

\$84,100,000

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY**Refunding Revenue Bonds
(STANFORD HOSPITAL AND CLINICS)
2008 Series B-1****Reoffering Date: September 27, 2023****Existing CUSIP†: 13033F3T5****New CUSIP†: 13032UH76****Due: November 15, 2045**

This Reoffering Circular has been prepared to provide information concerning the remarketing of the California Health Facilities Financing Authority Refunding Revenue Bonds (Stanford Hospital and Clinics), 2008 Series B-1 (the “2008 B-1 Bonds”), following the purchase in lieu of optional redemption of the 2008 B-1 Bonds on September 27, 2023, in connection with the reoffering of the 2008 B-1 Bonds in a Weekly Mode. The 2008 B-1 Bonds and the California Health Facilities Financing Authority Refunding Revenue Bonds (Stanford Hospital and Clinics), 2008 Series B-2 (the “2008 B-2 Bonds”), were issued on June 2, 2008 pursuant to an Indenture, dated as of June 1, 2008, as amended and supplemented (the “Indenture”), between the California Health Facilities Financing Authority (the “Authority”) and The Bank of New York Mellon Trust Company, N.A. (the “Trustee”), as successor trustee to Wells Fargo Bank, National Association, for the benefit of Stanford Health Care, formerly known as Stanford Hospital and Clinics (the “Corporation”). The 2008 B-1 Bonds and the 2008 B-2 Bonds are collectively referred to herein as the “2008 Bonds.” The 2008 B-2 Bonds are not being reoffered pursuant to this Reoffering Circular. The Trustee also acts as tender agent (the “Tender Agent”) for the 2008 B-1 Bonds.

Morgan Stanley & Co. LLC will serve as the remarketing agent (the “Remarketing Agent”) for the 2008 B-1 Bonds upon their reoffering on September 27, 2023. During the Weekly Mode, the Remarketing Agent will determine the Weekly Rate, as further described herein and in the Indenture.

While in the Weekly Mode, interest on the 2008 B-1 Bonds will be payable on the first Business Day of each month.

The 2008 Bonds are limited obligations of the Authority, secured under the provisions of the Indenture and a Loan Agreement, dated as of June 1, 2008 (the “Loan Agreement”), between the Authority and the Corporation, and are payable from Revenues, which consist primarily of all amounts received by the Authority or the Trustee for the account of the Authority pursuant to or with respect to the Loan Agreement and Obligation No. 19 issued under the Master Indenture, as described herein. Under the Master Indenture, the Corporation and any future Members of the Obligated Group are jointly and severally obligated to make payments on Obligation No. 19 in an amount sufficient to pay the principal and Purchase Price of and interest on the 2008 Bonds, when due.

The Corporation has proposed certain amendments to the Master Indenture (the “Percentage Amendments”), as described herein. **By purchasing the 2008 B-1 Bonds offered hereunder, the holders, Beneficial Owners, and all subsequent holders of the 2008 B-1 Bonds will be deemed to have consented to the Percentage Amendments, as described herein. Any such consent will be effective on the date of purchase of the 2008 B-1 Bonds, will be binding on any subsequent purchaser of any 2008 Series B-1 Bonds, and may not be revoked after any such purchase of the 2008 B-1 Bonds.**

The 2008 B-1 Bonds are offered in denominations of \$100,000 and any integral multiple of \$5,000 in excess thereof, and are registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York. **The 2008 B-1 Bonds are subject to optional, special and mandatory redemption prior to maturity, as described herein. The 2008 B-1 Bonds are also subject to optional and mandatory tender for purchase, including mandatory tender on each Conversion Date, as described herein. No Credit Facility or Liquidity Facility will be provided in connection with the reoffering of the 2008 B-1 Bonds in a Weekly Mode. See “THE 2008 B-1 BONDS—Purchase of 2008 B-1 Bonds—Inadequate Funds for Tenders” herein.**

There has been filed with the Municipal Securities Rulemaking Board (the “MSRB”) an official statement, dated September 12, 2023, relating to the California Health Facilities Financing Authority Revenue Bonds (Stanford Health Care), 2023 Series A (the “2023 Official Statement”), which includes the audited consolidated financial statements of the Corporation for the fiscal years ended August 31, 2022 and 2021 and certain other financial and operating information for the Corporation for the periods described therein. **Certain information included in the 2023 Official Statement and other information relating to the Corporation are incorporated by reference in this Reoffering Circular, as described herein.**

This Reoffering Circular has been prepared for the sole purpose of describing certain terms of the 2008 B-1 Bonds following the purchase in lieu of optional redemption and the reoffering of the 2008 B-1 Bonds in a Weekly Mode. It does not purport to be definitive or complete. This Reoffering Circular summarizes certain terms of the 2008 B-1 Bonds only while the 2008 B-1 Bonds bear interest at a Weekly Rate in a Weekly Mode with no Credit Facility or Liquidity Facility supporting the 2008 B-1 Bonds. Should the 2008 B-1 Bonds be converted to bear interest in a different Interest Rate Mode, the 2008 B-1 Bonds will be subject to mandatory tender for purchase and, at that time, it is expected that a reoffering circular or other disclosure document will be prepared. Reference is made to the 2023 Official Statement filed with the MSRB for information concerning the Corporation.

On June 2, 2008, Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, delivered its approving opinion with respect to the 2008 Bonds. Such opinion speaks only as of its date. In connection with the purchase in lieu of optional redemption of the 2008 B-1 Bonds, Orrick, Herrington & Sutcliffe LLP, as Bond Counsel to the Authority will deliver an opinion to the Trustee, to the effect that the purchase in lieu of optional redemption of the 2008 B-1 Bonds and reoffering of the 2008 B-1 Bonds in a Weekly Mode will not, in and of itself, adversely affect the exclusion of interest on the 2008 Bonds from gross income for purposes of federal income taxation. No opinion will be expressed as to whether interest on any of the 2008 Bonds is currently excludable from gross income for federal income tax purposes or as to any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, any of the 2008 Bonds. See “TAX MATTERS” herein.

The 2008 B-1 Bonds are being remarketed at the direction of the Corporation. The Authority has not participated in the preparation of this Reoffering Circular, makes no representation with respect hereto and is not in any manner responsible for any of the information contained herein.

MORGAN STANLEY

September 19, 2023

† See “RATINGS” herein.

†† CUSIP is a registered trademark of the American Bankers Association (the “ABA”). CUSIP data is provided by CUSIP Global Services, which is managed on behalf of the ABA by FactSet Research Systems Inc. The CUSIP numbers listed above are being provided solely for the convenience of the holders of the 2008 B-1 Bonds only at the time of the reoffering of the 2008 B-1 Bonds, and neither the Corporation nor the Remarketing Agent makes any representation with respect to such CUSIP numbers or undertakes any responsibility for the accuracy now or at any time in the future.

\$84,100,000
CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
Refunding Revenue Bonds
(STANFORD HOSPITAL AND CLINICS)
2008 Series B-1

<u>Interest Rate Mode</u>	<u>Principal Amount</u>	<u>First Day of Rate Period</u>	<u>Last Day of Rate Period</u>	<u>CUSIP[†]</u>
Weekly Mode	\$84,100,000	Wednesday	Tuesday	13032UH76

[†] CUSIP is a registered trademark of the American Bankers Association (the "ABA"). CUSIP data is provided by CUSIP Global Services, which is managed on behalf of the ABA by FactSet Research Systems Inc. The CUSIP number listed above is being provided solely for the convenience of the holders of the 2008 B-1 Bonds only at the time of the reoffering of the 2008 B-1 Bonds, and neither the Corporation nor the Remarketing Agent makes any representation with respect to such CUSIP number or undertakes any responsibility for the accuracy now or at any time in the future.

This Reoffering Circular does not constitute an offer to sell the 2008 B-1 Bonds or the solicitation of an offer to buy, nor shall there be any sale of the 2008 B-1 Bonds by any person in any state or other jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale in such state or jurisdiction. No dealer, salesperson or any other person has been authorized to give any information or to make any representation other than those contained herein in connection with the offering of the 2008 B-1 Bonds, and, if given or made, such information or representation must not be relied upon.

All information set forth herein has been obtained from the Corporation and other sources that are believed to be reliable, but such information is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Reoffering Circular nor any sale of the 2008 B-1 Bonds made hereunder shall create under any circumstances any indication that there has been no change in the affairs of the Corporation since the date hereof. The Remarketing Agent has provided the following sentence for inclusion in this Reoffering Circular. The Remarketing Agent has reviewed the information in this Reoffering Circular in accordance with and as part of its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Remarketing Agent does not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THE REOFFERING OF THE 2008 B-1 BONDS, THE REMARKETING AGENT MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2008 B-1 BONDS OFFERED HEREBY AT LEVELS ABOVE THAT WHICH OTHERWISE MIGHT PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

CAUTIONARY STATEMENTS REGARDING
FORWARD-LOOKING STATEMENTS IN
THIS REOFFERING CIRCULAR

Certain statements included or incorporated by reference in this Reoffering Circular constitute “forward-looking statements.” Such statements generally are identifiable by the terminology used, such as “plan,” “expect,” “estimate,” “budget” or other similar words. Such forward-looking statements include but are not limited to certain statements contained under the caption “BONDHOLDERS’ RISKS” in the 2023 Official Statement and under the caption “SUMMARY OF FINANCIAL INFORMATION—Management’s Discussion and Analysis of Recent Financial Performance” in Appendix A to the 2023 Official Statement.

The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The Corporation does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur.

A wide variety of other information, including financial information concerning the Obligated Group Members is available from publications and websites of the Obligated Group Members and others. Any such information that is inconsistent with the information set forth or incorporated by reference in this Reoffering Circular should be disregarded. No such information is a part of or incorporated into this Reoffering Circular, except as expressly noted herein.

In making an investment decision, investors must rely on their own examination of the issue and the terms of the offering, including the merits and risks involved.

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INTRODUCTION

This Reoffering Circular has been prepared to provide information concerning the remarketing of the California Health Facilities Financing Authority Refunding Revenue Bonds (Stanford Hospital and Clinics), 2008 Series B-1 (the “2008 B-1 Bonds”), in connection with the reoffering of the 2008 B-1 Bonds in a Weekly Mode, following the purchase in lieu of optional redemption of the 2008 B-1 Bonds on September 27, 2023. The 2008 B-1 Bonds and the California Health Facilities Financing Authority Refunding Revenue Bonds (Stanford Hospital and Clinics), 2008 Series B-2 (the “2008 B-2 Bonds”) were issued on June 2, 2008 pursuant to an Indenture, dated as of June 1, 2008, as amended and supplemented (the “Indenture”), between the California Health Facilities Financing Authority (the “Authority”) and The Bank of New York Mellon Trust Company, N.A. (the “Trustee”), as successor trustee to Wells Fargo Bank, National Association, for the benefit of Stanford Health Care, formerly known as Stanford Hospital and Clinics (the “Corporation”). The 2008 B-1 Bonds and the 2008 B-2 Bonds are collectively referred to herein as the “2008 Bonds.” The 2008 B-2 Bonds are not being reoffered pursuant to this Reoffering Circular. The Trustee also acts as tender agent (the “Tender Agent”) for the 2008 B-1 Bonds. Upon their reoffering on September 27, 2023, the 2008 B-1 Bonds will be remarketed by Morgan Stanley & Co. LLC (the “Remarketing Agent”).

INFORMATION ABOUT THE CORPORATION

The Corporation is a California nonprofit public benefit corporation, is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”) and is not a private foundation as defined in Section 509(a) of the Code. The Corporation operates Stanford Hospital, a tertiary, quaternary and specialty teaching hospital (the “Hospital”), and the Stanford University clinics (the “Clinics”), which include primary, specialty and sub-specialty clinics, in which the medical faculty of the Stanford University School of Medicine provide clinical services. The Corporation serves as the principal teaching affiliate of the Stanford University School of Medicine with respect to providing primary and specialty health services to adults and operates its facilities to provide the clinical settings through which the Stanford University School of Medicine educates medical and graduate students, trains residents and clinical fellows, supports faculty clinicians and conducts medical and biological sciences research. The principal facilities of the Hospital and the Clinics are located on the campus of Stanford University adjacent to its School of Medicine and elsewhere in Palo Alto, California and in other communities in the San Francisco Bay Area.

The Corporation is solely responsible for the payment of principal and Purchase Price of and interest on the 2008 B-1 Bonds. Neither Stanford University nor any legal entity other than the Corporation is obligated to make any such payments. Stanford University and the Corporation are not co-guarantors of the debt of each other, and the debt of each is separately rated by the rating agencies.

For financial and operating information relating to the Corporation, reference is made to the documents that are incorporated by reference in this Reoffering Circular, as described below.

INFORMATION INCORPORATED BY REFERENCE

There has been filed with the Municipal Securities Rulemaking Board (the “MSRB”), through the Electronic Municipal Market Access system (“EMMA”) at <http://emma.msrb.org>, an official statement dated September 12, 2023 (the “2023 Official Statement”), relating to the California Health Facilities Financing Authority Revenue Bonds (Stanford Health Care), 2023 Series A (the “2023 Bonds”), which

includes the audited consolidated financial statements of the Corporation for the fiscal years ended August 31, 2022 and 2021, and certain other financial and operating information for the Corporation for the periods described therein. A copy of the 2023 Official Statement is available from EMMA by searching CUSIP No. 13032UH68.

Also available from EMMA is a copy of the official statement dated May 29, 2008 (the “2008 Official Statement”), prepared in connection with the original issuance of the 2008 B-1 Bonds, by searching CUSIP No. 13033F3T5.

The Corporation also files periodic reports and other information with the MSRB. The reports and information are available free of charge from the MSRB through EMMA.

The following information on file with and available from EMMA, is incorporated herein by reference:

- The information described under “BONDHOLDERS’ RISKS” in the 2023 Official Statement;
- Appendix A to the 2023 Official Statement – “Information Concerning Stanford Health Care;”
- Consolidated Financial Statements of Stanford Health Care and its Subsidiaries for the Years Ended August 31, 2022 and 2021 (the “Financial Statements”) included as Appendix B to the 2023 Official Statement;
- The Quarterly Financial Disclosure for the Nine Month Period Ended May 31, 2023 and May 31, 2022 (the “Quarterly Report”); and
- The Corporation’s Monthly Self-Liquidity Report (the “Self-Liquidity Report”) as of August 31, 2023.

Copies of the Quarterly Report and the Self-Liquidity Report are available through EMMA by searching CUSIP No. 13032UYT9, under Continuing Disclosure—Financial Information & Documents.

At the time of their original issuance in the Weekly Mode, the 2008 B-1 Bonds were exempt from the continuing disclosure requirements under Rule 15c2-12 promulgated by the Securities and Exchange Commission, and no continuing disclosure agreement was entered for the 2008 B-1 Bonds. The Corporation, as Obligated Group Representative (as defined in the Master Indenture), has entered into continuing disclosure undertakings in connection with certain revenue bonds previously issued for the benefit of the Obligated Group (collectively, the “Continuing Disclosure Undertakings”). Under the Continuing Disclosure Undertaking with respect to the 2023 Bonds, the Corporation, as Obligated Group Representative, is required to file with EMMA an annual continuing disclosure report by not later than five months after the end of each fiscal year, quarterly continuing disclosure reports by not later than two months after the end of each of the first three quarters of the Corporation’s fiscal year, and notices of certain listed events. Purchasers and prospective purchasers of the 2008 B-1 Bonds may obtain copies of the information provided under the Continuing Disclosure Undertakings through EMMA and accessible at <http://emma.msrb.org>. Such future filings when made under the Continuing Disclosure Undertakings are incorporated herein by reference.

