modified from time to time;

(ii) upon a written request, or upon an appropriate motion by the District, any pending action relating to any Claim and every Claim shall be heard by a single Referee (as defined below) who shall then try all issues (including any and all questions of law and questions of fact relating thereto), and issue findings of fact and conclusions of law and report a statement of decision. The Referee's statement of decision will constitute the conclusive determination of the Claim. The District agrees that the Referee shall have the power to issue all legal and equitable relief appropriate under the circumstances before the Referee;

(iii) the District shall promptly and diligently cooperate with the Referee and shall perform such acts as may be necessary to obtain prompt and expeditious resolution of all Claims in accordance with the terms of this Section 13.15;

(iv) the District may file the Referee's findings, conclusions and statement with the clerk or judge of any appropriate court, file a motion to confirm the Referee's report and have judgment entered thereon. If the report is deemed incomplete by such court, the Referee may be required to complete the report and resubmit it;

(v) the District will have such rights to assert such objections as are set forth in section 638 *et seq.* of the California Code of Civil Procedure; and

(vi) all proceedings shall be closed to the public and confidential, and all records relating to the Reference shall be permanently sealed when the order thereon becomes final.

(b) The parties to the Reference proceeding shall select a single neutral referee (the "Referee"), who shall be a retired judge or justice of the courts of the State, or a federal court judge, in each case, with at least 10 years of judicial experience in civil matters. The Referee shall be appointed in accordance with section 638 of the California Code of Civil Procedure (or pursuant to comparable provisions of federal law if the dispute falls within the exclusive jurisdiction of the federal courts). If within 10 days after the request or motion for the Reference, the parties to the Reference proceeding cannot agree upon a Referee, then any party to such proceeding may request or move that the Referee be appointed by the Presiding Judge of the Contra Costa County Superior Court, or of the U.S. District Court for the Northern District of

California. The Referee shall determine all issues relating to the applicability, interpretation, legality and enforceability of this Section 13.15.

(c) No provision of this Section 13.15 shall limit the right of the District to (i) exercise such self-help remedies as might otherwise be available under applicable law; or (ii) obtain or oppose provisional or ancillary remedies, including without limitation injunctive relief, writs of possession, the appointment of a receiver, and/or additional or supplementary remedies from a court of competent jurisdiction before, after, or during the pendency of any Reference. The exercise of, or opposition to, any such remedy does not waive the right of the District to the Reference pursuant to this Section 13.15.

(d) Promptly following the selection of the Referee, the parties to such Reference proceeding shall each advance equal portions of the estimated fees and costs of the Referee. In the statement of decision issued by the Referee, the Referee shall award costs, including reasonable attorneys' fees, to the prevailing party, if any, and may order the Referee's fees to be paid or shared by the parties to such Reference proceeding in such manner as the Referee deems just.

Section 13.16. Sovereign Immunity. To the extent the District has or hereafter may acquire under any applicable law any rights to immunity from legal proceedings on the grounds of sovereignty, the District hereby waives, to the extent permitted by law, such rights to immunity for itself in respect of its obligations arising under or related to this Indenture.

Section 13.17. Governing Law. This Indenture shall be construed in accordance with and governed by the Constitution and laws of the State.

[The remainder of this page is intentionally left blank]

IN WITNESS WHEREOF, WEST CONTRA COSTA HEALTHCARE DISTRICT has caused this Indenture to be signed in its name by its Chief Executive Officer and U.S. Bank National Association, in token of its acceptance of the trusts created under this Indenture, has caused this Indenture to be signed in its name by one of its authorized officers, all as of the day and year first above written.

WEST CONTRA COSTA HEALTHCARE
DISTRICT

By _____
Kathy White
Chief Executive Officer

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
David Jason
Vice President

**EXHIBIT A
FORM OF BOND**

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

United States of America
State of California
Contra Costa County

**WEST CONTRA COSTA HEALTHCARE DISTRICT
(Contra Costa County, California)
Refunding Revenue Bond, Series 2018**

INTEREST RATE:	MATURITY DATE:	DATED DATE:
3.625%*	July 1, 2028	April 17, 2018

REGISTERED OWNER: PACIFIC WESTERN BANK

PRINCIPAL SUM: _____ DOLLARS

WEST CONTRA COSTA HEALTHCARE DISTRICT, a local health care District organized and existing under and pursuant to The Local Health Care District Law of the State of California (herein called the "District"), for value received, hereby promises to pay (but only out of the Parcel Tax Revenues (as defined in the hereinafter defined Indenture) and any other available moneys of the District therefor as hereinafter mentioned) to the Registered Owner stated above or registered assigns, on the Maturity Date stated above (subject to any right of prior redemption hereinafter mentioned), the Principal Sum stated above in lawful money of the United States of America, and to pay interest thereon in like lawful money from the date hereof until payment of such principal sum shall be discharged as provided in the Indenture hereinafter mentioned, at the Interest Rate per annum stated above (or, if applicable, at the Taxable Rate, as defined in the Indenture), payable semiannually on each January 1 and July 1 (each, an "Interest Payment Date"), commencing July 1, 2018. The principal (or redemption price) hereof is payable (without presentation) at the Principal Corporate Trust Office (as defined in the Indenture) of U.S. Bank National Association (together with any successor trustee, herein called the "Trustee") (or at the principal corporate trust office of any successor trustee). Interest hereon is payable (without presentation) by check mailed on each Interest

* This is the initial interest rate. So long as an Event of Default shall have occurred and is continuing, the interest rate may, at the option of the Registered Owner, be increased to the Default Rate (as defined in the Indenture (hereinafter defined), as provided in a written notice to the Trustee and the District. From and after the Date of Taxability following a Determination of Taxability, the interest rate may, at the option of the Owner, be increased to the Taxable Rate. Subject to the provisions of Indenture relating to new business activity, the interest rate may, at the option of the Owner, be increased to the New Business Rate.

Payment Date to the Owner as of the fifteenth calendar day of the month (except with respect to defaulted interest) next preceding each Interest Payment Date (herein called a "Record Date") at the address shown on the registration books maintained by the Trustee; provided that such principal and interest shall be paid by wire transfer to any registered owner of at least \$1,000,000 in aggregate principal amount of Bonds if the registered owner makes a written request of the Trustee prior to the Record Date specifying the account address.

This Bond is one of a duly authorized issue of bonds of the District designated as "West Contra Costa Healthcare District (Contra Costa County, California) Refunding Revenue Bonds, Series 2018" (herein called the "Bonds"), issued pursuant to the provisions of section 53570 *et seq.* of the California Government Code (herein called the "Law"), and an indenture, dated as of April 1, 2018, by and between the District and the Trustee (herein called the "Indenture"), in the aggregate principal amount of _____ dollars (\$_____). All capitalized terms not otherwise defined shall have the meanings set forth in the Indenture.

Reference is hereby made to the Indenture (a copy of which is on file at said office of the Trustee) and all indentures supplemental thereto and to the Law for a description of the rights thereunder of the registered owner of the Bonds, the nature and extent of the security, the rights, duties and immunities of the Trustee, and the rights and obligations of the District thereunder. The Owner of this Bond, by acceptance hereof, assents and agrees to all the provisions of the Indenture.

The Bonds and the interest thereon are payable from and are secured by a pledge and assignment of Parcel Tax Revenues (as defined in the Indenture) and of amounts held in the funds and accounts established pursuant to the Indenture, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture.

The Bonds are limited obligations of the District and are not a lien or charge upon the funds or property of the District, except to the extent of the aforesaid pledge and assignment. Neither the faith and credit nor the tax revenues received by the District are pledged to the payment of the principal of or interest on the Bonds. The Bonds are not a debt of the State of California or any political subdivision thereof, and neither said State nor any political subdivision thereof (except the District to the extent provided in the Indenture) is liable for the payment thereof.

The Bonds are subject to redemption prior to their stated maturity, at the option of the District, in whole or in part on any Interest Payment Date at a redemption price equal to the principal amount of Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

The Bonds are subject to mandatory sinking fund redemption on January 1 and July 1 on the dates and in the amounts specified in the following table.

Mandatory Sinking Fund Payment Date	Sinking Fund Payment Amount
7/1/18	
1/1/19	
7/1/19	
1/1/20	
7/1/20	
1/1/21	
7/1/21	
1/1/22	
7/1/22	
1/1/23	
7/1/23	
1/1/24	
7/1/24	
1/1/25	
7/1/25	
1/1/26	
7/1/26	
1/1/27	
7/1/27	
1/1/28	
7/1/28†	

†Maturity

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

Notwithstanding the foregoing, in the case of any optional redemption of the Bonds, the notice of redemption may state that the redemption is conditioned upon receipt by the Trustee of sufficient moneys to redeem the Bonds on the anticipated redemption date, and that the optional redemption shall not occur if, by no later than the scheduled redemption date, sufficient moneys to redeem the Bonds have not been deposited with the Trustee. In the event that the Trustee does not receive sufficient funds by the scheduled optional redemption date to so redeem the Bonds to be optionally redeemed, such event shall not constitute an Event of Default; the Trustee shall send written notice to the Owner to the effect that the redemption did not occur as anticipated, and the Bonds for which notice of optional redemption was given shall remain Outstanding for all purposes of this Indenture.

If an Event of Default (as that term is defined in the Indenture) shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture. The Indenture provides that in certain events such declaration and its consequences may be rescinded by the registered owner of the Bonds then outstanding or by the Trustee.

The Bonds are issuable as one fully registered bond. Subject to the limitations and upon payment of the charges, if any, provided in the Indenture, Bonds may be exchanged, at said office of the Trustee, for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations.

This Bond is transferable by the Owner hereof, in person or by his or her attorney duly authorized in writing, at the principal corporate trust office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the

Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond or Bonds, of authorized denomination or denominations, of the same maturity for the same aggregate principal amount, will be issued to the transferee in exchange herefor.

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

The Indenture and the rights and obligations of the District the registered owner of the Bonds and the Trustee may be modified or amended from time to time and at any time in the manner, to the extent and upon the terms provided in the Indenture; provided that no such modification or amendment shall (i) extend the fixed maturity of any Bond, or reduce the amount of principal hereof, or extend the time of payment or reduce the amount of any Mandatory Sinking Account Payment provided for in the Indenture for the payment of this maturity of Bonds, or reduce the rate of interest hereon, or extend the time of payment of interest hereon, or reduce any premium payable upon the redemption hereof, without the consent of the registered owner of each Bond so affected, or (ii) reduce the percentage of Bonds the consent of the registered owner of which is required to effect any such modification or amendment, or permit the creation of any lien on the Parcel Tax Revenues and other assets pledged as security for the Bonds prior to or on a parity with the lien created by the Indenture, or deprive the registered owner of the Bonds of the lien created by the Indenture on such Parcel Tax Revenues and other assets (except as expressly provided in the Indenture), without the consent of the registered owner of the Bonds, all as more fully set forth in the Indenture.

IT IS HEREBY CERTIFIED AND RECITED that any and all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Law, and by the Constitution and laws of the State of California, and that the amount of this Bond, together with all other indebtedness of the District, does not exceed any limit prescribed by the Constitution and laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

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

IN WITNESS WHEREOF, WEST CONTRA COSTA HEALTHCARE DISTRICT has caused this Bond to be executed in its name and on its behalf by the facsimile signature of its _____ and attested by the facsimile signature of the Secretary of its Board of Directors, all as of the Dated Date stated above.

WEST CONTRA COSTA HEALTHCARE
DISTRICT

By _____

Attest:

Secretary

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

Authentication Date: _____

U.S. BANK NATIONAL ASSOCIATION,
Trustee

By _____
Authorized Signatory

ASSIGNMENT

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

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

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

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

Dated: _____

Signature Guaranteed:

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

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

EXHIBIT B

FORM OF PURCHASER'S LETTER

West Contra Costa Healthcare District
Pinole, California

Re: West Contra Costa Healthcare District Refunding Revenue Bonds, Series 2018

Ladies and Gentlemen:

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

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

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

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

a trust, partnership, custodial arrangement or similar entity, interests in which are offered and sold in a private placement or limited offering only to Qualified Institutional Buyers or Accredited Investors.

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

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

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

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

(f) The Purchaser acknowledges that it has the right to sell and transfer the Bonds, subject to compliance with the transfer restrictions set forth in Section 2.05 of the Indenture of Trust, dated as of April 1, 2018, by and between the District and the Trustee (the "Indenture"), including in certain circumstances the requirement for the delivery to the District and the Trustee of a letter in the same form as this Purchaser's Letter, including this paragraph. Failure to comply with the provisions of Section 2.05 of the Indenture shall cause the purported transfer to be null and void.

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

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

The Purchaser acknowledges that the sale of the Bonds to the Purchaser is made in reliance upon the certifications, representations and warranties in this Indenture by the addressees hereto. Capitalized terms used in this Indenture and not otherwise defined have the meanings given such terms in the Indenture.