Additional indebtedness may be issued by or on behalf of the Corporation and the Obligated Group from time to time hereafter, and publicly available disclosure documents may or may not be made available on EMMA in connection with the issuance of certain of such indebtedness. Purchasers or prospective purchasers of 2008 B-1 Bonds should review information concerning the Corporation and the Obligated

Group, including current financial information, which may be contained in such disclosure documents and which may be more current than the information contained in the 2023 Official Statement, the Financial Statements and the Quarterly Report. Such additional indebtedness of the Corporation and the Obligated Group may be secured by security which need not be extended to any other indebtedness, including Obligation No. 19 (as defined herein).

THE 2008 B-1 BONDS

The following is a summary of certain provisions of the 2008 B-1 Bonds. Reference is made to the 2008 B-1 Bonds for the complete text thereof and to the Indenture for all of the provisions relating to the 2008 B-1 Bonds. The discussion herein is qualified by such reference.

This Reoffering Circular describes certain terms of the 2008 B-1 Bonds applicable while such 2008 B-1 Bonds accrue interest at a Weekly Rate in a Weekly Mode with no Credit Facility or Liquidity Facility supporting the 2008 B-1 Bonds. Should the 2008 B-1 Bonds be converted to bear interest in a different Interest Rate Mode, the 2008 B-1 Bonds will be subject to mandatory tender for purchase and, at that time, it is expected that a reoffering circular or other disclosure document will be prepared.

General

The 2008 B-1 Bonds were issued in and are currently outstanding in the aggregate principal amount set forth on the cover page hereof and will mature on the date set forth on the cover page hereof, subject to redemption prior to maturity, as described herein. The 2008 B-1 Bonds are offered in denominations of \$100,000 and any integral multiple of \$5,000 in excess thereof. All (but not part) of the 2008 B-1 Bonds may be converted to a Daily Mode, Weekly Mode, Commercial Paper Mode, Long Term Mode or Auction Mode as provided in the Indenture. The 2008 B-1 Bonds are subject to mandatory tender and purchase on any Conversion Date for such 2008 B-1 Bonds, as described herein, and optional tender at demand of the owner thereof, as described herein and pursuant to the Indenture. While the 2008 B-1 Bonds bear interest at the Weekly Rate, interest will be computed upon the basis of a 365- or 366-day year, as applicable, for the actual number of days elapsed.

Book-Entry System

The 2008 B-1 Bonds have been delivered in fully registered form without coupons and are registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). DTC acts as securities depository for the 2008 B-1 Bonds. Upon the reoffering of the 2008 B-1 Bonds in a Weekly Mode on September 27, 2023, ownership interests in the 2008 B-1 Bonds may be purchased in book-entry form only in denominations of \$100,000 and any integral multiple of \$5,000 in excess thereof (“Authorized Denominations”). Principal, Redemption Price and Purchase Price of and interest on the 2008 B-1 Bonds is payable by the Trustee or Tender Agent, as applicable, to DTC, which is obligated, in turn, to remit the principal, Redemption Price, Purchase Price and interest to DTC Participants, upon DTC’s receipt of funds and corresponding detailed information from the Trustee or Tender Agent or the Authority, for subsequent disbursement to Beneficial Owners of such Bonds.

Interest on the 2008 B-1 Bonds

Weekly Mode. The 2008 B-1 Bonds will bear interest at the Weekly Rate. During each Weekly Rate Period, the Weekly Rate will be determined by the Remarketing Agent by no later than 5:00 p.m. (New York City time) on Tuesday of each week during such Weekly Rate Period, or if such day is not a Business Day, then on the next succeeding Business Day. The first Weekly Rate determined for the 2008 B-1 Bonds will be determined on or prior to the first day of such Weekly Mode and will apply to the period

commencing on the first day of such Weekly Mode and ending on the next succeeding Tuesday (whether or not a Business Day). Thereafter, each Weekly Rate will apply to the period commencing on Wednesday (whether or not a Business Day) and ending on the next succeeding Tuesday (whether or not a Business Day), unless such Weekly Rate Period ends on a day other than Tuesday, in which event the last Weekly Rate for such Weekly Rate Period will apply to the period commencing on Wednesday (whether or not a Business Day) preceding the last day of such Weekly Rate Period and ending on the last day of such Weekly Rate Period.

The Weekly Rate for the 2008 B-1 Bonds will be the rate of interest per annum determined by the Remarketing Agent to be the minimum interest rate which, if borne by such 2008 B-1 Bonds under Prevailing Market Conditions (as defined in the Indenture), would enable the Remarketing Agent to sell such 2008 B-1 Bonds on the effective date of such rate at a price (without regarding accrued interest) equal to the principal amount thereof.

The interest rate or rates borne by the 2008 B-1 Bonds shall not exceed the Maximum Interest Rate. “Maximum Interest Rate” means with respect to all 2008 B-1 Bonds in the Weekly Mode, 12% per annum; provided, however, that the Maximum Interest Rate shall not exceed the maximum interest rate permitted by law from time to time.

In the event that the Remarketing Agent fails to establish a Weekly Rate for the 2008 B-1 Bonds for any week, then the Weekly Rate for such for such week will be the same as the Weekly Rate for the immediately preceding week if the Weekly Rate for such preceding week was determined by the Remarketing Agent.

During a Weekly Mode, the “Interest Payment Date” will be the first Business Day of each month, each Conversion Date and the maturity date for the 2008 B-1 Bonds. During the Weekly Mode, interest shall be payable on each Interest Payment Date for the period from, and including, each Interest Payment Date (or the first day of the Weekly Mode) for such 2008 B-1 Bonds to, and including, the day next preceding the next Interest Payment Date for such 2008 B-1 Bonds).

Alternate Rate. If (a) the Remarketing Agent fails or is unable to determine the interest rate with respect to 2008 B-1 Bonds, or (b) the method of determining the interest rate shall be held to be unenforceable by a court of law of competent jurisdiction, the 2008 B-1 Bonds shall thereupon, until such time as the Remarketing Agent again makes such determination or until there is delivered an Opinion of Counsel to the effect that the method of determining such rate is enforceable, represent interest from the last date on which such rate was determined in the case of clause (a) and from the date on which interest was legally paid in the case of clause (b), at the Alternate Rate for the Interest Rate Mode for the Series then in effect. “Alternate Rate” means, on any Business Day, the SIFMA Municipal Swap Index (as defined in the Indenture) or, if the SIFMA Municipal Swap Index is no longer published, an index or rate agreed upon by the Authority and the Remarketing Agent, but in no event a rate in excess of the Maximum Interest Rate.

Conversion to a Different Mode; Mandatory Tender Upon Conversion

Change in Modes. Subject to the provisions of the Indenture, the Corporation may, at any time, convert all (but not part) of the 2008 B-1 Bonds from the Weekly Mode to the Daily Mode, Commercial Paper Mode, Long Term Mode or Auction Mode (a “Conversion”). In order to effect a Conversion, the Corporation is required to provide a written direction to the Authority, the Trustee, the Tender Agent and the Remarketing Agent stating the proposed “Conversion Date” which will be a Business Day not earlier than the 20th day following receipt by the Trustee of such direction.

Favorable Opinion of Bond Counsel. The direction from the Corporation must be accompanied by a letter from Bond Counsel that it expects to deliver, on the Conversion Date, an opinion of Bond Counsel (a “Favorable Opinion of Bond Counsel”), addressed to the Trustee, to the effect that the Conversion is authorized or permitted by the Indenture and will not, in and of itself, adversely affect any exclusion of interest on the 2008 Bonds from gross income for purposes of federal income taxation. Such Favorable Opinion of Bond Counsel must be delivered on the Conversion Date.

Bondholder Notice and Other Provisions Concerning Conversions and Mandatory Tender on Conversion Date. At least 15 days prior to a proposed Conversion Date, the Trustee will give written notice (a “Conversion Notice”) by first class mail to the Holders of the 2008 B-1 Bonds to the effect that the Corporation has chosen to convert such 2008 B-1 Bonds from the Weekly Mode to a new Interest Rate Mode. Such Conversion Notice will state: (i) that the 2008 B-1 Bonds will be converted to bear interest at the proposed Interest Rate Mode unless Bond Counsel fails to deliver a Favorable Opinion of Bond Counsel to the Trustee on the Conversion Date; (ii) the proposed Conversion Date; (iii) that the 2008 B-1 Bonds are subject to mandatory tender for purchase on the proposed Conversion Date, and the applicable Purchase Price and the place of delivery for purchase of such 2008 B-1 Bonds; (iv) that the Purchase Price of any 2008 B-1 Bond so subject to mandatory tender for purchase will be payable only upon surrender of such 2008 B-1 Bond to the Tender Agent at its principal office, accompanied by an instrument of transfer thereof, in form satisfactory to the Tender Agent, executed in blank by the Holder thereof or by the Holder’s duly-authorized attorney, with such signature guaranteed by a commercial bank, trust company or member firm of the New York Stock Exchange; (v) that all 2008 B-1 Bonds so subject to mandatory tender for purchase will be purchased on the mandatory purchase date which will be explicitly stated; and (vi) that in the event that any Holder of a 2008 B-1 Bond so subject to mandatory tender for purchase will not surrender such 2008 B-1 Bond to the Tender Agent for purchase on such mandatory purchase date, then such 2008 B-1 Bond will be deemed to be an Undelivered Bond (as described below), and that no interest will accrue thereon on and after such mandatory purchase date and that the Holder thereof will have no rights under the Indenture other than to receive payment of the Purchase Price thereof

Prior to a Conversion Date, the Corporation may cancel its election to adjust the Interest Rate Mode on the 2008 B-1 Bonds on any date prior to the date on which a Conversion Notice has been mailed to the Holders of the 2008 B-1 Bonds upon notice to the Trustee, the Tender Agent, the Authority and the Remarketing Agent. In such event, such 2008 B-1 Bonds will remain in the Weekly Mode and the interest rate on such 2008 B-1 Bonds will continue to be determined as described above. See “Interest on the 2008 B-1 Bonds – Weekly Mode” above.

In the event that Bond Counsel fails to deliver the Favorable Opinion of Bond Counsel as described above, or any other condition precedent to such Conversion is not met on the proposed Conversion Date, then the Interest Rate Mode for the 2008 B-1 Bonds will not be adjusted, and the 2008 B-1 Bonds will continue to bear interest at the Weekly Rate in effect immediately prior to such proposed Conversion. In any event, if a Conversion Notice has been mailed to the Holders of the 2008 B-1 Bonds as provided in the Indenture and any conditions to Conversion set forth in the Indenture have not been met, such 2008 B-1 Bonds will continue to be subject to mandatory tender for purchase on the proposed Conversion Date. No Conversion from one Interest Rate Mode to another will take effect on the proposed Conversion Date if the remarketing proceeds available on the Conversion Date are less than the amount required to purchase all of the 2008 B-1 Bonds at the Purchase Price.

Purchase of the 2008 B-1 Bonds

Book-Entry Tender Procedures. Notwithstanding anything to the contrary described herein, for so long as Cede & Co. or another securities depository nominee is the sole registered owner of the 2008 B-1 Bonds, all tenders and deliveries of the 2008 B-1 Bonds under the Indenture will be made pursuant to the

applicable depository's procedures in effect from time to time and neither the Authority, the Corporation, the Trustee nor the Tender Agent will have any responsibility for or liability with respect to the implementation of such procedures.

Purchase of the 2008 B-1 Bonds on Demand of Owner. Any 2008 B-1 Bond will be purchased on the demand of the owner thereof on any Business Day during a Weekly Rate Period at a Purchase Price equal to the principal amount thereof plus accrued interest, if any, to the purchase date, upon written notice to the Tender Agent, at its principal office at or before 5:00 p.m. (New York City time) on a Business Day not later than the 7th day prior to the purchase date, which notice (a) states the number and principal amount (or portion thereof) of such 2008 B-1 Bond to be purchased, (b) states the purchase date on which such 2008 B-1 Bond will be purchased and (c) irrevocably requests such purchase and agrees to deliver such 2008 B-1 Bond, duly endorsed in blank for transfer, with all signatures guaranteed, to the Tender Agent at or prior to 12:00 Noon (New York City time) on such purchase date. The owner of a 2008 B-1 Bond may demand purchase of a portion of such 2008 B-1 Bond only if the portion to be purchased and the portion to be retained by such owner each will be in an Authorized Denomination.

Mandatory Tender Upon Conversion. The 2008 B-1 Bonds are subject to mandatory tender and purchase in whole on a Conversion Date at a Purchase Price equal to the principal amount thereof plus accrued interest, if any, to the Conversion Date. The owner of any 2008 B-1 Bond being so converted may not elect to retain such 2008 B-1 Bond and is required to tender such 2008 B-1 Bond on the applicable Conversion Date.

Effect of Election to Tender or Mandatory Tender for Purchase of 2008 B-1 Bonds. The giving of notice of optional tender by a Holder of a 2008 B-1 Bond will constitute the irrevocable tender for purchase of each such 2008 B-1 Bond with respect to which such optional tender notice has been given, regardless of whether such 2008 B-1 Bond is delivered to the Tender Agent for purchase on the relevant purchase date. If any Holder of a 2008 B-1 Bond who has given notice of optional tender of purchase or any Holder of a 2008 B-1 Bond subject to mandatory tender for purchase fails to deliver such 2008 B-1 Bond to the Tender Agent at the place and on the applicable date and at the time specified, or fails to deliver such 2008 B-1 Bond properly endorsed, such 2008 B-1 Bond will constitute an "Undelivered Bond." If funds in the amount of the Purchase Price of the Undelivered Bond are available for payment to the Holder thereof on the date and at the time specified, from and after the date and time of that required delivery, (a) the Undelivered Bond will be deemed to be purchased and will no longer be deemed to be Outstanding under the Indenture; (b) interest will no longer accrue thereon; and (c) funds in the amount of the Purchase Price of the Undelivered Bond will be held (uninvested) by the Tender Agent for such 2008 B-1 Bond for the benefit of the Holder thereof, to be paid on delivery (and proper endorsement) of the Undelivered Bond to the Tender Agent at its principal office.

Payment of Purchase Price. Moneys delivered to the Tender Agent on a purchase date shall be applied on such purchase date to pay the Purchase Price of purchased 2008 B-1 Bonds in immediately available funds as follows in the following order of application and, to the extent not so applied on such date, shall be held in the separate and segregated accounts of the Purchase Fund for the benefit of the Holders of the purchased 2008 B-1 Bonds which were to have been purchased: first: from proceeds of remarketing deposited in the Remarketing Proceeds Account with respect to the 2008 B-1 Bonds under the Indenture, and second: from moneys provided by the Corporation and deposited in the Corporation Purchase Account with respect to the 2008 B-1 Bonds under the Indenture.