[PURCHASER]

By _____
Name _____
Title _____

\$ _____
WEST CONTRA COSTA HEALTHCARE DISTRICT
(Contra Costa County, California)
Refunding Revenue Bonds, Series 2018

LETTER AGREEMENT FOR PURCHASE AND RATE LOCK

April 2, 2018

West Contra Costa Healthcare District
2200 San Pablo Avenue, Suite 201
Pinole, CA 94564

Ladies and Gentlemen:

Pacific Western Bank (the "Purchaser"), offers to enter into this Letter Agreement for Purchase and Rate Lock (the "Letter Agreement") with the West Contra Costa Healthcare District (the "District"), which will be binding upon the District and the Purchaser upon the acceptance hereof by the District. This offer is made subject to its acceptance by the District by execution of this Letter Agreement and its delivery to the Purchaser on or before 5:00 P.M., California time, on the date hereof.

Terms not otherwise defined herein shall have the same meanings as set forth in the Indenture, described below.

1. *Purchase and Sale.* Upon the terms and conditions and in reliance upon the representations, warranties and covenants herein, the District hereby agrees to sell to the Purchaser and the Purchaser hereby agrees to purchase from the District, all (but not less than all) of the \$ _____ West Contra Costa Healthcare District (Contra Costa County, California) Refunding Revenue Bonds, Series 2018 (the "Bonds"), at the purchase price of \$ _____ (the "Purchase Price"), being the principal amount of the Bonds. The Purchase Price will be delivered on the Closing Date (as defined in Section 6 below), to U.S. Bank National Association, as trustee (the "Trustee"), on behalf of the District.

The District acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Letter Agreement is an arm's-length commercial transaction between the District and the Purchaser; (ii) in connection with such transaction, including the process leading thereto, the Purchaser is acting solely as a principal and not as an agent or a fiduciary of the District; (iii) the Purchaser has neither assumed an advisory or fiduciary responsibility in favor of the District with respect to the offering of the Bonds or the process leading thereto (whether or not the Purchaser, or any affiliate of the Purchaser, has advised or is currently advising the District on other matters) nor has it assumed any other obligation to the District except the obligations expressly set forth in this Letter Agreement, (iv) the Purchaser has financial and other interests that differ from those of the District; and (v) the District has

consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

The Bonds shall be dated the Closing Date, shall bear interest at the rate, shall mature on the date and in the principal amount and shall be subject to redemption, all as set forth in the attached Exhibit A.

If the purchase of the Bonds does not close on or before April 17, 2018, the interest rate specified in Exhibit A shall no longer be effective and the Purchaser and the District shall agree on a new rate.

The Bonds are being issued pursuant to the provisions of section 53570 *et seq.* of the California Government Code, a resolution of the District, adopted on March 28, 2018 (the "District Resolution"), and that certain Indenture of Trust, dated as of April 1, 2018 (the "Indenture"), by and between the District and the Trustee.

The District's obligation to pay the principal of and interest on the Bonds will be secured by a first and prior lien on the revenues derived by the District from an annual special parcel tax on each taxable parcel of real property within the District (exclusive of parcels for which exemptions have been granted, approved by approximately 84% of the voters of the District at a special election held on June 8, 2004 (the "Authorization")), on a parity with the District's payment obligations under an installment sale agreement executed in 2011 which support outstanding certificates of participation.

The Bonds are being issued for the purpose of (a) providing funds to the District to refund, on a current basis, (i) the District's West Contra Costa Healthcare District Certificates of Participation (2004 Financing Program) (the "2004 COPs"), of which \$16,370,000 is currently outstanding, and (b) paying the costs of issuing the Bonds.

Pursuant to an escrow agreement (the "Escrow Agreement"), by and between the District and U.S. Bank National Association, as escrow bank (the "Escrow Bank"), provision will be made for the redemption of the 2004 COPs in full on May 4, 2018, at a redemption price equal to 100% of the principal amount thereof, together with accrued interest to such date.

2. Private Placement; Bonds Constitute Investment of Purchaser.

(a) The Purchaser has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other obligations of a nature similar to the Bonds to be able to evaluate the risks and merits of the purchase of the Bonds.

(b) The Purchaser is acquiring the Bonds for its own account and not with a current view to, or for sale in connection with, any distribution thereof or any part thereof. The Purchaser has not offered to sell, solicited offers to buy, or agreed to sell the Bonds or any part thereof, and the Purchaser has no current intention of reselling or otherwise disposing of the Bonds *provided, however,* such representation shall not preclude the Purchaser from participating, transferring or selling of the Bonds in accordance with the provisions of the Indenture. The Purchaser is not acting in a broker-dealer capacity in connection with its purchase of the Bonds. The Purchaser has required as a condition to the purchase of the Bonds that no application be made for the assignment of CUSIP numbers or to make the Bonds DTC eligible.

(c) The Purchaser has made its own credit inquiry and analysis with respect to the District and the Bonds and has made an independent credit decision based upon such inquiry and analysis and in reliance on the truth, accuracy, and completeness of the representations and

warranties of the District set forth in the Indenture and in the information set forth in any materials submitted to the Purchaser by the District. The District has furnished to the Purchaser all the information which the Purchaser, as a reasonable investor, has requested of the District as a result of the Purchaser having attached significance thereto in making its decision with respect to the Bonds, and the Purchaser has had the opportunity to ask questions of and receive answers from knowledgeable individuals concerning the District and the Bonds. The Purchaser is able and willing to bear the economic risk of the purchase and ownership of the Bonds.

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

(e) The Purchaser has authority to purchase the Bonds and to execute any instruments and documents required to be executed by the Purchaser in connection with the purchase of the Bonds. The undersigned is a duly appointed, qualified, and acting officer of the Purchaser and is authorized to cause the Purchaser to make the representations and warranties contained herein on behalf of the Purchaser.

(f) The Purchaser acknowledges that the Bonds are transferable with certain requirements, as described in the Indenture. The Purchaser acknowledges that the Bonds are exempt from the requirements of Rule 15c2-12 of the Securities and Exchange Commission and that the District has not undertaken to provide any continuing disclosure with respect to the Bonds but that the District has agreed to provide other ongoing information to the Purchaser as set forth in the Indenture and related documents.

4. *Representations, Warranties and Agreements of the District.* The District represents and warrants to the Purchaser that, as of the Closing Date:

(a) The District is a local health care district, organized and existing under the laws of the State of California (the "State"), and is authorized, among other things, (i) to issue the Bonds, and (ii) to secure the Bonds in the manner contemplated by the Indenture.