Insufficient Funds for Tenders. If sufficient funds are not available for the purchase of all 2008 B-1 Bonds tendered or deemed tendered and required to be purchased on any purchase date, the failure to pay the Purchase Price of all tendered 2008 B-1 Bonds when due and payable will constitute an event of default under the Indenture and all tendered 2008 B-1 Bonds will be returned to their respective Holders and will

bear interest at the Maximum Interest Rate from the date of such failed purchase until all such 2008 B-1 Bonds are purchased as required in accordance with the Indenture. Thereafter, the Tender Agent will continue to take all such action available to it to obtain remarketing proceeds from the Remarketing Agent and sufficient other funds from the Corporation.

Disclosure Concerning Sales of the 2008 B-1 Bonds by Remarketing Agent

Remarketing Agent is Paid by the Corporation. The Remarketing Agent's responsibilities include determining the interest rate from time to time and remarketing 2008 B-1 Bonds that are subject to optional or mandatory tender, subject to the terms of the Remarketing Agreement (defined herein). The Remarketing Agent has been appointed by and is paid by the Corporation for its services. As a result, the interests of the Remarketing Agent may differ from those of existing holders and potential purchasers of 2008 B-1 Bonds.

Remarketing Agent Routinely Purchases 2008 B-1 Bonds for its Own Account. The Remarketing Agent is permitted, but not obligated, to purchase tendered 2008 B-1 Bonds for its own account. The Remarketing Agent, in its sole discretion, routinely acquires tendered 2008 B-1 Bonds for its own inventory in order to achieve a successful remarketing of such 2008 B-1 Bonds (*i.e.*, because there otherwise are not enough buyers to purchase such 2008 B-1 Bonds) or for other reasons. However, the Remarketing Agent is not obligated to purchase bonds, including the 2008 B-1 Bonds, and may cease doing so at any time without notice. The Remarketing Agent may also make a market in the 2008 B-1 Bonds by routinely purchasing and selling such 2008 B-1 Bonds other than in connection with an optional or mandatory tender and remarketing. Such purchases and sales may be at or below par. However, the Remarketing Agent is not required to make a market in the 2008 B-1 Bonds. If the Remarketing Agent purchases 2008 B-1 Bonds for its own account, it may offer those 2008 B-1 Bonds at a discount to par to some investors. The Remarketing Agent may also sell any 2008 B-1 Bonds it has purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce its exposure to the 2008 B-1 Bonds. The purchase of 2008 B-1 Bonds by the Remarketing Agent may create the appearance that there is greater third-party demand for the 2008 B-1 Bonds in the market than is actually the case. The practices described above also may reduce the supply of 2008 B-1 Bonds that may be tendered in a remarketing.

The 2008 B-1 Bonds May be Offered at Different Prices on any Date. The Remarketing Agent is required to determine the applicable rate of interest that, in its judgment, is the lowest rate that would permit the sale of the applicable 2008 B-1 Bonds at par plus accrued interest, if any, on the date the rate becomes effective. The interest rate will reflect, among other factors, the level of market demand for the 2008 B-1 Bonds (including whether the Remarketing Agent is willing to purchase 2008 B-1 Bonds for its own account). The Remarketing Agreement requires that the Remarketing Agent use its best efforts to sell tendered bonds at par, plus accrued interest. There may or may not be 2008 B-1 Bonds tendered and remarketed on any date on which the rate of interest is determined by the Remarketing Agent. As an owner of 2008 B-1 Bonds, the Remarketing Agent may sell 2008 B-1 Bonds at varying prices, including at a discount to par, to different investors on any date. The Remarketing Agent is not obligated to advise purchasers in a remarketing if it does not have third-party buyers for all of the applicable 2008 B-1 Bonds at the remarketing price.

The Ability to Sell the 2008 B-1 Bonds other than through Tender Process May Be Limited. While the Remarketing Agent may buy and sell 2008 B-1 Bonds, it is not obligated to do so and may cease doing so at any time without notice. Thus, investors who purchase the 2008 B-1 Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell their 2008 B-1 Bonds other than by tendering through the Tender Agent the 2008 B-1 Bonds in accordance with the tender process.

Under Certain Circumstances, the Remarketing Agent May Be Removed, Resign or Cease Remarketing the 2008 B-1 Bonds, Without a Successor Being Named. Under certain circumstances, the Remarketing Agent may resign or cease its remarketing efforts, without a successor having been named, subject to the terms of the Remarketing Agreement. In the event no appointment is made within 30 days, the Tender Agent shall apply to a court of competent jurisdiction for such appointment.

Redemption

Special Redemption. The 2008 B-1 Bonds are subject to redemption prior to maturity, at the option of the Authority (which option will be exercised upon Request of the Corporation, a copy of which Request will be delivered to the Trustee not less than 20 days prior to the date fixed for such redemption, or such shorter period as agreed to in writing by the Trustee), in whole or in part (and, if in part, in such amounts as may be specified by the Corporation, and by lot among the 2008 B-1 Bonds and in Authorized Denominations), on any date specified by the Corporation, from hazard insurance or condemnation proceeds received with respect to the facilities of the Corporation and deposited in the Special Redemption Account, at the principal amount thereof, plus accrued interest to the date fixed for redemption, without premium.

Optional Redemption. During the Weekly Mode, the 2008 B-1 Bonds will be subject to redemption prior to maturity, at the option of the Authority (which option will be exercised upon request of the Corporation, a copy of which request will be delivered to the Trustee not less than 20 days prior to the date fixed for such redemption, or such shorter period as agreed to in writing by the Trustee in its sole discretion), in whole or in part (and if in part, as may be specified by the Corporation and in Authorized Denominations) on any date, at the principal amount thereof, plus accrued interest, if any, to the date fixed for redemption, without premium.

Mandatory Purchase In Lieu of Redemption. Each Holder, by purchase and acceptance of any 2008 B-1 Bond, irrevocably grants to the Corporation the option to purchase such 2008 B-1 Bond, at any time such 2008 B-1 Bond is subject to optional redemption as provided in the Indenture at a Purchase Price equal to the Redemption Price then applicable to such 2008 B-1 Bond. In order to exercise such option, the Corporation must deliver to the Trustee and the Authority a Favorable Opinion of Bond Counsel, and the Corporation will direct the Trustee to provide notice of mandatory purchase, such notice to be provided, as and to the extent applicable, in accordance with the provisions set forth in the Indenture. On the date fixed for purchase of any 2008 B-1 Bond in lieu of redemption, the Corporation will pay the Purchase Price of such 2008 B-1 Bond to the Trustee in immediately available funds and the Trustee will pay the same to the Holders of 2008 B-1 Bonds being purchased against delivery thereof. Following such purchase, the Trustee will register such 2008 B-1 Bonds in accordance with the written instructions of the Corporation. No purchase of any 2008 B-1 Bond in lieu of redemption will operate to extinguish the indebtedness evidenced by such 2008 B-1 Bond. No Holder may elect to retain a 2008 B-1 Bond subject to mandatory purchase in lieu of redemption.

Sinking Account Redemption. The 2008 B-1 Bonds are subject to redemption prior to their stated maturity in part from Mandatory Sinking Account Payments on November 15 in the years and in the principal amount as set forth below plus interest accrued to the date of redemption but without premium:

2008 B-1 Bonds

Mandatory Sinking Account Payment Date	Mandatory Sinking Account Payment
2041	\$15,525,000
2042	16,050,000
2043	16,825,000
2044	17,475,000
2045 [†]	18,225,000

[†] Final Maturity.

Selection of 2008 B-1 Bonds for Redemption. Whenever provision is made in the Indenture for the redemption of less than all of the 2008 B-1 Bonds, subject to the redemption provisions described above, the Trustee will select the 2008 B-1 Bonds to be redeemed, from all the 2008 B-1 Bonds subject to redemption or such given portion thereof equal to a multiple of Authorized Denominations of the 2008 B-1 Bonds not previously called for redemption, by lot or in any manner which the Trustee in its sole discretion will deem appropriate.

Notice of Redemption. Notice of redemption will be given by the Trustee by first class mail, postage prepaid, not less than 15 days, nor more than 60 days, prior to the redemption date, to the respective Holders of any the 2008 B-1 Bonds designated for redemption at their addresses appearing on the bond registration books of the Trustee. Each notice of redemption will be dated, will state (i) the date of issue of the 2008 B-1 Bonds, (ii) the redemption date, (iii) the Redemption Price, (iv) the place or places where the 2008 B-1 Bonds being redeemed will be surrendered for payment of the Redemption Price (including the name and appropriate address or addresses of the Trustee), (v) the maturity date of the 2008 B-1 Bonds being redeemed, (vi) the CUSIP numbers, if any, and, in the case of the 2008 B-1 Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Such notice will also state that on the redemption date there will become due and payable on each of said the 2008 B-1 Bonds the Redemption Price thereof or of said specified portion of the principal amount thereof in the case of a 2008 B-1 Bond to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such redemption date, interest thereon will cease to accrue, and requires that such 2008 B-1 Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice.

Failure by the Trustee to mail notice of redemption pursuant to the Indenture to any one or more of the respective Holders of any 2008 B-1 Bonds designated for redemption will not affect the validity or sufficiency of the proceedings for redemption with respect to the Holders to whom such notice was mailed. Failure by the Trustee to mail notice of redemption pursuant to the Indenture, to the Remarketing Agent, the Tender Agent, any securities depository, the Authority or any purchaser of a remarketed 2008 B-1 Bond will not affect the validity or sufficiency of the proceedings for redemption.

With respect to any notice of optional redemption of the 2008 B-1 Bonds, unless, upon the giving of such notice, such 2008 B-1 Bonds will be deemed to have been paid pursuant to the defeasance provisions of the Indenture, such notice will state that such redemption will be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of amounts sufficient to pay the principal of, and premium, if any, and interest on, such 2008 B-1 Bonds to be redeemed, and that if such amounts

shall not have been so received said notice will be of no force and effect and the Authority shall not be required to redeem such 2008 B-1 Bonds and the failure to redeem such 2008 B-1 Bonds will not constitute an event of default under the Indenture. In the event that such notice of redemption contains such a condition and such amounts are not so received, the redemption will not be made and the Trustee will within a reasonable time thereafter give notice to the Holders to the effect that such amounts were not so received and such redemption was not made, such notice to be given by the Trustee in the same manner and to the same parties, as notice of such redemption was given pursuant to the provisions of the Indenture.

Any notice given pursuant to the redemption provisions of the Indenture (other than a notice given in connection with a Mandatory Sinking Account Payment redemption) may be rescinded by written notice given to the Trustee by the Corporation no later than 5 Business Days prior to the date specified for redemption. The Trustee will give notice of such rescission as soon thereafter as practicable in the same manner, and to the same parties, as notice of such redemption was given pursuant to the Indenture.

Partial Redemption of the 2008 B-1 Bonds. Upon surrender of any 2008 B-1 Bond redeemed in part only, the Authority will execute (but need not prepare) and the Trustee will authenticate and deliver to the Holder thereof, at the expense of the Corporation, a new 2008 B-1 Bond or the 2008 B-1 Bonds of Authorized Denominations and of the same Series and maturity, equal in aggregate principal amount to the unredeemed portion of the 2008 B-1 Bonds surrendered.

Effect of Redemption. Notice of redemption having been duly given, and moneys for payment of the Redemption Price of, together with interest accrued to the date fixed for redemption on, the 2008 B-1 Bonds (or portions thereof) so called for redemption being held by the Trustee, on the date fixed for redemption designated in such notice, the 2008 B-1 Bonds (or portions thereof) so called for redemption will become due and payable at the Redemption Price specified in such notice and interest accrued thereon to the date fixed for redemption, interest on the 2008 B-1 Bonds so called for redemption will cease to accrue, said 2008 B-1 Bonds (or portions thereof) will cease to be entitled to any benefit or security under the Indenture, and the Holders of said the 2008 B-1 Bonds will have no rights in respect thereof except to receive payment of said Redemption Price and accrued interest to the date fixed for redemption from funds held by the Trustee for such payment.

All 2008 B-1 Bonds redeemed pursuant to the provisions of the Indenture will be cancelled and destroyed by the Trustee upon surrender thereof.

For certain additional summary information relating to the Indenture and the Loan Agreement, see APPENDIX D – “SUMMARY OF PRINCIPAL DOCUMENTS.” Such summary information is qualified by reference to the complete text of the Indenture and the Loan Agreement.

No Credit Facility or Liquidity Facility Initially for 2008 B-1 Bonds.

No Credit Facility or Liquidity Facility will be provided in connection with the reoffering of the 2008 B-1 Bonds in a Weekly Mode. The Loan Agreement provides that the Corporation may, at any time and at its sole option, furnish a Credit Facility to the Trustee to provide for the payment of principal of and interest on the 2008 B-1 Bonds. The Corporation will give at least 45 days’ advance written notice to the Trustee of its intent to furnish a Credit Facility or Alternate Credit Facility to the Trustee, which notice will specify the nature of such Credit Facility, the identity of the Credit Facility Provider and the proposed effective date of the Credit Facility. The Loan Agreement also provides that the Corporation may, at any time and at its sole option, furnish a Liquidity Facility to the Tender Agent to provide for the purchase of the 2008 B-1 Bonds upon their optional or mandatory tender in accordance with the Indenture. The Corporation will give at 30 days’ advance written notice to the Trustee, the Tender Agent, the Authority, the applicable Credit Facility Provider, if any, and the applicable Remarketing Agent, of its intent to furnish

a Liquidity Facility, which notice will specify the nature of such alternate Liquidity Facility, the identity of the Liquidity Facility Provider providing such alternate Liquidity Facility and the proposed effective date of such alternate Liquidity Facility. See also APPENDIX D – “SUMMARY OF PRINCIPAL DOCUMENTS—THE INDENTURE—Credit Facilities; Credit Facility Funds.”

The 2008 B-1 Bonds are not subject to mandatory tender for purchase if a Credit Facility or Liquidity Facility is provided to support the 2008 B-1 Bonds.

SECURITY FOR THE 2008 B-1 BONDS

General

The 2008 B-1 Bonds are limited obligations of the Authority, payable together with the 2008 B-2 Bonds from the Revenues and any other amounts (including proceeds of the sale of 2008 B-1 Bonds) held in any fund or account established pursuant to the Indenture (excluding moneys on deposit in the Rebate Fund and any Purchase Fund, certain administrative fees and expenses and any amounts paid by the Corporation to the Authority and the Trustee pursuant for expenses and indemnification pursuant to the Loan Agreement) pledged under the Indenture for such payment. Revenues consist primarily of Loan Repayments made by the Corporation pursuant to the Loan Agreement in amounts sufficient to pay the principal, Redemption Price and Purchase Price of and interest on the 2008 Bonds, including the 2008 B-1 Bonds, when such become due. The obligation of the Corporation to make the Loan Repayments with respect to the 2008 Bonds, including the 2008 B-1 Bonds, is further evidenced and secured by an obligation (“Obligation No. 19”) issued under the Amended and Restated Master Indenture of Trust, dated as of June 1, 2011, as supplemented and amended (the “Prior Master Indenture”), between the Corporation and The Bank of New York Mellon Trust Company, N.A., as master trustee (the “Master Trustee”). See “—The Master Indenture” below.