(b) The District has the full right, power and authority (i) to adopt the District Resolution, (ii) to enter into the Indenture, the Escrow Agreement and this Letter Agreement, (iii) to issue, sell and deliver the Bonds to the Purchaser as provided herein, and (iv) to carry out and consummate all other transactions on its part contemplated by each of the aforesaid documents, and the District has complied with all provisions of applicable law and the Authorization in all matters relating to such transactions.

(c) The District has duly authorized (i) the execution and delivery of the Bonds and the execution, delivery and due performance by the District of this Letter Agreement, the Escrow Agreement and the Indenture, and (ii) the taking of any and all such action as may be required on the part of the District to carry out, give effect to and consummate the transactions on its part contemplated by such instruments. All consents or approvals necessary to be obtained by the District in connection with the foregoing have been received, including, but not limited to, all authorizations, if any, required by its bankruptcy settlement order and the consents or approvals so received are still in full force and effect.

(d) The Bonds, when issued, authenticated and delivered in accordance with the District Resolution and the Indenture, and sold to the Purchaser as provided herein, will constitute legal, valid and binding obligations of the District, enforceable in accordance with their

respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally, the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State, and are entitled to the benefits of the laws of the State, the Indenture and the District Resolution.

(e) Neither the execution and delivery by the District of the Indenture, the Escrow Agreement, this Letter Agreement and of the Bonds nor the consummation of the transactions on the part of the District contemplated herein or therein or the compliance with the provisions hereof or thereof will conflict with, or constitute on the part of the District a violation of, or a breach of or default under, (i) any statute, indenture, mortgage, note or other agreement or instrument to which the District is a party or by which it is bound, (ii) any provision of the State Constitution or the Authorization, or (iii) any existing law, rule, regulation, ordinance, judgment, order or decree to which the District (or the members of the District or any of its officers in their respective capacities as such) is subject.

(f) The District has never been in default at any time, as to principal of or interest on any obligation which it has issued except as otherwise specifically disclosed to the Purchaser; and the District has not entered into any contract or arrangement of any kind which might give rise to any lien or encumbrance on the Tax Revenues pledged to the payment of the Bonds except as otherwise specifically disclosed to the Purchaser.

(g) Except as otherwise specifically disclosed in writing to the Purchaser, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, which has been served on the District or, to the best knowledge of the District, threatened, which in any way questions the powers of the District referred to in paragraph (b) above, or the validity of any proceeding taken by the District in connection with the issuance of the Bonds, or wherein an unfavorable decision, ruling or finding could materially adversely affect the transactions contemplated by this Letter Agreement, the Escrow Agreement or the Indenture, or which, in any way, could adversely affect the validity or enforceability of the Indenture, the Escrow Agreement, the Bonds or this Letter Agreement or, to the knowledge of the District, which in any way questions the exclusion from gross income of the recipients thereof the interest on the Bonds for federal income tax purposes or in any other way questions the status of the Bonds under federal or state tax laws or regulations or which in any way could materially adversely affect the availability of Tax Revenues.

(h) The financial statements of, and other financial information regarding the District relating to the receipts, expenditures and cash balances of revenues by the District as of June 30, 2017, fairly represent the receipts, expenditures and cash balances of such amounts and, insofar as presented, other funds of the District as of the dates and for the periods therein set forth. The financial statements of the District have been prepared in accordance with generally accepted accounting principles consistently applied. There has not been any materially adverse change in the financial condition of the District or in its operations since June 30, 2017, and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(i) Any certificate signed by any official of the District and delivered to the Purchaser in connection with the offer or sale of the Bonds shall be deemed a representation, covenant and warranty by the District to the Purchaser as to the truth of the statements therein contained.

(j) The District has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon.

(k) The Bonds shall not be registered or otherwise qualified under any Blue Sky or other securities laws.

(l) All authorizations, approvals, licenses, permits, consents, elections, and orders of or filings with any governmental authority, legislative body, board, agency or commission having jurisdiction in the matters which are required by the Closing Date for the due authorization of, which would constitute a condition precedent to or the absence of which would adversely affect the due performance by the District of, its obligations in connection with the Indenture have been duly obtained or made and are in full force and effect.

(m) Between the date of this Letter Agreement and the Closing Date, the District will not offer or issue any bonds, notes or other obligations for borrowed money not previously disclosed to the Purchaser.

(n) The District will apply the proceeds of the Bonds in accordance with the Indenture and any related documents.

(o) To the extent the District has or hereafter may acquire under any applicable law any rights to immunity from legal proceedings on the grounds of sovereignty, the District hereby waives, to the extent permitted by law, such rights to immunity for itself in respect of its obligations arising under or related to the Indenture or this Letter Agreement.

5. *Covenant of the District.* The District covenants with the Purchaser as of the Closing Date that the District will not take or omit to take any action, which action or omission will in any way cause the proceeds from the sale of the Bonds to be applied in a manner other than as provided in the Indenture or which would cause the interest on the Bonds to be includable in gross income for federal income tax purposes or would adversely affect the qualification of the Bonds as "qualified tax exempt obligations" under section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

6. *Closing.* On April 17, 2018, or at such other date and times as shall have been mutually agreed upon by the District and the Purchaser (the "Closing Date"), the District will deliver or cause to be delivered the Bonds to the Purchaser, and the District shall deliver or cause to be delivered to the Purchaser the certificates, opinions and documents hereinafter mentioned, each of which shall be dated as of the Closing Date. The activities relating to the execution and delivery of the Bonds, opinions and other instruments as described in Section 8 of this Letter Agreement shall occur on the Closing Date. The delivery of the certificates, opinions and documents as described herein shall be made at the offices Quint & Thimmig LLP, in Larkspur, California ("Bond Counsel"), or at such other place as shall have been mutually agreed upon by the District and the Purchaser. Such delivery is herein called the "Closing."

The Bonds will be prepared and physically delivered to the Purchaser on the Closing Date in the form of a separate single fully registered bond. The Bonds will be authenticated by the Trustee in accordance with the terms and provisions of the Indenture.

The Purchaser will pay the Purchase Price of the Bonds by delivering to the Trustee, for the account of the District a wire transfer in federal funds of the Purchase Price payable to the order of the Trustee.