The Authority has assigned its right, title, and interest in the Loan Agreement (except for any deposits to the Rebate Fund, the right to receive any administrative fees and expenses to the extent payable to the Authority, the right of the Authority to be indemnified pursuant thereto and the right to receive certain notices and opinions, to give consents and to make inspections) and Obligation No. 19 to the Trustee.

No reserve fund has been established in connection with the 2008 B-1 Bonds.

The Master Indenture

Amendment of Master Indenture. Concurrent with the issuance of the 2023 Bonds, the Prior Master Indenture is being amended and restated by the Second Amended and Restated Master Indenture of Trust, dated as of September 1, 2023 and effective as of September 27, 2023 (the “New Master Indenture”), between the Corporation and the Master Trustee, the form of which is attached hereto as APPENDIX C. Following the amendment and restatement of the Prior Master Indenture on the date of issuance of the 2023 Bonds, all of the Obligations (as defined in the Master Indenture), including Obligation No. 19 issued under the Prior Master Indenture, will continue to be Outstanding (as defined in the Master Indenture) as Obligations under the New Master Indenture. The New Master Indenture, as supplemented and amended from time to time pursuant to its terms, is herein referred to as the “Master Indenture.”

The New Master Indenture provides that, until the Corporation secures the consent of the holders of 100% in aggregate principal amount of Obligations then Outstanding, certain actions may continue to be taken upon the direction of the holders of 25% of Outstanding Obligations. After the Corporation secures the consent of the Holders of 100% in aggregate principal amount of Obligations then Outstanding, such actions may be taken only upon the direction of the holders of a majority in aggregate principal amount of

Outstanding Obligations (the “Percentage Amendments”). See APPENDIX C – “FORM OF MASTER INDENTURE—Section 4.14. Amendment of Percentages Specified in Events of Default; Acceleration; Annulment of Acceleration; and Additional Remedies and Enforcement of Remedies.” *By purchasing the 2008 B-1 Bonds offered hereunder, the purchasers, Beneficial Owners, and all subsequent holders thereof will be deemed to have consented to the Percentage Amendments, as set forth in the Master Indenture. Any such consent will be effective on the date of purchase of the 2008 B-1 Bonds, will be binding on any subsequent purchaser of any 2008 B-1 Bonds, and may not be revoked after the purchase of the 2008 B-1 Bonds.*

After giving effect to the reoffering and purchase of the 2008 B-1 Bonds, the Corporation will have secured the consent to the Percentage Amendments of the Holders of 100% in aggregate principal amount of Obligations then Outstanding under the Master Indenture, and the Corporation anticipates that such Percentage Amendments will become effective.

Joint and Several Obligations. Currently, the Corporation is the sole Member of the Obligated Group. Under the Master Indenture, the Corporation, as Obligated Group Representative, may incur, for itself and on behalf of the other Members of the Obligated Group, Indebtedness, which may be evidenced and secured by Obligations issued under the Master Indenture. All Members of the Obligated Group are jointly and severally liable with respect to the payment of each Obligation issued under the Master Indenture.

Obligation No. 19 was issued by the Corporation under the Prior Master Indenture on a parity with all other Obligations issued thereunder and to be issued under the Master Indenture. See “Outstanding Obligations Under the Master Indenture” below. All Members of the Obligated Group are required to make payments on Obligation No. 19 in amounts sufficient to pay the principal, Redemption Price and Purchase Price of and interest on the 2008 Bonds when due. For a discussion of entry into or withdrawal from the Obligated Group, see APPENDIX C – “FORM OF MASTER INDENTURE—Section 3.12. Membership in Obligated Group” and “—Section 3.13. Withdrawal from Obligated Group.”

Outstanding Obligations Under the Master Indenture. Upon the reoffering of the 2008 B-1 Bonds, Obligations outstanding under the Master Indenture will secure (i) approximately \$2.5 billion in aggregate principal amount of indebtedness related to tax-exempt revenue and taxable bonds issued by or for the benefit of the Corporation, which includes the 2023 Bonds, (ii) the Corporation’s obligations to make payments with respect to notes issued from time to time pursuant to taxable and tax-exempt commercial paper programs established by the Corporation or by the Authority on behalf of the Corporation, respectively, and (iii) the Corporation’s obligations to make regularly scheduled payments and, in limited circumstances, settlement payments, under certain existing interest rate swap agreements. For a discussion of the interest rate swap agreements that the Corporation has entered into, see “INFORMATION CONCERNING STANFORD HEALTH CARE—SUMMARY OF FINANCIAL INFORMATION—Interest Rate Swap Arrangements” in Appendix A to the 2023 Official Statement.

Security for Obligations. All Obligations issued and outstanding under the Master Indenture, including Obligation No. 19, which evidences and secures the Corporation’s obligations to make payments under the Loan Agreement, will be secured by a security interest in the Gross Receivables (described below). Except for the pledge of the Gross Receivables, Obligations issued under the Master Indenture are not secured by a lien on real or personal property of the Members of the Obligated Group. Upon the date of commencement of any bankruptcy proceeding, it is possible that Obligations under the Master Indenture will exceed the value of Gross Receivables of the Members of the Obligated Group. For a description of the limitations on the enforceability of the Master Indenture, see “—Security and Enforceability” below.

Security Interest in Gross Receivables. To secure its obligations to make Required Payments under the Master Indenture and its other obligations, agreements and covenants to be performed and observed thereunder, each Obligated Group Member under the Master Indenture grants to the Master Trustee a security interest in all of its Gross Receivables. “Gross Receivables” under the Master Indenture means all accounts and health care insurance receivables (as such terms are defined in the Uniform Commercial Code of the State of California, as amended (the “UCC”)), whether now existing or hereafter created or arising, and proceeds thereof. The Master Indenture will be deemed a “security agreement” for purposes of the UCC. See APPENDIX C – “FORM OF MASTER INDENTURE—Section 3.06. Gross Receivables Pledge.”

Perfection of a Security Interest. The security interest in Gross Receivables will be perfected to the extent, and only to the extent, that such security interest may be perfected by the filing of financing statements in accordance with the UCC. To continue such perfection of the security interest in Gross Receivables, continuation statements meeting the requirements of the UCC must be filed periodically. The security interest in the Gross Receivables may not be enforceable against third parties unless the Gross Receivables are transferred to the Master Trustee, which transfer the Obligated Group Members are not required to make, and is subject to certain exceptions under the UCC. The Master Trustee may not be able to compel the Medicare or Medicaid programs or other third parties to make payments directly to the Master Trustee. The enforcement of the security interest in the Gross Receivables may be further limited by the following: (i) statutory liens; (ii) rights arising in favor of the United States of America or any agency thereof; (iii) present or future prohibitions against assignment contained in any federal or state statutes or regulations; (iv) constructive trusts, equitable liens or other rights impressed or conferred by any state or federal court in the exercise of its equitable jurisdiction; and (v) federal bankruptcy laws, state receivership or fraudulent conveyance laws or similar laws affecting creditors’ rights that may affect the enforceability of the Master Indenture or the security interest in the Gross Receivables. See APPENDIX C – “FORM OF MASTER INDENTURE—Section 3.06. Gross Receivables Pledge.”

Even if the lien on Gross Receivables is perfected, the lien may not be of first priority. Upon written request from the Obligated Group Representative, the Master Trustee will take all procedural steps necessary, as specified in writing by the Obligated Group Representative, to effect the subordination of its security interest in the Gross Receivables granted in the Master Indenture to security interests constituting Permitted Liens.

Additional Indebtedness; Disposition of Assets. The Master Indenture does not include any limitations on the Obligated Group’s ability to incur additional Indebtedness or dispose of assets.

Other Master Indenture Covenants. In addition to the security and other provisions described above, the Master Indenture contains provisions, covenants and restrictions related to debt coverage, merger, consolidation, sale or conveyance, encumbrances, and other matters. See APPENDIX C – “FORM OF MASTER INDENTURE—Article III. Payments; Obligated Group Covenants.”

Amendments. The Obligated Group Members and the Master Trustee may modify the provisions of the Master Indenture in certain instances without the consent of the Holders of Obligations (including the Trustee as the Holder of Obligation No. 19) and in other instances with consent of the Holders of not less than a majority in aggregate principal amount of the Obligations then Outstanding, and the required percentage could be obtained from the Holders of Obligations other than Obligation No. 19. See APPENDIX C– “FORM OF MASTER INDENTURE—Article VI. Supplements and Amendments.”

For the full and complete text of the Master Indenture, see APPENDIX C – “FORM OF MASTER INDENTURE.”

Security and Enforceability

Limitations on Enforceability. The obligations of the Members of the Obligated Group under Obligation No. 19 and the Master Indenture will be limited in the event of bankruptcy or insolvency, including as described below. Although upon the reoffering of the 2008 B-1 Bonds, the Corporation will be the only Member of the Obligated Group, the Master Indenture permits the addition of other Obligated Group Members, as well as the withdrawal of Obligated Group Members, if certain conditions are met. The joint and several obligations described herein of individual Members of the Obligated Group to make Required Payments on the Obligations issued pursuant to and under the Master Indenture may not be enforceable. See “—Enforceability of Obligation No. 19” below.

A Member of the Obligated Group may not be required to make any payment of any Obligation, or portion thereof, or the recipient of such payment may be compelled to return such payment, the proceeds of which were not lent or otherwise disbursed to such Member to the extent that such payment would conflict with, or would not be enforceable, or would be prohibited or avoidable under applicable laws.

The legal right and practical ability of the Authority and the Trustee to enforce their rights and remedies against the Corporation under the Indenture and the Loan Agreement and against the Corporation or any future Member of the Obligated Group under Obligation No. 19, and of the Master Trustee to enforce its rights and remedies against the Corporation or any future Member of the Obligated Group under the Master Indenture, will depend upon the exercise of various remedies specified by such documents, which may in many instances require judicial actions that are often subject to discretion and delay or that otherwise may not be readily available or may be limited.

Government Supervision of Nonprofit Corporations. There exists authority under common law and various state statutes that requires termination of the existence of a nonprofit corporation or that subjects a nonprofit corporation to government supervision of its affairs on various grounds, including based on a determination that the corporation has insufficient assets to carry out its stated charitable purposes or based on actions taken that render it unable to carry out its charitable purposes. Actions to terminate the existence of a nonprofit corporation or to subject a nonprofit corporation to governmental supervision may be commenced by the attorney general of a particular state or by other persons who have interests different from those of the general public, such as charitable donors seeking to enforce charitable trusts to ensure application of charitable funds for their intended charitable uses.

Bankruptcy. In the event of bankruptcy of an Obligated Group Member, the rights and remedies of the Bondholders are subject to various provisions of the Federal Bankruptcy Code. If an Obligated Group Member were to file a petition in bankruptcy, payments made by that Obligated Group Member during the 90-day (or perhaps one-year) period immediately preceding the filing of such petition may be avoidable as preferential transfers to the extent such payments allow the recipients thereof to receive more than they would have received in the event of such Obligated Group Member’s liquidation. Security interests and other liens granted to the Trustee or the Master Trustee and perfected during such preference period also may be avoided as preferential transfers to the extent such security interest or other lien secures obligations that arose prior to the date of such perfection. Such a bankruptcy filing would operate as an automatic stay of the commencement or continuation of any judicial or other proceeding against the Obligated Group Member and its property and as an automatic stay of any act or proceeding to enforce a lien upon or to otherwise exercise control over its property, as well as various other actions to enforce, maintain or enhance the rights of the Trustee and the Master Trustee. If the bankruptcy court so ordered, the property of the Obligated Group Member, including accounts receivable and proceeds thereof, could be used for the financial rehabilitation of such Obligated Group Member despite any security interest of the Master Trustee therein. The rights of the Trustee and the Master Trustee to enforce their respective security interests and other liens could be delayed during the pendency of the rehabilitation proceeding. Such Obligated Group

Member could file a plan for the adjustment of its debts in any such proceeding, which plan could include provisions modifying or altering the rights of creditors generally or any class of them, secured or unsecured. The plan, when confirmed by a court, binds all creditors who had notice or knowledge of the plan and, with certain exceptions, discharges all claims against the debtor to the extent provided for in the plan. No plan may be confirmed unless certain conditions are met, among which are conditions that the plan be feasible and that it will have been accepted by each class of claims impaired thereunder. Each class of claims has accepted the plan if at least two-thirds in dollar amount and more than one-half in number of the class cast votes in its favor. Even if the plan is not so accepted, it may be confirmed if the court finds that the plan is fair and equitable with respect to each class of non-accepting creditors impaired thereunder and does not discriminate unfairly.

In the event of bankruptcy of any Member, there is no assurance that certain covenants, including tax covenants, contained in the Loan Agreement and certain other documents would survive. Accordingly, a bankruptcy trustee could take action that would adversely affect the exclusion of interest on the 2008 Bonds from gross income of the Bondholders for federal income tax purposes.

Enforceability of Obligation No. 19. The joint and several obligations described herein of each Member of the Obligated Group to make Required Payments on Obligation No. 19 may not be enforceable or the tax-exempt status of the 2008 Bonds may be adversely affected under any of the following circumstances:

- (a) to the extent payments on Obligation No. 19 are requested to be made from assets of a Member that are donor-restricted, or that are subject to a direct, express or charitable trust that does not permit the use of such assets for such payments;
- (b) if the purpose of the debt created and evidenced by Obligation No. 19 is not consistent with the charitable purposes of the Member from which such payment is requested or required, or if the debt was incurred or issued for the benefit of an entity other than a nonprofit corporation that is exempt from federal income taxes under Section 501(a) of the Code as a 501(c)(3) organization and is not a “private foundation” as defined in Section 509(a) of the Code;
- (c) to the extent payments on Obligation No. 19 would result in the cessation or discontinuation of any material portion of the health care or related services previously provided by such Member; or
- (d) if and to the extent payments are requested to be made pursuant to any loan violating applicable usury laws.

These limitations on the enforceability of the joint and several obligations of the Members of the Obligated Group on Obligation No. 19 also apply to the other Obligations. If the obligation of a particular Member of the Obligated Group to make payment on an Obligation is not enforceable and payment is not made on such Obligation when due in full, then Events of Default will arise under the Master Indenture.

Enforceability of the Loan Agreement. The legal right and practical ability of the Trustee to enforce rights and remedies under the Loan Agreement may be limited by laws relating to bankruptcy, insolvency, reorganization, fraudulent conveyance or moratorium and by other similar laws affecting creditors’ rights. In addition, enforcement of such rights and remedies will depend upon the exercise of various remedies specified by such documents, which, in many instances, may require judicial actions that are subject to discretion and delay, that otherwise may not be readily available or that may be limited by certain legal principles.

For a further description of the provisions of the Master Indenture, the Indenture and the Loan Agreement, see APPENDIX C – “FORM OF MASTER INDENTURE” and APPENDIX D – “SUMMARY OF PRINCIPAL DOCUMENTS.”

Limited Liability of the Authority

THE 2008 B-1 BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY, OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS THEREFOR PROVIDED. NEITHER THE STATE OF CALIFORNIA NOR THE AUTHORITY SHALL BE OBLIGATED TO PAY THE PRINCIPAL, REDEMPTION PRICE OR PURCHASE PRICE OF THE 2008 B-1 BONDS, OR THE INTEREST THEREON, EXCEPT FROM THE FUNDS PROVIDED UNDER THE LOAN AGREEMENT, OBLIGATION NO. 19 AND THE OTHER ASSETS PLEDGED UNDER THE INDENTURE, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL, REDEMPTION PRICE OR PURCHASE PRICE OF, OR THE INTEREST ON THE 2008 B-1 BONDS. THE REOFFERING OF THE 2008 B-1 BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE AUTHORITY HAS NO TAXING POWER.

RISK FACTORS

Certain risks, as of the date of the 2023 Official Statement, which might be relevant to the ability of the Corporation to make payments on the 2008 B-1 Bonds, are described under the section “BONDHOLDERS’ RISKS” in the 2023 Official Statement.

TAX MATTERS

On June 2, 2008, Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority (“Bond Counsel”), delivered its approving opinion with respect to the 2008 Bonds that, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2008 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code and is exempt from State of California personal income taxes. Bond Counsel’s opinion also stated that interest on the 2008 Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observed that such interest is included when adjusted current earnings in calculating corporate alternative minimum taxable income. Bond Counsel expressed no opinion regarding any other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the 2008 Bonds. Such opinion speaks only as of its date.

Bond Counsel now observes that, for tax years beginning after December 31, 2022, interest on the 2008 Bonds included in adjusted financial statement income of certain corporations is not excluded from federal corporate alternative minimum tax.

In the opinion of Bond Counsel, the purchase in lieu of optional redemption of the 2008 B-1 Bonds and reoffering of the 2008 B-1 Bonds in a Weekly Mode will not, in and of itself, adversely affect the

exclusion of interest on the 2008 Bonds from gross income for purposes of federal income taxation. A complete copy of the opinion of Bond Counsel delivered on June 2, 2008 in connection with the issuance of the 2008 Bonds is set forth in APPENDIX B hereto, and the opinion of Bond Counsel, to be dated September 27, 2023, that the purchase in lieu of optional redemption of the 2008 B-1 Bonds and reoffering of the 2008 B-1 Bonds will not, in and of itself, adversely affect the exclusion of interest on the 2008 Bonds from gross income for purposes of federal income taxation, is set forth in APPENDIX A hereto. Bond Counsel is not rendering any opinion on the current tax status of the 2008 Bonds.

2008 B-1 Bonds purchased for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 2008 Bonds. The Authority and the Corporation have made certain representations and have covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the 2008 Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the 2008 Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the 2008 Bonds. The opinion of Bond Counsel rendered on June 2, 2008 in connection with the issuance of the 2008 Bonds assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring), or any other matters coming to Bond Counsel’s attention after the date of issuance of the 2008 Bonds may adversely affect the value of, or the tax status of interest on, the 2008 Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

In addition, in its opinion rendered on June 2, 2008 in connection with the issuance of the 2008 Bonds, Bond Counsel relied, among other things, on the opinion of Ropes & Gray LLP, counsel to the Corporation (“Counsel to the Corporation”), regarding the qualification of the Corporation as an organization described in Section 501(c)(3) of the Code. Such opinion is subject to a number of qualifications and limitations. Bond Counsel also relied upon representations of the Corporation concerning the Corporation’s “unrelated trade or business” activities as defined in Section 513(a) of the Code. Neither Bond Counsel nor Counsel to the Corporation has given any opinion or assurance concerning Section 513(a) of the Code and neither Bond Counsel nor Counsel to the Corporation can give or has given any opinion or assurance about the future activities of the Corporation, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the resulting changes in enforcement thereof by the Internal Revenue Service (the “IRS”). Failure of the Corporation to be organized and operated in accordance with the IRS’s requirements for the maintenance of its status as an organization described in Section 501(c)(3) of the Code, or to operate the facilities refinanced by the 2008 Bonds in a manner that is substantially related to the Corporation’s charitable purpose under Section 513(a) of the Code, may result in interest payable with respect to the 2008 B-1 Bonds being included in federal gross income, possibly from the date of the original issuance of the 2008 Bonds.

Although the opinion of Bond Counsel rendered on June 2, 2008 in connection with the issuance of the 2008 Bonds stated that interest on the 2008 Bonds is excluded from gross income for federal income

tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the 2008 B-1 Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the 2008 B-1 Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the 2008 B-1 Bonds. Prospective purchasers of the 2008 B-1 Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel rendered on June 2, 2008 in connection with the issuance of the 2008 Bonds was based on then-current legal authority, covered certain matters not directly addressed by such authorities, and represented Bond Counsel's judgment as to the proper treatment of the 2008 Bonds for federal income tax purposes. It is not binding on the IRS or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Authority or the Corporation, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Authority and the Corporation have covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the 2008 Bonds ended with the issuance of the 2008 Bonds on June 2, 2008, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority, the Corporation or the Beneficial Owners regarding the tax-exempt status of the 2008 Bonds in the event of an audit examination by the IRS. Under current procedures, Beneficial Owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Authority or the Corporation legitimately disagree, may not be practicable. Any action of the IRS, including but not limited to selection of the 2008 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the 2008 Bonds, and may cause the Authority, the Corporation or the Beneficial Owners to incur significant expense.

Payments on the 2008 B-1 Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate Beneficial Owner of 2008 B-1 Bonds may be subject to backup withholding with respect to "reportable payment," which include interest paid on the 2008 B-1 Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the 2008 B-1 Bonds. The payor will be required to deduct and withhold the prescribed amounts (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a Beneficial Owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain Beneficial Owners (including among others, corporations and certain tax-exempt organizations) are

not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

LEGAL MATTERS

Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Reoffering Circular. Certain legal matters will be passed upon for the Corporation by its counsel, Ropes & Gray LLP, and for the Remarketing Agent by its counsel, Norton Rose Fulbright US LLP.

LITIGATION

There is no controversy or litigation of any nature now pending against the Corporation or, to the knowledge of the officers of the Corporation, threatened, restraining or enjoining the reoffering, sale or delivery of the 2008 B-1 Bonds or in any way contesting or affecting the validity of the 2008 B-1 Bonds, any proceedings of the Corporation taken concerning the reoffering or sale thereof, or the pledge or application of any moneys or security provided for the payment of the 2008 B-1 Bonds.

The Corporation, like similar institutions, is subject to a variety of suits and proceedings arising in the ordinary course of business. For further discussion, see “INFORMATION CONCERNING STANFORD HEALTH CARE—LITIGATION AND REGULATORY MATTERS” in Appendix A to the 2023 Official Statement.

RATINGS

Moody’s Investors Service (“Moody’s”), S&P Global Ratings (“S&P”) and Fitch Ratings (“Fitch”) have assigned municipal bond ratings of “Aa3,” “AA-” and “AA”, respectively, to the 2008 B-1 Bonds. Moody’s, S&P and Fitch have assigned short-term ratings of “VMIG1,” “A-1+” and “F1+,” respectively, to the 2008 B-1 Bonds. The ratings reflect the current assessment of each rating agency of the creditworthiness of the Corporation. Such ratings reflect only the view of each organization and any explanation of the significance of such rating may only be obtained from the rating agency furnishing the same. The Corporation has furnished to such rating agencies certain information and materials concerning the 2008 B-1 Bonds and itself. Generally, rating agencies base their ratings on such information and materials and on investigations, studies and assumptions made by the rating agencies themselves. There is no assurance that any of the ratings mentioned above will remain in effect for any given period of time or that the ratings might not be lowered or withdrawn entirely by the rating agency that assigned any such rating, if in its judgment circumstances so warrant. Any downward change in or withdrawal of any rating might have an adverse effect on the market price or marketability of the 2008 B-1 Bonds.

THE REMARKETING

Morgan Stanley & Co. LLC serves as remarketing agent (the “Remarketing Agent”) for the 2008 B-1 Bonds pursuant to a remarketing agreement, dated June 1, 2008 (the “Remarketing Agreement”). Pursuant to the Remarketing Agreement, the Remarketing Agent is paid an ongoing fee by the Corporation for its services as Remarketing Agent for the 2008 B-1 Bonds. Also pursuant to the Remarketing Agreement, the Corporation has agreed to pay the fees of counsel to the Remarketing Agent in connection with the reoffering of the 2008 B-1 Bonds. The Remarketing Agreement contains the agreement of the Corporation to indemnify the Remarketing Agent against certain liabilities to the extent permitted by law.

Morgan Stanley & Co. LLC, as the Remarketing Agent for the 2008 B-1 Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its reoffering efforts with respect to the 2008 B-1 Bonds.

STANFORD HEALTH CARE, a California nonprofit
public benefit corporation

By: _____ /s/ Linda Hoff
Chief Financial Officer

APPENDIX A

FORM OF OPINION OF BOND COUNSEL UPON REOFFERING

[Closing Date]

California Health Facilities Financing Authority
Sacramento, California

The Bank of New York Mellon Trust Company, N.A.,
as successor Trustee
Los Angeles, California

California Health Facilities Financing Authority
Refunding Revenue Bonds
(Stanford Hospital and Clinics)
2008 Series B-1

Ladies and Gentlemen:

The California Health Facilities Financing Authority Refunding Revenue Bonds (Stanford Hospital and Clinics), 2008 Series B-1 (the “Series B-1 Bonds”), in the aggregate principal amount of \$84,100,000 and the California Facilities Financing Authority Refunding Revenue Bonds (Stanford Hospital and Clinics), 2008 Series B-2, in the aggregate principal amount of \$84,100,000 (the “Series B-2 Bonds” and together with the Series B-1 Bonds, the “Bonds”) were issued by the California Health Facilities Financing Authority (the “Issuer”) on June 2, 2008, pursuant to an indenture, dated as of June 1, 2008 (as amended and supplemented the “Indenture”), between the Issuer and The Bank of New York Mellon Trust Company, N.A. (the “Trustee”), as successor to Wells Fargo Bank, National Association. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

Pursuant to Section 4.12 of the Indenture, the Series B-1 Bonds are being purchased by Stanford Health Care, formerly known as Stanford Hospital and Clinics (the “Corporation”), and subsequently reoffered in the Weekly Mode (collectively, the “Purchase”). In connection with such Purchase, as bond counsel to the Issuer, we have reviewed the Indenture, the Request of the Corporation Regarding Purchase in Lieu of Optional Redemption relating to the Series B-1 Bonds, certificates of the Trustee and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinion set forth herein.

The opinion expressed herein is based on an analysis of existing laws, regulations, rulings and court decisions and covers certain matters not directly addressed by such authorities. Such opinion may be affected by actions taken or omitted or events occurring after the date hereof.

We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. We have assumed the genuineness of all documents and signatures provided to us and the due and legal execution and delivery thereof by, and validity against, any party other than the Issuer. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Indenture and the Tax Agreement (including any supplements or amendments thereto), including (without limitation) covenants and agreements compliance with which is necessary to assure that actions, omissions or events on and after the date of issuance of the Bonds have not caused and will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We have not undertaken to determine compliance with any of such covenants and agreements or any other requirements of law, and, except as expressly set forth below, we have not otherwise reviewed any actions, omissions or events occurring after the date of issuance of the Bonds or the exclusion of interest on the Bonds from gross income for federal income tax purposes. Accordingly, no opinion is expressed herein as to whether interest on the Bonds is excludable from gross income for federal income tax purposes or as to any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. Nothing in this letter should imply that we have considered or in any manner reaffirm any of the matters covered in any prior opinion we rendered with respect to the Bonds. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Reoffering Circular, dated September 19, 2023, or other offering material relating to the Series B-1 Bonds and express no opinion or view with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the opinion that the Purchase, in accordance with the provisions of the Indenture, is authorized or permitted by the Indenture and will not, in and of itself, adversely affect any exclusion of interest on the Bonds from gross income for purposes of federal income taxation.

This opinion is furnished by us as bond counsel to the Issuer solely for purposes of Section 4.12 of the Indenture. No attorney-client relationship has existed or exists between our firm and the Trustee or our firm and the Remarketing Agent in connection with the Series B-1 Bonds or by virtue of this opinion, and we disclaim any obligation to update this opinion.

Very truly yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

APPENDIX B

2008 OPINION OF BOND COUNSEL

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June 2, 2008

California Health Facilities Financing Authority
Sacramento, California

California Health Facilities Financing Authority
Refunding Revenue Bonds (Stanford Hospital and Clinics),
2008 Series A-1, 2008 Series A-2, 2008 Series A-3, 2008 Series B-1 and 2008 Series B-2
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the California Health Facilities Financing Authority (the "Issuer") in connection with the issuance of \$428,500,000 aggregate principal amount of California Health Facilities Financing Authority Refunding Revenue Bonds (Stanford Hospital and Clinics), 2008 Series A-1, 2008 Series A-2, 2008 Series A-3, 2008 Series B-1 and 2008 Series B-2 (the "Bonds"), issued pursuant to a Indenture, dated as of June 1, 2008 (the "Indenture"), between the Issuer and Wells Fargo Bank, National Association, as trustee (the "Trustee"). The Indenture provides that the Bonds are issued for the purpose of making a loan of the proceeds thereof to Stanford Hospital and Clinics (the "Borrower") pursuant to a Loan Agreement, dated as of June 1, 2008 (the "Loan Agreement"), between the Issuer and the Borrower. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

In such connection, we have reviewed the Indenture, the Loan Agreement, the Tax Certificate and Agreement, dated the date hereof (the "Tax Certificate"), between the Issuer and the Borrower, opinions of counsel to the Issuer, the Borrower and the Trustee, certificates of the Issuer, the Borrower, the Trustee and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

We have relied on the opinion of Ropes & Gray LLP, counsel to the Borrower, regarding, among other matters, the current qualification of the Borrower as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code"). We note that the opinion is subject to a number of qualifications and limitations. We have also relied upon representations of the Borrower regarding the use of the facilities refinanced with the proceeds of Bonds in activities that are not considered unrelated trade or business activities of the Borrower within the meaning of Section 513 of the Code. We note that the opinion of counsel to the Borrower does not address Section 513 of the Code. Failure of the Borrower to be organized and operated in accordance with the Internal Revenue Service's requirements for the maintenance of its status as an organization described in Section 501(c)(3) of the Code, or use of the bond-financed facilities in activities that are considered unrelated trade or business activities of the Borrower within the meaning of Section 513 of the Code, may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of issuance of the Bonds.



The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this opinion speaks only as of its date and is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Issuer. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second and third paragraphs hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Indenture, the Loan Agreement and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Indenture, the Loan Agreement and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against authorities of the State of California. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the assets described in or as subject to the lien of the Indenture or the Loan Agreement, or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statements or other offering material relating to the Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute the valid and binding limited obligations of the Issuer.
2. The Indenture has been duly executed and delivered by, and constitutes the valid and binding obligation of, the Issuer. The Indenture creates a valid pledge, to secure the payment of the principal of and interest on the Bonds, of the Revenues and any other amounts held by the Trustee in any fund or account established pursuant to the Indenture, except the Rebate Fund, any Credit Facility Fund and any Purchase Fund, subject to the provisions of the



Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture.