7. *Closing Conditions.* The obligations of the Purchaser hereunder shall be subject to the performance by the District of its obligations hereunder at or prior to the Closing Date and are also subject to the following conditions:

(a) the representations, warranties and covenants of the District contained herein shall be true and correct in all material respects as of the Closing Date;

(b) as of the Closing Date, there shall have been no material adverse change in the financial condition of the District;

(c) as of the Closing Date, all official action of the District relating to this Letter Agreement, the Escrow Agreement and the Indenture shall be in full force and effect;

(d) as of the Closing Date, the Purchaser shall receive the following certificates, opinions and documents, in each case satisfactory in form and substance to the Purchaser:

(i) a copy of the Indenture, as duly executed and delivered by the District and the Trustee;

(ii) a copy of the Escrow Agreement, as duly executed and delivered by the District and the Escrow Bank;

(iii) an opinion of Bond Counsel, in form acceptable to the Purchaser, dated the Closing Date and addressed to the District, with reliance letters addressed to the Purchaser and to the Trustee;

(iv) a certificate, dated the Closing Date, of the District executed by the Chief Executive Officer (or other duly appointed officer of the District authorized by the District by resolution of the District) to the effect that (A) there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body which has been served on the District or, to the knowledge of the District, threatened against or affecting the District to restrain or enjoin the District's participation in, or in any way contesting the existence of the District or the powers of the District with respect to, the transactions contemplated by this Letter Agreement, the Escrow Agreement or the Indenture, and consummation of such transactions; and (B) the representations and warranties of the District contained in this Letter Agreement are true and correct in all material respects, and the District has complied with all agreements and covenants and satisfied all conditions to be satisfied at or prior to the Closing Date as contemplated by the Indenture, the Escrow Agreement and this Letter Agreement;

(v) an opinion of counsel to the District, dated the Closing Date and addressed to the District and the Purchaser to the effect that:

(A) the District is a local healthcare district, organized and existing under the laws of the State;

(B) the District has full legal power and lawful authority to enter into the Indenture, the Escrow Agreement and this Letter Agreement;

(C) the District Resolution has been duly adopted at a meeting of the governing body of the District, which was called and held pursuant to the law and with all public notice required by law and at which a quorum was present

and acting throughout and the District Resolution is in full force and effect and has not been modified, amended or rescinded;

(D) the Indenture, the Escrow Agreement and this Letter Agreement have been duly authorized, executed and delivered by the District and, assuming due authorization, execution and delivery by the other parties thereof, constitute the valid, legal and binding agreements of the District enforceable in accordance with their terms; and

(E) Except as otherwise specifically disclosed to the Purchaser, there is no litigation, action, suit, proceeding or investigation (or any basis therefor) at law or in equity before or by any court, governmental agency or body, pending by way of a summons served against the District or, to our knowledge, threatened against the District, challenging the creation, organization or existence of the District, or the validity of the Indenture, the Escrow Agreement or this Letter Agreement or seeking to restrain or enjoin any of the transactions referred to therein or contemplated thereby or contesting the authority of the District to enter into or perform its obligations under the Indenture, the Escrow Agreement or this Letter Agreement, or under which a determination adverse to the District would have a material adverse effect upon the availability of Pledged Revenues, or which, in any manner, questions the right of the District to enter into, and perform under, the Indenture, the Escrow Agreement or this Letter Agreement;

(vi) an opinion of counsel to the Trustee, dated the Closing Date and addressed to the District and the Purchaser, to the effect that:

(A) The Trustee is a national banking association organized and existing under the laws of the United States of America, having full power to enter into, accept and administer the trust created under the Indenture;

(B) The Indenture has been duly authorized, executed and delivered by the Trustee and the Indenture constitutes a legal, valid and binding obligation of the Trustee enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought; and

(C) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Trustee that has not been obtained is or will be required for the execution and delivery of the Indenture or the consummation of the transactions contemplated by the Indenture;

(vii) an opinion of counsel to the Escrow Bank, dated the Closing Date and addressed to the District and the Purchaser, to the effect that:

(A) The Escrow Bank is a national banking association organized and existing under the laws of the United States of America, having full power to enter into, accept and administer the its obligations under the Escrow Agreement;

(B) The Escrow Agreement has been duly authorized, executed and delivered by the Escrow Bank and the Escrow Agreement constitutes the legal,

valid and binding obligation of the Escrow Bank enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought; and

(C) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Escrow Bank that has not been obtained is or will be required for the execution and delivery of the Escrow Agreement or the consummation of the transactions contemplated by the Escrow Agreement;

(viii) a certificate, dated the Closing Date, of the Trustee, signed by a duly authorized officer of the Trustee, to the effect that (A) the Trustee is duly organized and validly existing as a national banking association, with full corporate power to undertake the trust of the Indenture; (B) the Trustee has duly authorized, executed and delivered the Indenture and by all proper corporate action has authorized the acceptance of the trust of the Indenture; and (C) to the best of such officer's knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body which has been served on the Trustee (either in state or federal courts), or to the knowledge of the Trustee which would restrain or enjoin the execution or delivery of the Indenture, or which would affect the validity or enforceability of the Indenture, or the Trustee's participation in, or in any way contesting the powers or the authority of the Trustee with respect to, the transactions contemplated by the Indenture, or any other agreement, document or certificate related to such transactions;

(ix) a certificate, dated the Closing Date, of the Escrow Bank, signed by a duly authorized officer of the Escrow Bank, to the effect that (A) the Escrow Bank is duly organized and validly existing as a national banking association, with full corporate power to undertake its obligations under the Escrow Agreement; (B) the Escrow Bank has duly authorized, executed and delivered the Escrow Agreement and by all proper corporate action has authorized the acceptance of its obligations under the Escrow Agreement; and (C) to the best of such officer's knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body which has been served on the Escrow Bank (either in state or federal courts), or to the knowledge of the Escrow Bank which would restrain or enjoin the execution or delivery of the Escrow Agreement, or which would affect the validity or enforceability of the Escrow Agreement, or the Escrow Bank's participation in, or in any way contesting the powers or the authority of the Escrow Bank with respect to, the transactions contemplated by the Escrow Agreement, or any other agreement, document or certificate related to such transactions;

(x) a supplemental opinion of Bond Counsel, dated the Closing Date and addressed to the District and the Purchaser, to the effect that:

(A) this Letter Agreement, the Escrow Agreement have been duly authorized, executed and delivered by the District and, assuming the valid execution and delivery by the other parties thereto, are valid and binding upon the District, subject to the laws relating to bankruptcy, insolvency, reorganization of creditors' rights generally and to the application of equitable principles;

(B) the Bonds are exempt from registration pursuant to Section 3(a)(2) of the Securities Act of 1933, as amended, and the Indenture are exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; and

(xi) an Arbitrage Certificate in the form satisfactory to Bond Counsel;

(xii) a certified copy of the District Resolution;

(xiii) the specimen Bond;

(xiv) evidence that the federal tax information form 8038-G with respect to the Bonds has been prepared by Bond Counsel for filing;

(xv) evidence of required filings with the California Debt and Investment Advisory Commission;

(xvi) the defeasance opinion of Bond Counsel with respect to the 2004 COPs, dated the Closing Date and addressed to the District, the Trustee, the Escrow Bank and the Purchaser, in form and substance satisfactory to the Purchaser;

(xvii) the opinion of Bond Counsel relating to certain bankruptcy matters, addressed to District and the Purchaser, substantially in the form attached hereto as Exhibit B; and

(xviii) such additional legal opinions, certificates, instruments and other documents as the Purchaser may reasonably deem necessary to evidence the truth and accuracy as of the time of the Closing Date of the representations and warranties of the District contained in this Letter Agreement and the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District pursuant to this Letter Agreement.

9. *Termination.* The Purchaser shall have the right to cancel its obligations to purchase the Bonds if between the date hereof and the Closing Date:

(a) a decision with respect to legislation shall be reached by a committee of the House of Representatives or the Senate of the Congress of the United States, or legislation shall be favorably reported by such a committee or be introduced, by amendment or otherwise, in or be passed by the House of Representatives or the Senate, or recommended to the Congress of the United States for passage by the President of the United States, or be enacted or a decision by a federal court of the United States or the United States Tax Court shall have been rendered, or a ruling, release, order, regulation or offering circular by or on behalf of the United States Treasury Department, the Internal Revenue Service or other governmental agency shall have been made or proposed to be made having the purpose or effect, or any other action or event shall have occurred which has the purpose or effect, directly or indirectly, of adversely affecting the federal income tax consequences of owning the Bonds, including causing interest on the Bonds to be included in gross income for purposes of federal income taxation, or imposing federal income taxation upon revenues other income of the general character to be derived by the District or by any similar body under the Indenture or similar documents or upon interest received on obligations of the general character of the Bonds which, in the reasonable opinion of the Purchaser, materially adversely affects the Bonds; or

(b) legislation shall have been enacted, or considered for enactment with an effective date prior to the Closing Date, or a decision by a court of the United States shall have been

rendered, the effect of which is that of the Bonds, including any underlying obligations, or the Indenture, as the case may be, is not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; or

(c) a stop order, ruling, regulation or offering circular by the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering or sale of the Bonds, including any underlying obligations, or the execution of the Indenture, as contemplated hereby, is or would be in violation of any provisions of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; or

(e) there shall have occurred any outbreak of hostilities or any national or international calamity or crisis, including a financial crisis, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Purchaser, would materially adversely affect the Bonds; or

(d) there shall be in force a general suspension of trading on the New York Stock Exchange, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Purchaser, would materially adversely affect the Bonds; or

(e) a general banking moratorium shall have been declared by federal, New York or California authorities; or

(f) any proceeding shall be pending or threatened by the Securities and Exchange Commission against the District; or

(g) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange; or

(h) the New York Stock Exchange or other national securities exchange, or any governmental or regulatory authority, shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of the Purchaser; or

(i) any change, which in the reasonable opinion of the Purchaser, materially adversely affects the Bonds or, the financial condition of the District.

10. *Contingency of Obligations.* The obligations of the District hereunder are subject to the performance by the Purchaser of its obligations hereunder.

11. *Duration of Representations, Warranties, Agreements and Covenants.* All representations, warranties, agreements and covenants of the District shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Purchaser or the District and shall survive the Closing Date.

12. *Expenses.* The District will pay or cause to be paid all reasonable expenses incident to the performance of its obligations under this Letter Agreement, including, but not limited to,

mailing or delivery of the Bonds, costs of printing the Bonds, the fees and disbursements of the Trustee, the Placement Agent, its financial advisor, Bond Counsel, the Purchaser, counsel to the Purchaser and counsel to the District, the fees and expenses of the District's accountants and fiscal consultants and the reporting fee to the California Debt and Investment Advisory Commission. In the event this Letter Agreement shall terminate because of the default of the Purchaser, the District will, nevertheless, pay, or cause to be paid, all of the expenses specified above. The Purchaser shall have no responsibility for any costs or expenses associated with the Bonds including, but not limited to, the expenses identified above..

13. *Notices.* Any notice or other communication to be given to the District under this Letter Agreement may be given by delivering the same in writing to its Chief Executive Officer, West Contra Costa Healthcare District, 2200 San Pablo Avenue, Suite 201, Pinole, CA 94564, and any notice or other communication to be given to the Purchaser under this Letter Agreement may be given by delivering the same in writing to Pacific Western Bank, 9701 Wilshire Boulevard, Suite 700, Beverly Hills, CA 90212, Attention: Mr. Christopher Baron, Managing Director.

14. *Parties in Interest.* This Letter Agreement is made solely for the benefit of the District and the Purchaser (including the successors or assigns of the Purchaser) and no other person, including any purchaser of the Bonds, shall acquire or have any right hereunder or by virtue hereof.

15. *Governing Law.* This Letter Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to contracts made and performed in California.

16. *Headings.* The headings of the paragraphs of this Letter Agreement are inserted for convenience of reference only and shall not be deemed to be a part hereof.

17. *Severability.* In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

18. *Effectiveness.* This Letter Agreement shall become effective upon acceptance hereof by the District.

19. *Judicial Reference.* The provisions of Section 13.15 of the Indenture relating to judicial reference shall be incorporated herein by reference.

20. *Counterparts.* This Letter Agreement may be executed in several counterparts which together shall constitute one and the same instrument.

Very truly yours,

PACIFIC WESTERN BANK, as Purchaser

By _____
Christopher Baron
Managing Director

Accepted and agreed to as of
the date first above written:

WEST CONTRA COSTA HEALTHCARE
DISTRICT

By _____
Kathy White
Chief Executive Officer

[West Contra Costa Healthcare District
(Contra Costa County, California)
Refunding Revenue Bonds, Series 2018]

**EXHIBIT A TO THE
LETTER AGREEMENT FOR PURCHASE**

\$ _____
**WEST CONTRA COSTA HEALTHCARE DISTRICT
(Contra Costa County, California)
Refunding Revenue Bonds, Series 2018**

MATURITY SCHEDULE

Maturity Date (July 1)	Principal Amount	Interest Rate*
2028	\$ _____	3.625%

REDEMPTION PROVISIONS

Optional Redemption. The Bonds are subject to redemption prior to their stated maturity, at the option of the District, in whole or in part on any Interest Payment Date at a redemption price equal to the principal amount of Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The Bonds are subject to mandatory sinking fund redemption on January 1 and July 1 on the dates and in the amounts specified in the following table.