3. The Loan Agreement has been duly executed and delivered by, and constitutes a valid and binding agreement of, the Issuer.

4. The Bonds are not a lien or charge upon the funds or property of the Issuer except to the extent of the aforementioned pledge. Neither the faith and credit nor the taxing power of the State of California or of any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds. The Bonds are not a debt of the State of California, and said State is not liable for the payment thereof.

5. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code and is exempt from State of California personal income taxes. Interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although we observe that it is included in adjusted current earnings when calculating corporate alternative minimum taxable income. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

per A handwritten signature in black ink, appearing to read "Roger L. Davis".

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APPENDIX C
FORM OF MASTER INDENTURE

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Second Amended and Restated Master Indenture of Trust

Between

Stanford Health Care

and

**The Bank of New York Mellon Trust Company, N.A.,
as Master Trustee**

Dated as of ____ , ____

**Amending and Restating
Amended and Restated Master Indenture of Trust dated as of June 1, 2011**

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Second Amended and Restated Master Indenture of Trust

This **Second Amended and Restated Master Indenture of Trust**, dated as of ____ 1, 2020, between **Stanford Health Care**, formerly known as **Stanford Hospital and Clinics**, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the "Corporation") and **The Bank of New York Mellon Trust Company, N.A.**, a national banking association duly organized and existing under the laws of the United States of America and being qualified to accept and administer the trusts hereby created, as master trustee, amends and restates the Amended and Restated Master Indenture of Trust, dated as of June 1, 2011 (as supplemented and amended to the date hereof, the "Existing Master Indenture"), between The Bank of New York Trust Company, N.A., as master trustee;

WITNESSETH:

WHEREAS, in order to provide for the issuance from time to time of obligations to provide for the financing or refinancing of the acquisition, construction, equipping or improvement of health care or other facilities, or for other lawful and proper corporate purposes, the Corporation entered into the Existing Master Indenture;

WHEREAS, in accordance with Section 6.02 of the Existing Master Indenture, the holders of not less than a majority in aggregate principal amount of obligations outstanding shall have the right to consent to and approve the execution by the Corporation, acting as obligated group representative (the Corporation acting in such capacity being hereinafter referred to as the "Obligated Group Representative") of such Related Supplements (as such term is defined in the Existing Master Indenture) as shall be deemed necessary and desirable for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Existing Master Indenture, subject to such exceptions as are set forth in Section 6.02 of the Existing Master Indenture;

WHEREAS, in order to provide for changes to reflect current market standards, the Corporation, acting as Obligated Group Representative, has caused this Second Amended and Restated Master Indenture of Trust to be prepared;

WHEREAS, this Second Amended and Restated Master Indenture of Trust amends and restates the Existing Master Indenture in its entirety;

WHEREAS, this Second Amended and Restated Master Indenture of Trust constitutes a Related Supplement as such term is defined in the Existing Master Indenture;

WHEREAS, as required pursuant to Section 6.02 of the Existing Master Indenture, the Corporation has secured the consent of the holders of not less than a majority in aggregate principal amount of obligations outstanding to amendment and restatement of the Existing Master Indenture as set forth in this Second Amended and Restated Master Indenture of Trust;

WHEREAS, the Corporation hereby certifies that: (i) all acts and things necessary to constitute this Second Amended and Restated Master Indenture of Trust a valid indenture and agreement according to its terms having been done and performed; (ii) the Corporation has duly

authorized the execution and delivery of this Second Amended and Restated Master Indenture of Trust; and (iii) the Corporation proposes to enter into supplements hereto with The Bank of New York Mellon Trust Company, N.A., as master trustee (the "Master Trustee") to provide for the issuance from time to time of obligations to be secured hereunder to provide for the financing or refinancing of the acquisition, construction, equipping or improvement of health care or other facilities, or for other lawful and proper corporate purposes; and

WHEREAS, the Master Trustee agrees to accept and administer the trusts created hereby;

NOW, THEREFORE, in consideration of the premises, of the acceptance by the Master Trustee of the trusts hereby created, and of the giving of consideration for and acceptance of the obligations issued under the Existing Master Indenture, as amended and restated by this Second Amended and Restated Master Indenture of Trust, by the holders thereof, and for the purpose of fixing and declaring the terms and conditions upon which obligations are to be issued, authenticated, delivered and accepted by all persons who shall from time to time be or become holders thereof, the Corporation covenants and agrees with the Master Trustee for the equal and proportionate benefit of the respective holders from time to time of obligations issued under the Existing Master Indenture, as amended and restated by this Second Amended and Restated Master Indenture of Trust, as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.01. **Definitions.** Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Second Amended and Restated Master Indenture of Trust (as more fully defined in Section 1.01 hereof, this "Master Indenture") and of any Related Supplement issued hereafter and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, equally applicable to both singular and plural forms of any of the terms herein defined.

Accountant means any independent certified public accountant or firm of independent certified public accountants selected by the Obligated Group Representative.

Affiliated Corporation means any corporation which, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, an Obligated Group Member.

Annual Debt Service means for each Fiscal Year the sum (without duplication) of the aggregate amount of principal and interest scheduled to become due and payable in such Fiscal Year on all Long-Term Indebtedness of the Obligated Group then Outstanding (by scheduled maturity, acceleration, mandatory redemption or otherwise, but not including purchase price coming due as a result of a mandatory or optional tender or put), less any amounts of such principal or interest to be paid during such Fiscal Year from (a) the proceeds of Indebtedness or (b) moneys or Government Obligations deposited in trust for the purpose of paying such principal or interest; provided that if a Financial Products Agreement is being entered into by any Obligated Group Member concurrently or substantially concurrently with the incurrence of Long-Term

Indebtedness and with respect to such Long-Term Indebtedness or if a Financial Products Agreement has been entered into by any Obligated Group Member with respect to Long-Term Indebtedness, interest on such Long-Term Indebtedness shall be included in the calculation of Annual Debt Service by including for each Fiscal Year an amount equal to the amount of interest payable on such Long-Term Indebtedness in such Fiscal Year at the rate or rates stated in such Long-Term Indebtedness plus any Financial Product Payments under a Financial Products Agreement payable in such Fiscal Year minus any Financial Product Receipts under a Financial Products Agreement receivable in such Fiscal Year; provided that in no event shall any calculation made pursuant to this clause result in a number less than zero being included in the calculation of Annual Debt Service. For purposes of computing Annual Debt Service, the following principles and assumptions shall be applied.

(a) with respect to a Guaranty, there shall be included in the calculation of Annual Debt Service the amount of the Annual Debt Service (calculated as if such Person were a Obligated Group Member) paid by the Obligated Group Members under the Guaranty until such time as either the default is cured, the indebtedness guaranteed is repaid or the Guaranty is terminated.

(b) if interest on Long-Term Indebtedness is payable pursuant to a variable interest rate formula (or if Financial Product Payments or Financial Product Receipts are determined by application of a variable interest rate), the interest rate on such Long-Term Indebtedness (or the applied variable rate for such Financial Product Payments or Financial Product Receipts) for periods when the actual interest rate cannot yet be determined shall be assumed to be equal to (i) if such Long-Term Indebtedness (or Financial Products Agreement) was Outstanding during the twelve (12) calendar months immediately preceding the date of calculation, an average of the interest rates per annum which were in effect for such period, and (ii) if such Long-Term Indebtedness (or Financial Products Agreement) was not Outstanding during the twelve (12) calendar months immediately preceding the date of calculation, at the election of the Obligated Group Representative, either (x) an average of the SIFMA Swap Index during the twelve (12) calendar months immediately preceding the date of calculation or (y) an average of the interest rates per annum which would have been in effect for any twelve (12) consecutive calendar months during the eighteen (18) calendar months immediately preceding the date of calculation, as specified in a Certificate of the Obligated Group Representative or, at the sole option of the Obligated Group Representative, such interest rate as shall be specified in a written statement from an investment banking or financial advisory firm selected by the Obligated Group Representative.

(c) debt service on Long-Term Indebtedness incurred to finance capital improvements shall be included in the calculation of Annual Debt Service only in proportion to the amount of interest on such Long-Term Indebtedness which is payable in the then-current Fiscal Year from sources other than proceeds of such Long-Term Indebtedness held by a trustee or escrow agent for such purpose (excluding any funds held on deposit in a debt service reserve fund established in connection with such Long-Term Indebtedness); and

(d) with respect to Balloon Indebtedness, such Balloon Indebtedness shall be treated, at the sole option of the Obligated Group Representative, as Long-Term Indebtedness bearing interest at an interest rate equal to either (i) a fixed rate equal to the Thirty-Year Revenue

Bond Index most recently published in *The Bond Buyer* prior to the date of calculation or (ii) such interest rate as shall be specified in a written statement from an investment banking or financial advisory firm selected by the Obligated Group Representative, and (x) with substantially level debt service over a period of up to the later of thirty (30) years or maturity of the Balloon Indebtedness (which period shall be designated by the Obligated Group Representative) from the date of calculation, or (y) with the debt service being interest only for a designated period of years and then substantially level debt service over a designated period of years (each of which periods shall be designated by the Obligated Group Representative), provided that such periods shall not aggregate in excess of thirty (30) years (by way of example, Annual Debt Service on Balloon Indebtedness could be designated by the Obligated Group Representative to be treated as interest only for twenty-five (25) years and as level payments of principal and interest for the next five (5) years).

Appraisal Institute means the global membership association of professional real estate appraisers designated by that name or any successor thereto.

Authorized Representative means with respect to each Obligated Group Member, the chair of its Governing Body, its president or chief executive officer, its chief financial officer or any other person designated as an Authorized Representative of such Obligated Group Member by a Certificate of that Obligated Group Member signed by the chair of its Governing Body, its president or chief executive officer, or its chief financial officer and filed with the Master Trustee.

Balloon Indebtedness means either (a) Long-Term Indebtedness or (b) Commercial Paper Indebtedness or Short-Term Indebtedness which is intended to be refinanced upon or prior to its maturity so that such Commercial Paper Indebtedness or Short-Term Indebtedness, as applicable, and the Indebtedness intended to be used to refinance such Commercial Paper Indebtedness or Short-Term Indebtedness, as applicable, will be scheduled to be outstanding for a total of more than three hundred sixty-five (365) days as certified in an Officer's Certificate, in either case twenty-five percent (25%) or more of the original principal of which matures (or is redeemable at the option of the holder) in the same Fiscal Year, if such twenty-five percent (25%) or more is not to be amortized below twenty-five percent (25%) by mandatory redemption prior to such Fiscal Year.

Book Value means, when used in connection with Property, Plant and Equipment or other Property of any Obligated Group Member, the value of such property, net of accumulated depreciation, as it is carried on the books of such Obligated Group Member and in conformity with GAAP, and when used in connection with Property, Plant and Equipment or other Property of the Obligated Group, means the aggregate of the values so determined with respect to such Property of each Obligated Group Member determined in such a way that no portion of such value of Property of any Obligated Group Member is included more than once.

Certificate, Statement, Request, Consent or Order of any Obligated Group Member or of the Master Trustee means, respectively, a written certificate, statement, request, consent or order signed in the name of such Obligated Group Member by an Authorized Representative or in the name of the Master Trustee by a Responsible Officer. Any such instrument and supporting opinions or certificates, if any, may, but need not, be combined in a single instrument with any

other instrument, opinion or certificate and the two or more so combined shall be read and construed as a single instrument. If and to the extent required by Section 1.04 hereof, each such instrument shall include the statements provided for in Section 1.04.

Commercial Paper Indebtedness means Indebtedness with a maturity not in excess of two hundred seventy (270) days), the proceeds of which are to be used: (i) to provide interim financing for capital improvements, (ii) to support current operations or (iii) for other corporate purposes. Commercial Paper Indebtedness shall not constitute Short-Term Indebtedness for any purpose under this Master Indenture.

Corporate Trust Office means the office of the Master Trustee at which its principal corporate trust business is conducted, which at the date hereof is located at 400 South Hope Street, Suite 500, Los Angeles, California 90071, or at such other or additional offices as shall be specified by the Master Trustee in a writing delivered to the Obligated Group Representative.

Corporation means Stanford Health Care, a nonprofit corporation duly organized and existing under the laws of the State of California, and its successors.

Debt Service Coverage Ratio means, for any Fiscal Year, the ratio determined by dividing Income Available for Debt Service for such Fiscal Year by Annual Debt Service.

Default means an event that, with the passage of time or the giving of notice or both, would become an Event of Default.

ERISA means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute.

Event of Default means any of the events specified in Section 4.01 hereof.

Excluded Property means the property described on Exhibit D hereto.

Existing Financial Products Agreements means the Financial Products Agreements listed on Exhibit A attached hereto.

Existing Master Indenture shall have the meaning assigned thereto in the recitals hereof.

Existing Parity Financial Product Extraordinary Payments means the Parity Financial Product Extraordinary Payments listed on Exhibit C attached hereto.

Existing Obligations means the Obligations listed on Exhibit B attached hereto.

Fair Market Value, when used in connection with Property, means the fair market value of such Property as determined by either:

(1) an appraisal of the portion of such Property which is real property made within five years of the date of determination by a member of the Appraisal Institute and by an appraisal of the portion of such Property which is not real property made within five years of the date of determination by any expert qualified in relation to the subject matter, provided that any such

appraisal shall be performed by an Independent Consultant, adjusted for the period, not in excess of five years, from the date of the last such appraisal for changes in the implicit price deflator for the gross national product as reported by the United States Department of Commerce or its successor agency, or if such index is no longer published, such other index certified to be comparable and appropriate in an Officer's Certificate delivered to the Master Trustee;

(2) a bona fide offer for the purchase of such Property made on an arm's-length basis within six months of the date of determination, as established by an Officer's Certificate; or

(3) an officer of the Obligated Group Representative (whose determination shall be made in good faith and set forth in an Officer's Certificate filed with the Master Trustee) if the fair market value of such Property is less than or equal to the greater of \$5,000,000 or 2.5% of cash and equivalents as shown on the most recent Financial Statements.

Financial Products Agreement means any interest rate exchange agreement, hedge or similar arrangement, including, without limitation, an interest rate swap, asset swap, a constant maturity swap, a forward or futures contract, cap, collar, option, floor, forward or other hedging agreement, arrangement or security, direct funding transaction or other derivative, however denominated and whether entered into on a current or forward basis, identified to the Master Trustee in an Officer's Certificate of the Obligated Group Representative as having been entered into by an Obligated Group Member with a Qualified Provider: (a) with respect to Indebtedness (which is either then-Outstanding or to be incurred after the date of such Certificate) identified in such Certificate for the purpose of (1) reducing or otherwise managing the Obligated Group Member's risk of interest rate changes or (2) effectively converting the Obligated Group Member's interest rate exposure, in whole or in part, from a fixed rate exposure to a variable rate exposure, or from a variable rate exposure to a fixed rate exposure; or (b) for any other interest rate, investment, asset or liability management purpose.

Financial Product Extraordinary Payments means any payments required to be paid to a counterparty by an Obligated Group Member pursuant to a Financial Product Agreement in connection with the termination thereof, tax gross-up payments, expenses, default interest, and any other payments or indemnification obligations to be paid to a counterparty by an Obligated Group Member under a Financial Product Agreement, which payments are not Financial Product Payments.