Mandatory Sinking Fund Payment Date	Sinking Fund Payment Amount	Mandatory Sinking Fund Payment Date	Sinking Fund Payment Amount
7/1/18		1/1/24	
1/1/19		7/1/24	
7/1/19		1/1/25	
1/1/20		7/1/25	
7/1/20		1/1/26	
1/1/21		7/1/26	
7/1/21		1/1/27	
1/1/22		7/1/27	
7/1/22		1/1/28	
1/1/23		7/1/28†	
7/1/23			

†Maturity

* This is the initial interest rate. So long as an Event of Default shall have occurred and is continuing, the interest rate may, at the option of the Owner, be increased to the Default Rate (as defined in the Indenture, as provided in a written notice to the Trustee and the District. From and after the Date of Taxability following a Determination of Taxability, the interest rate may, at the option of the Owner, be increased to the Taxable Rate. Subject to the provisions of Indenture relating to new business activity, the interest rate may, at the option of the Owner, be increased to the New Business Rate. Capitalized terms used herein shall have the meanings ascribed thereto in the Indenture.

**EXHIBIT B TO THE
LETTER AGREEMENT FOR PURCHASE**

[Closing Date]

West Contra Costa Healthcare District
2200 San Pablo Avenue, Suite 201
Pinole, California 94564

Pacific Western Bank
9701 Wilshire Boulevard, Suite 700
Beverly Hills, California 90212

Re: West Contra Costa Healthcare District Refunding Revenue Bonds, Series 2018

Ladies and Gentlemen:

We have acted as special counsel to the West Contra Costa Healthcare District (the "District") in connection with the issuance by the District of its Refunding Revenue Bonds, Series 2018 (the "Bonds"), pursuant to that certain Indenture, dated as of April 1, 2018, by and between the District and U.S. Bank National Association, as trustee. As used herein, "Parcel Tax Revenues" means all of the revenues generated from parcel taxes levied pursuant to Measure D, approved by the voters of the District at the special election held on June 8, 2004, as described in section 5451.5 of the California Government Code.

A. Opinion Requested

You have requested our opinion as to whether, if the District were to become the debtor in a case under the United States Bankruptcy Code (Title 11, U.S.C.) (the "Bankruptcy Code") commenced after the date hereof, the court would hold that the lien described in section 5451.5 of the California Government Code on Parcel Tax Revenues is a "statutory lien" within the meaning of section 101(53) of the Bankruptcy Code, so that section 552(a) of the Bankruptcy Code would not in and of itself cause Parcel Tax Revenues acquired by the District after the commencement of such case to not be subject to such lien.

Our opinion is based solely upon our examination of such matters of law as we have deemed necessary for purposes of rendering such opinion. We have not made any investigation of any factual matter.

B. Analysis

1. Statutory Lien

Section 5451.5 of the California Government Code provides that:

(a) All obligations of the West Contra Costa Healthcare District in connection with any and all certificates of participation executed and delivered by or on behalf of the district between June 8, 2004, and December 31, 2012, including certificates of participation executed and delivered before January 1,

2035, to refund those certificates of participation, shall be secured by a statutory lien on all of the revenues generated from parcel taxes levied pursuant to Measure D, approved by the voters of the district at the special election held on June 8, 2004.

(b) This lien shall arise automatically without the need for any action or authorization by the district or the board of directors of the district. The lien shall be valid and binding from the time the certificates of participation are executed and delivered.

(c) The parcel tax revenue shall immediately be subject to this lien, and the lien shall immediately attach to the parcel tax revenue and be effective, binding, and enforceable against the district, its successors, purchasers of those revenues, creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any physical delivery, recordation, filing, or further act.

Section 101(37) of the Bankruptcy Code states that "[t]he term 'lien' means charge against or interest in property to secure payment of a debt or performance of an obligation."

Section 101(53) provides that:

The term "statutory lien" means lien arising solely by force of a statute on specified circumstances or conditions, or lien of distress for rent, whether or not statutory, but does not include security interest or judicial lien, whether or not such interest or lien is provided by or is dependent on a statute and whether or not such interest or lien is made fully effective by statute.

Section 101(36) states that "[t]he term 'judicial lien' means lien obtained by judgment, levy, sequestration, or other legal or equitable process or proceeding." Section 101(51) provides that "[t]he term 'security interest' means lien created by an agreement."

A leading bankruptcy commentator summarizes the effect of these definitions: "If the lien arises by force of statute, without any prior consent between the parties or judicial action, it will be deemed a statutory lien." 2 *Collier on Bankruptcy* ¶ 101.53 at 101-206 (16th ed. 2011).

This summary is confirmed by the legislative history for Section 101:

Paragraph (27) defines "lien." The definition is new and is very broad. A lien is defined as a charge against or interest in property to secure payment of a debt or performance of an obligation. It includes inchoate liens. In general, the concept of lien is divided into three kinds of liens: judicial liens, security interests, and statutory liens. Those three categories are mutually exclusive and are exhaustive except for certain common law liens.

Paragraphs (35) and (36) define "security agreements" and "security interest." A security interest is one of the kinds of liens. It is a lien created by an agreement. Security agreement is defined as the agreement creating the security interest.

Paragraph (37) defines another kind of lien, "statutory lien." The definition, derived from current law, states that a statutory lien is a lien arising solely by force of statute on specified circumstances or conditions, and includes a lien of distress for rent (whether statutory, common law, or otherwise). The definition excludes judicial liens and security interests, whether or not they are provided for or are dependent on a statute, and whether or not they are made fully effective by statute. A statutory lien is the only one that arises automatically, and is not based on an agreement to give a lien or on judicial action. Mechanics', materialmen's and warehousemen's liens are examples. Tax liens are also included in the definition of statutory lien.

H.R. Rpt. No. 95-595 at 312, 314 (1977). To the same effect is S. Rpt. 95-989 at 25-27 (1978).

In the words of the legislative history, a statutory lien is only one that arises automatically, and is not based on an agreement to give a lien or on judicial action.

There are few bankruptcy cases considering the difference between a statutory lien and a security interest in the context of a financing. There are even fewer cases considering this question in the context of a municipal bankruptcy under Chapter 9 of the Bankruptcy Code. The issue was, however, litigated in the bankruptcy of Orange County.

The Bankruptcy Court in the bankruptcy of Orange County held that certain secured notes issued by Orange County pursuant to Sections 53852 and 53856 of the California Government Code were not secured by a statutory lien: "The lien is not statutory because it does not arise solely by force of the statute. The County had to decide to pledge its revenues and designate the specific revenues that would secure the [notes]." *In re County of Orange*, 179 B.R. 185, 194 (Bankr. C.D. Cal. 1995).