Financial Product Payments means regularly scheduled payments required to be paid to a counterparty by an Obligated Group Member pursuant to a Financial Products Agreement.

Financial Product Receipts means regularly scheduled payments required to be paid to an Obligated Group Member by a counterparty pursuant to a Financial Products Agreement.

Financial Statements means financial statements complying with the provisions set forth in Section 3.11(b)(1).

Fiscal Year means the period beginning on September 1 of each year and ending on the next succeeding August 31, or any other twelve-month period hereafter designated by the Obligated Group Representative as the fiscal year of the Obligated Group.

GAAP means accounting principles generally accepted in the United States of America, consistently applied.

Governing Body means, when used with respect to any Obligated Group Member, its board of directors, board of trustees or other board or group of individuals in which all of the powers of such Obligated Group Member are vested, except for those powers reserved to the corporate membership of such Obligated Group Member by the articles of incorporation or bylaws of such Obligated Group Member.

Government Issuer means any municipal corporation, political subdivision, state, territory or possession of the United States, or any constituted authority or agency or instrumentality of any of the foregoing empowered to issue obligations on behalf thereof, which obligations would constitute Related Bonds hereunder.

Government Obligations means: (1) direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America) or obligations the timely payment of the principal of and interest on which are fully guaranteed by the United States of America; (2) obligations issued or guaranteed by any agency, department or instrumentality of the United States of America if the obligations issued or guaranteed by such entity are rated in one of the two highest rating categories of a Rating Agency (without regard to any gradation of such rating category); (3) certificates which evidence ownership of the right to the payment of the principal of and interest on obligations described in clauses (1) and/or (2), provided that such obligations are held in the custody of a bank or trust company in a special account separate from the general assets of such custodian; and (4) obligations the interest on which is excluded from gross income for purposes of federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1986, and the timely payment of the principal of and interest on which is fully provided for by the deposit in trust of cash and/or obligations described in clauses (1), (2) and/or (3).

Gross Receivables means all accounts and health-care-insurance receivables (as such terms are defined in the UCC), whether now existing or hereafter created or arising, and proceeds thereof.

Guaranty means all loan commitments and all obligations of any Obligated Group Member guaranteeing in any manner whatever, whether directly or indirectly, any obligation of any other Person, which would, if such other Person were an Obligated Group Member, constitute Indebtedness.

Holder means the registered owner of any Obligation in registered form or the bearer of any Obligation in coupon form which is not registered or is registered to bearer.

Immaterial Affiliates means Persons that are not Members of the Obligated Group and whose combined total revenues (calculated as if such Persons were Members of the Obligated Group), as shown on their financial statements for their most recently completed fiscal year, were less than ten percent (10%) of the Total Revenues of the Obligated Group (including the Total Revenues of such Persons) as shown on the Financial Statements for the most recently completed Fiscal Year of the Obligated Group.

Income Available for Debt Service means, unless the context provides otherwise, as to any period of time, net income, or excess of revenues over expenses (excluding income from all Irrevocable Deposits) before depreciation, amortization, and interest expense, as determined in accordance with GAAP and as shown on the Financial Statements; provided, that no determination thereof shall take into account:

(a) any revenue or expense of a Person which is not a Member of the Obligated Group;

(b) gifts, grants, bequests, donations or contributions, to the extent specifically restricted by the donor to a particular purpose inconsistent with their use for the payment of principal of, redemption premium and interest on Indebtedness or the payment of operating expenses;

(c) the net proceeds of insurance (other than business interruption insurance) and condemnation awards;

(d) any gain or loss resulting from the extinguishment of Indebtedness;

(e) any gain or loss resulting from the sale, exchange or other disposition of assets not in the ordinary course of business;

(f) any gain or loss resulting from any discontinued operations;

(g) any gain or loss resulting from pension terminations, settlements or curtailments;

(h) any unusual charges for employee severance;

(i) adjustments to the value of assets or liabilities resulting from changes in GAAP;

(j) unrealized gains or losses on investments, including "other than temporary" declines in Book Value;

(k) gains or losses resulting from changes in valuation of any hedging, derivative, interest rate exchange or similar contract, including, without limitation, any Financial Products Agreement;

(l) any Financial Product Extraordinary Payments or similar payments on any hedging, derivative, interest rate exchange or similar contract that does not constitute a Financial Products Agreement;

(m) unrealized gains or losses from the write-down, reappraisal or revaluation of assets;

(n) changes in the share value of investment pools held or managed by Stanford University; or

(o) other nonrecurring items of any extraordinary nature which do not involve the receipt, expenditure or transfer of assets.

Indebtedness means any Guaranty (other than any Guaranty by any Obligated Group Member of Indebtedness of any other Obligated Group Member) and any obligation of any Obligated Group Member (1) for repayment of borrowed money, (2) with respect to finance leases or (3) under installment sale agreements; provided, however, that if more than one Obligated Group Member shall have incurred or assumed a Guaranty of a Person other than an Obligated Group Member, or if more than one Obligated Group Member shall be obligated to pay any obligation, for purposes of any computations or calculations under this Master Indenture, such Guaranty or obligation shall be included only one time. Financial Products Agreements and physician income guaranties shall not constitute Indebtedness.

Independent Consultant means a firm (but not an individual) which (1) is in fact independent, (2) does not have any direct financial interest or any material indirect financial interest in any Obligated Group Member (other than the agreement pursuant to which such firm is retained), (3) is not connected with any Obligated Group Member as an officer, employee, promoter, trustee, partner, director or person performing similar functions and (4) is qualified to pass upon questions relating to the financial affairs of organizations similar to the Obligated Group or facilities of the type or types operated by the Obligated Group and having the skill and experience necessary to render the particular opinion or report required by the provision hereof in which such requirement appears.

Insurance Consultant means a Person or firm (which may be an insurance broker or agent of an Obligated Group Member) which (1) is in fact independent, (2) does not have any direct financial interest or any material indirect financial interest in any Obligated Group Member (other than the agreement pursuant to which such Person or firm is retained) and (3) is not connected with any Obligated Group Member as an officer, employee, promoter, underwriter, trustee, partner, director or Person performing similar functions, and designated by the Obligated Group Representative, qualified to survey risks and to recommend insurance coverage for hospitals, health-related facilities and services and organizations engaged in such operations.

Irrevocable Deposit means an irrevocable deposit in trust of cash in an amount, or Government Obligations, or other securities permitted for such purpose pursuant to the terms of the documents governing the payment of or discharge of Indebtedness, the principal of and interest on which will be in an amount sufficient to pay all or a portion of the principal of, premium, if any, and interest on, any such Indebtedness (which would otherwise be considered Outstanding) as the same shall become due. The trustee of such deposit may be the Master Trustee, a Related Bond Trustee or any other trustee or escrow agent authorized to act in such capacity.

Lease means that certain Restatement and Assignment of Lease (Hospital and Hoover Pavilion), dated November 1, 1997, as amended by Amendment of Lease, dated March 31, 2000, among Stanford University, as lessor, the Corporation, as lessee, and UCSF Stanford Health Care, as assignee, which amended and restated that certain Lease and License Agreement, dated as of April 20, 1984, between Stanford University, as lessor, and the Corporation, as lessee.

Lien means any mortgage or pledge of, or security interest in, or lien or encumbrance on, any Property, including Gross Receivables, of an Obligated Group Member (i) which secures any Indebtedness or any other obligation of such Obligated Group Member or (ii) which secures any obligation of any Person other than an Obligated Group Member, and excluding liens applicable to Property in which an Obligated Group Member has only a leasehold interest, unless the lien secures Indebtedness of that Obligated Group Member.

Long-Term Indebtedness means Indebtedness other than Short-Term Indebtedness.

Master Indenture means this Second Amended and Restated Master Indenture of Trust, as originally executed and as it may from time to time be supplemented, modified or amended in accordance with the terms hereof.

Master Trustee means The Bank of New York Mellon Trust Company, N.A., a national banking association organized under the laws of the United States of America, and, subject to the limitations contained in Section 5.07, any other corporation or association that may be co-trustee with the Master Trustee, and any successor or successors to said trustee or co-trustee in the trusts created hereunder.

Member means an Obligated Group Member.

Merger Transaction has the meaning set forth in Section 3.10.

Nonrecourse Indebtedness means any Indebtedness which is not a general obligation and which is secured by a Lien on Property, Plant and Equipment acquired or constructed with the proceeds of such Indebtedness, liability for which is effectively limited to the Property, Plant and Equipment subject to such Lien, with no recourse, directly or indirectly, to any other Property of any Obligated Group Member or to any Obligated Group Member.

Obligated Group means all Obligated Group Members.

Obligated Group Member means the Corporation and each other Person which is obligated hereunder to the extent and in accordance with the provisions of Sections 3.05 and 3.12 hereof, from and after the date upon which such Person joins the Obligated Group, but excluding any Person which withdraws from the Obligated Group to the extent and in accordance with the provisions of Section 3.13 hereof, from and after the date of such withdrawal.

Obligated Group Representative means the Corporation or such other Obligated Group Member (or Obligated Group Members acting jointly) as may have been designated pursuant to written notice to the Master Trustee executed by the Corporation.

Obligation means each of the Existing Obligations and any obligation of the Obligated Group issued pursuant to Section 2.02 hereunder, as a joint and several obligation of each Obligated Group Member, which may be in any form set forth in a Related Supplement, including, but not limited to, bonds, notes, obligations, debentures, reimbursement agreements, loan agreements, Financial Products Agreements or leases. Reference to a Series of Obligations or to

Obligations of a Series means Obligations or a Series of Obligations issued pursuant to a single Related Supplement.

Officer's Certificate means a certificate signed by an Authorized Representative of the Obligated Group Representative.

Opinion of Bond Counsel means a written opinion signed by an attorney or firm of attorneys experienced in the field of public finance whose opinions are generally accepted by purchasers of bonds issued by or on behalf of a Government Issuer.

Opinion of Counsel means a written opinion signed by a reputable and qualified attorney or firm of attorneys who may be counsel for the Obligated Group Representative.

Outstanding, when used with reference to Indebtedness or Obligations, means, as of any date of determination, all Indebtedness or Obligations theretofore issued or incurred and not paid and discharged other than (1) Obligations theretofore cancelled by the Master Trustee or delivered to the Master Trustee for cancellation or otherwise deemed paid in accordance with the terms hereof, including, without limitation, Obligations securing Related Bonds which have been defeased pursuant to their terms, (2) Obligations in lieu of which other Obligations have been authenticated and delivered or which have been paid pursuant to the provisions of a Related Supplement regarding mutilated, destroyed, lost or stolen Obligations unless proof satisfactory to the Master Trustee has been received that any such Obligation is held by a bona fide purchaser, (3) any Obligation held by any Obligated Group Member, (4) Indebtedness deemed paid and no longer outstanding pursuant to the terms thereof, and (5) Indebtedness for which there has been an Irrevocable Deposit, but only to the extent that payment of debt service on such Indebtedness is payable from such Irrevocable Deposit; provided, however, that if two or more obligations which constitute Indebtedness represent the same underlying obligation (as when an Obligation secures an issue of Related Bonds and another Obligation secures repayment obligations to a bank under a letter of credit which secures such Related Bonds) for purposes of calculating compliance with the various financial covenants contained herein, but only for such purposes, only one of such Obligations shall be deemed Outstanding and the Obligation so deemed to be Outstanding shall be that Obligation which produces the greatest amount of Annual Debt Service to be included in the calculation of such covenants.

Parity Financial Product Extraordinary Payments means Existing Parity Financial Product Extraordinary Payments and Financial Product Extraordinary Payments that: (i) are with respect to a Financial Products Agreement secured or evidenced by an Obligation; and (ii) have been specified to be payable on a parity with Financial Product Payments in the Related Supplement authorizing the issuance of such Obligation.

Permitted Liens means and includes:

(a) Any judgment lien or notice of pending action against any Obligated Group Member so long as the judgment or pending action is being contested and execution thereon is stayed or while the period for responsive pleading has not lapsed;

(b) (i) Rights reserved to or vested in any municipality or public authority by the terms of any right, power, franchise, grant, license, permit or provision of law, affecting any Property, to (A) terminate such right, power, franchise, grant, license or permit, provided that the exercise of such right would not materially impair the use of such Property or materially and adversely affect the Value thereof, or (B) purchase, condemn, appropriate or recapture, or designate a purchase of, such Property; (ii) any liens on any Property for taxes, assessments, levies, fees, water and sewer charges, and other governmental and similar charges and any liens of mechanics, materialmen, laborers, suppliers or vendors for work or services performed or materials furnished in connection with such Property, which are not due and payable or which are not delinquent, or the amount or validity of which are being contested and execution thereon is stayed or, with respect to liens of mechanics, materialmen and laborers, have been due and payable or which are not delinquent, or the amount or validity of which are being contested and execution thereon is stayed or, with respect to liens of mechanics, materialmen and laborers, have been due for less than sixty (60) days or for which a bond has been furnished; (iii) easements, rights-of-way, servitudes, restrictions and other minor defects, encumbrances, and irregularities in the title to any Property which do not materially impair the use of such Property or materially and adversely affect the Value thereof; and (iv) rights reserved to or vested in any municipality or public authority to control or regulate any Property or to use such Property in any manner, which rights do not materially impair the use of such Property in any manner, or materially and adversely affect the Value thereof;

(c) Any Lien in favor of the Master Trustee securing all Outstanding Obligations equally and ratably;

(d) Liens arising by reason of good faith deposits with any Obligated Group Member in connection with leases of real estate, bids or contracts (other than contracts for the payment of money), deposits by any Obligated Group Member to secure public or statutory obligations, or to secure, or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges;

(e) Any Lien arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license, or to enable any Obligated Group Member to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with workers' compensation, unemployment insurance, pension or profit sharing plans or other similar social security plans, or to share in the privileges or benefits required for companies participating in such arrangements;

(f) Any Lien arising by reason of any escrow or reserve fund established to pay debt service with respect to Indebtedness;

(g) Any Lien in favor of a trustee on the proceeds of Indebtedness prior to the application of such proceeds;

(h) Liens on moneys deposited by patients or others with any Obligated Group Member as security for or as prepayment for the cost of patient care;

(i) Liens on Property received by any Obligated Group Member through gifts, grants, bequests or research grants, such Liens being due to restrictions on such gifts, grants, bequests or research grants or the income thereon, up to the Fair Market Value of such Property;

(j) Rights of the United States of America, including, without limitation, the Federal Emergency Management Agency ("FEMA"), or the State of California, including without limitation the California Emergency Management Agency, by reason of FEMA and other federal and State of California funds made available to any Member of the Obligated Group under federal or State of California statutes;

(k) Liens on Property securing Indebtedness incurred to refinance Indebtedness previously secured by a Lien on such Property, provided that the aggregate principal amount of such new Indebtedness does not exceed the aggregate principal amount of such refinanced Indebtedness;

(l) Liens granted by an Obligated Group Member to another Obligated Group Member;

(m) Liens securing Nonrecourse Indebtedness incurred pursuant to the provisions hereof;

(n) Liens consisting of purchase money security interests (as defined in the UCC) and lessors' interest in capitalized leases;