On appeal, the District Court reversed. *In re County of Orange*, 189 B.R. 499 (C.D. Cal. 1995). The District Court noted that "[t]he difference between statutory liens and security interests is sometimes obscure." 189 B.R. at 502. The District Court concluded, however, that the lien under consideration was a statutory lien: "Section 53856 permits the County to decide whether to pledge, and what to pledge. But the statute itself imposes the pledge, without further action by the County. The County has no choice of the type of lien or its terms." 189 B.R. at 503.

The decision of the District Court was appealed to the United States Court of Appeals for the Ninth Circuit, but the parties settled while the appeal was pending. Thus, it difficult to regard the legal issues as having been definitively resolved in the Orange County litigation.

Section 5451.5 of the California Government Code does not permit the District to choose whether to pledge or what to pledge. Instead it provides that all obligations of the District in connection with specified certificates of participation shall be secured by a lien on the Parcel Tax Revenues. This lien arises regardless of the terms of any agreement that the District may enter into.

2. Section 552(a)

Section 552(a) of the Bankruptcy Code provides that:

Except as provided in subsection (b) of this section, property acquired by the estate or by the debtor after the commencement of the case is not subject to any lien

resulting from any security agreement entered into by the debtor before the commencement of the case.

Section 101(50) states that “[t]he term ‘security agreement’ means agreement that creates or provides for a security interest.” The legislative history to Section 101(50) notes that “[s]ecurity agreement is defined as the agreement creating the security interest.” H.R. Rpt. No. 95-595 at 314 (1977). To the same effect is S. Rpt. 95-989 at 26 (1978).

A leading bankruptcy commentator summarizes the effect of section 552(a) as follows: “Because it is grounded in the Bankruptcy Code’s definition of ‘security interest,’ found in section 101, subsection (a) is confined to consensual liens and does not extend to nonconsensual or statutory liens.” 5 *Collier on Bankruptcy* ¶ 552.01[2] at 552-5 (16th ed. 2011) (citing *United States v. Ron Pair Enterprises, Inc.*, 489 U.S. 235, 242 n. 5 (1989)).

Both the Bankruptcy Court and the District Court in the Orange County bankruptcy agreed that section 552(a) applies only to consensual liens and thus that if the lien under consideration were a statutory lien, then section 552(a) would have no effect on it. “Section 552(a), therefore, only applies to liens created by a security agreement and not to other types of liens.” 179 B.R. at 192 (footnote omitted). “By its terms, section 552(a) only applies to liens resulting from security agreements, not other types of liens such as statutory liens.” 189 B.R. at 502.

C. Opinions

Based on and subject to the foregoing, as well as the limitations set forth below and the further qualification that there is no case directly on point, it is our opinion that, if the District were to become a debtor in a case under the Bankruptcy Code commenced after the date hereof, and the matter were properly briefed and presented to a federal court with jurisdiction over such bankruptcy case, the court, exercising reasonable judgment after full consideration of all relevant factors, would hold that the lien described in section 5451.5 of the California Government Code on Parcel Tax Revenues is a “statutory lien” within the meaning of section 101(53) of the Bankruptcy Code, so that Section 552(a) of the Bankruptcy Code would not in and of itself cause Parcel Tax Revenues acquired by the District after the commencement of such case to not be subject to such lien.

It is our opinion that, notwithstanding the phrase “including *certificates of participation* executed and delivered before January 1, 2035, to refund [the District’s 2004 and 2011 Certificates of Participation” [emphasis added], the intent of such phrase was not to limit the ability to issue other obligations, such as the Bonds, but was merely using the same term as the obligations it permitted to be refunded.

D. Exceptions and Limitations

We express no opinion as (a) to any matter not governed by the Bankruptcy Code, or any matter governed by any provision of the Bankruptcy Code other than Sections 101 and 552(a), any lien other than the lien described in Section 5451.5 of the California Government Code, any collateral other than the Parcel Tax Revenues, or (d) any obligations other than the obligations of the District in connection with the Bonds. Without limiting the generality of the foregoing, we express no opinion as to the scope or applicability of the automatic stay of sections 362 and 922 of the Bankruptcy Code. We also express no opinion as to whether the District is eligible to be a debtor in a case under the Bankruptcy Code. *See generally* 11 U.S.C. § 109(c); Cal. Govt. Code § 53760; Chapter 675 of the California Statutes of 2011. We express no opinion as to any matter arising in in the District’s recent bankruptcy case.

It is commonly understood, without any express statement, that opinion letters are necessarily technical and are informed by customary practice and usage. Thus, this opinion letter should not be used or relied on except in consultation with counsel. In particular, it is understood that an opinion letter is not a guaranty of an outcome but rather only an expression of professional judgment and that, in an actual case, a court could reach a different conclusion. Opinions on bankruptcy or other insolvency matters, moreover, are understood to have additional inherent limitations that do not exist in other legal opinions. These limitations arise, for instance, from the expansive equitable powers that courts can exercise in bankruptcy or other insolvency proceedings. *See, e.g., United States v. Energy Resources Co.*, 495 U.S. 545, 549 (1990) (recognizing "the traditional understanding that bankruptcy courts, as courts of equity, have broad authority to modify creditor-debtor relationships"); *Pepper v. Litton*, 308 U.S. 295, 304-05 (1939) (highlighting that equitable powers have been employed in bankruptcy "to the end that fraud will not prevail, that substance will not give way to form, that technical considerations will not prevent substantial justice from being done"); *SEC v. Great White Marine & Recreation, Inc.*, 428 F.3d 553, 556 (5th Cir. 2005) (confirming that a district court "has broad powers and wide discretion in equitable distributions," including the authority to alter the priority of claims). These limitations may apply with greater force in the case of a municipal bankruptcy under Chapter 9 of the Bankruptcy Code than in a bankruptcy case under Chapter 7 or Chapter 11 because of the scarcity of reported decisions under Chapter 9, the relative infrequency of Chapter 9 cases, and the substantial deference that a court may accord to the need of a governmental entity to protect the public health, safety, and welfare. Especially because of the fundamental nature of the bankruptcy and insolvency processes, the risk of uncertain outcomes in actual cases cannot be eliminated even when an opinion letter is rendered. We express no view as to whether this opinion letter is suitable for your purposes.

This opinion letter speaks only as of its date. We have no obligation to update this opinion letter for any change in the law or the facts. This opinion letter may be relied upon solely by the addressee listed on the first page for use in connection with the transactions described in the first paragraph. No one else may rely upon this opinion letter or the opinions expressed herein without our prior written consent.

Very truly yours,