(o) Liens on the Obligated Group Members' accounts receivable, provided that at the time of creation of such Lien, the Indebtedness secured by any such Lien shall not exceed thirty percent (30%) of the Obligated Group Members' net accounts receivable as shown on the most recent Financial Statements available at the time of incurrence of the Indebtedness to be secured by such Lien, and provided further that no more than thirty percent (30%) of the Obligated Group Members' net accounts receivable can be utilized for such securitization;

(p) Liens on revenues constituting rentals in connection with any other Lien permitted hereunder on the Property from which such rentals are derived;

(q) The lease or license of the use of a part of an Obligated Group Member's facilities for use in performing professional or other services necessary for the proper and economical operation of such facilities in accordance with customary business practices in the industry;

(r) Liens on Property due to rights of third party payors for recoupment of excess reimbursement amounts paid to any Obligated Group Member;

(s) Liens on real property constituting Property not necessary for the delivery of patient care by any Obligated Group Member;

(t) Liens securing the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title agreement;

(u) Liens in favor of banking or other depository institutions arising as a matter of law encumbering the deposits of any Obligated Group Member held in the ordinary course of business by such banking institution (including any right of setoff or statutory bankers' liens) so long as such deposit account is not established or maintained for the purpose of providing such Lien, right of setoff or bankers' lien;

(v) Rights of tenants under leases or rental agreements pertaining to Property, Plant and Equipment owned by any Obligated Group Member so long as the lease arrangement is in the ordinary course of business of such Obligated Group Member;

(w) Deposits of Property by any Obligated Group Member to meet regulatory requirements for a governmental workers' compensation, unemployment insurance or social security program, other than any Lien imposed by ERISA;

(x) Deposits to secure the performance of another party with respect to a bid, trade contract, statutory obligation, surety bond, appeal bond, performance bond or lease (other than a lease that is treated as Indebtedness under GAAP), and other similar obligations incurred in the ordinary course of business of an Obligated Group Member;

(y) Liens resulting from deposits to secure bids from or the performance of another party with respect to contracts incurred in the ordinary course of business of an Obligated Group Member (other than contracts creating or evidencing an extension of credit to the depositor or otherwise for the payment of Indebtedness);

(z) Present or future zoning laws, ordinances or other laws or regulations restricting the occupancy, use or enjoyment of Property, Plant and Equipment of any Obligated Group Member which, in the aggregate, are not substantial in amount, and which do not in any case materially impair the Fair Market Value or use of such Property, Plant and Equipment for the purposes for which it is used or could reasonably be expected to be held or used;

(aa) Liens junior to Liens in favor of the Master Trustee;

(bb) Liens created on amounts deposited by an Obligated Group Member pursuant to a security annex or similar document to collateralize obligations of such Obligated Group Member under a Financial Products Agreement;

(cc) Liens or encumbrances contemplated by or created in connection with or arising out of the Lease; and

(dd) Any other Lien on Property, provided that at the time of creation of such Lien the Value of all Property encumbered by all Liens permitted as described in this clause (dd) does not exceed thirty percent (30%) of the total Value of all Property of the Obligated Group Members as shown on the Financial Statements of the Obligated Group for the most recent Fiscal Year available at the time of creation of such Lien.

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

Property means any and all rights, titles and interests in and to any and all assets of any Obligated Group Member, whether real or personal, tangible or intangible and wherever situated.

Property, Plant and Equipment means all Property of any Obligated Group Member which is considered property, plant and equipment of such Obligated Group Member under GAAP.

Qualified Provider means any financial institution or insurance company or corporation which is a party to a Financial Products Agreement if (i) the unsecured long-term debt obligations of such provider (or of the parent or a subsidiary of such provider if such parent or subsidiary guarantees or otherwise assures the performance of such provider under such Financial Products Agreement), or (ii) obligations secured or supported by a letter of credit, contract, guarantee, agreement, insurance policy or surety bond issued by such provider (or such guarantor or assuring parent or subsidiary) are rated in one of the three highest rating categories of a Rating Agency (without regard to any gradation or such rating category) at the time of the execution and delivery of the Financial Products Agreement.

Rating Agency means Fitch Inc., Moody's Investors Service, Inc., Standard & Poor's, a division of The McGraw-Hill Companies, and any other national rating agency then rating Obligations or Related Bonds.

Rating Category means a generic securities rating category, without regard to any refinement or gradation of such rating category by a numerical modifier or otherwise.

Related Bonds means the revenue bonds or other obligations (including, without limitation, certificates of participation) issued by any Government Issuer, the proceeds of which are loaned or otherwise made available to an Obligated Group Member in consideration of the execution, authentication and delivery of an Obligation or Obligations to or for the order of such Government Issuer.

Related Bond Indenture means any indenture, bond resolution, trust agreement, or other comparable instrument pursuant to which a series of Related Bonds are issued.

Related Bond Issuer means the Government Issuer of any issue of Related Bonds.

Related Bond Trustee means the trustee and its successors in the trusts created under any Related Bond Indenture, and if there is no such trustee, means the Related Bond Issuer.

Related Supplement means an indenture supplemental to, and authorized and executed pursuant to the terms of, this Master Indenture.

Required Payment means any payment, whether at maturity, by acceleration, upon proceeding for redemption or otherwise, including without limitation, Financial Product Payments,

Financial Product Extraordinary Payments, now or hereafter required to be made by any Obligated Group Member under this Master Indenture or any Related Supplement or any Obligation.

Responsible Officer means, with respect to the Master Trustee, the president, any vice president, any assistant vice president, any assistant secretary, any assistant treasurer, any senior associate, any associate or any other officer of the Master Trustee customarily performing functions similar to those performed by the persons above designated or to whom any corporate trust matter is referred because of such person's knowledge of and familiarity with the particular subject.

Restricted Assets means any gifts, grants, bequests, donations and contributions to the extent specifically restricted by the donor to a particular purpose inconsistent with their use for the payment of Required Payments or the payment of operating expenses.

Short-Term Indebtedness means all (i) Indebtedness having an original maturity less than or equal to one year and not renewable at the option of an Obligated Group Member for a term greater than one year from the date of original incurrence or issuance or (ii) Indebtedness with a maturity or renewable at the option of a Obligated Group Member with a term greater than one year, if by the terms of such Indebtedness, no Indebtedness is permitted to be outstanding thereunder for a period of at least twenty (20) consecutive days during each calendar year. For purposes of this definition, (i) only the stated maturity of Indebtedness (and not any tender or put right of the holder of such Indebtedness) shall be taken into account in determining if such Indebtedness constitutes Short-Term Indebtedness hereunder and (ii) classification of Indebtedness as current or short-term under GAAP shall not be controlling. Commercial Paper Indebtedness shall not constitute Short-Term Indebtedness for any purpose under this Master Indenture.

SIFMA Swap Index means, on any date, a rate determined on the basis of the seven-day high grade market index of tax-exempt variable rate demand obligations, as produced by Municipal Market Data and published or made available by the Securities Industry & Financial Markets Association (formerly the Bond Market Association) ("SIFMA") or any Person acting in cooperation with or under the sponsorship of SIFMA or if such index is no longer available SIFMA Swap Index shall refer to an index selected by the Obligated Group Representative, with the advice of an investment banking or financial services firm knowledgeable in health care matters.

Stanford University means The Board of Trustees of The Leland Stanford Junior University, a body having corporate powers under the Constitution and laws of the State of California.

Subordinate Financial Product Extraordinary Payment means any Financial Product Extraordinary Payment other than a Parity Financial Product Extraordinary Payment.

Subordinated Indebtedness means Indebtedness specifically subordinated as to payment and security to the payment of all Required Payments and other obligations of the Obligated Group Members under this Master Indenture.

Surviving Entity has the meaning set forth in Section 3.10.

Total Revenues means, for the period of calculation in question, the sum of operating revenue (including net patient service revenue, capitation or premium revenue and other revenue) and nonoperating gains (losses), as shown on the Financial Statements of the Obligated Group for the most recent Fiscal Year.

UCC means the Uniform Commercial Code of the State of California, as amended from time to time.

Value, when used with respect to Property, means the aggregate value of all such Property, with each component of such Property valued, at the option of the Obligated Group Representative, at either its Fair Market Value or its Book Value.

Section 1.02. Interpretation.

(a) Any reference herein to any officer of an Obligated Group Member shall include those succeeding to the functions, duties or responsibilities of such officer pursuant to or by operation of law or who are lawfully performing the functions of such officer.

(b) Unless the context otherwise indicates, words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. The singular shall include the plural and vice versa.

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

Section 1.03. References to Master Indenture. The terms "hereby," "hereof," "hereto," "herein," "hereunder," and any similar terms, used in this Master Indenture refer to this Master Indenture.

Section 1.04. Contents of Certificates; Use of GAAP.

(a) Every Certificate provided for herein with respect to compliance with any provision hereof shall include: (a) a statement that the Person making or giving such certificate has read such provision and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the certificate is based; (c) a statement that, in the opinion of such Person, such Person has made, or caused to be made, such examination or investigation as is necessary to enable such Person to provide the certificate with respect to the subject matter referred to in the instrument to which such Person's signature is affixed; and (d) a statement as to whether, in the opinion of such Person, such provision has been satisfied.

(b) Any such Certificate made or given by an officer of an Obligated Group Member or the Master Trustee may be based, insofar as it relates to legal, accounting or health care matters, upon a Certificate or opinion or representation of counsel, an Accountant or Independent Consultant unless such officer knows, or in the exercise of reasonable care should have known, that the Certificate, opinion or representation with respect to the matters upon which such Certificate or opinion may be based, as aforesaid, is erroneous. Any such Certificate, opinion or

representation made or given by counsel, an Accountant or an Independent Consultant, may be based, insofar as it relates to factual matters (with respect to which information is in the possession of any Obligated Group Member) upon the Certificate or opinion of, or representation by an officer of any Obligated Group Member unless such counsel, Accountant or Independent Consultant knows, or in the exercise or reasonable care should have known, that the Certificate, opinion of or representation by such officer, with respect to the factual matters upon which such Person's Certificate or opinion may be based, is erroneous. The same officer of any Obligated Group Member or the same counsel or Accountant or Independent Consultant, as the case may be, need not certify as to all the matters required to be certified under any provision hereof, but different officers, counsel, Accountants or Independent Consultants may certify as to different matters.

(c) Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation, combination or other accounting computation is required to be made for the purposes of this Master Indenture or any agreement, document or certificate executed and delivered in connection with or pursuant to this Master Indenture, such determination or computation shall be done in accordance with GAAP in effect on, at the sole option of the Obligated Group Representative, (i) the date such determination or computation is made for any purpose of this Master Indenture or (ii) the date of execution and delivery of this Master Indenture if the Obligated Group Representative delivers an Officer's Certificate to the Master Trustee describing why then current GAAP is inconsistent with the intent of the parties on the date of execution and delivery of this Master Indenture; provided (i) that intercompany balances and liabilities among the Obligated Group Members shall be disregarded and (ii) that the requirements set forth herein shall prevail if inconsistent with GAAP.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF OBLIGATIONS

Section 2.01. Authorization of Obligations. Each Obligated Group Member hereby authorizes to be issued from time to time Obligations or Series of Obligations, without limitation as to amount, except as provided herein or as may be limited by law, and subject to the terms, conditions and limitations established herein and in any Related Supplement.

Section 2.02. Issuance of Obligations. From time to time when authorized by this Master Indenture and subject to the terms, limitations and conditions established in this Master Indenture or in a Related Supplement, the Obligated Group Representative may authorize the issuance of an Obligation or a Series of Obligations by entering into a Related Supplement. The Obligation or the Obligations of any such Series may be issued and delivered to the Master Trustee for authentication upon compliance with the provisions hereof and of any Related Supplement.

Each Related Supplement authorizing the issuance of an Obligation or a Series of Obligations shall specify the purposes for which such Obligation or Series of Obligations are being issued; the form, title, designation, manner of numbering or denominations, if applicable, of such Obligations; the date or dates of maturity or other final expiration of the term of such Obligations, if applicable; the date of issuance of such Obligations; and any other provisions deemed advisable or necessary by the Obligated Group Representative. Each Related Supplement authorizing the

issuance of an Obligation shall also specify and determine the principal amount of such Obligation (if any) for purposes of calculating the percentage of Holders of Obligations required to take actions or give consents pursuant to this Master Indenture, which, if such Obligation does not evidence or secure Indebtedness, shall be equal to zero, except as is otherwise provided in Section 6.02(a). The designation of zero as a principal amount of an Obligation shall not in any manner affect the obligation of the Members to make Required Payments with respect to such Obligation.

Section 2.03. Appointment of Obligated Group Representative. Each Obligated Group Member, by becoming an Obligated Group Member, irrevocably appoints the Obligated Group Representative as its agent and attorney-in-fact and grants full power to the Obligated Group Representative to (a) execute Related Supplements authorizing the issuance of Obligations or Series of Obligations and (b) issue Obligations.

Section 2.04. Execution and Authentication of Obligations.

(a) All Obligations shall be executed by an Authorized Representative of the Obligated Group Representative for and on behalf of the Obligated Group as provided in the Related Supplement authorizing such Obligation. The signature of such Authorized Representative may be mechanically or photographically reproduced on the Obligations. If any Authorized Representative whose signature appears on any Obligation ceases to be such Authorized Representative before delivery thereof, such signature shall remain valid and sufficient for all purposes as if such Authorized Representative had remained in office until such delivery. Each Obligation shall be manually authenticated by an authorized signatory of the Master Trustee, and no Obligation shall be entitled to the benefits hereof without such authentication.

(b) The form of Certificate of Authentication to be printed on each Obligation and manually executed by an authorized signatory of the Master Trustee shall be as follows:

[FORM OF MASTER TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

The undersigned Master Trustee hereby certifies that this Obligation No. ___ is one of the Obligations described in the within mentioned Master Indenture.

Dated: _____

[Name of Master Trustee]

By _____
Authorized Signatory

Section 2.05. Conditions to the Issuance of Obligations. The issuance, authentication and delivery of any Obligation or Series of Obligations shall be subject to the following specific conditions:

(a) The Obligated Group Representative and the Master Trustee shall have entered into a Related Supplement providing for the terms and conditions of such Obligations and the repayment thereof; and

(b) The Master Trustee receives an Officer's Certificate to the effect that:

(1) each Obligated Group Member is in full compliance with all warranties, covenants and agreements set forth in this Master Indenture and in any Related Supplement; and

(2) neither an Event of Default nor any Default has occurred and is continuing or would occur upon issuance of such Obligations under this Master Indenture or any Related Supplement; and

(3) all requirements and conditions, if any, to the issuance of such Obligations set forth in the Related Supplement have been satisfied; and

(c) The Master Trustee receives an Opinion of Counsel to the effect that: (i) such Obligations and Related Supplement have been duly authorized, executed and delivered by the Obligated Group Representative on behalf of the Obligated Group and constitute valid and binding obligations of the Obligated Group, enforceable in accordance with their terms; and (ii) such Obligations are not subject to registration under federal or state securities laws and such Related Supplement is not subject to registration under the Trust Indenture Act of 1939, as amended (or that such registration, if required has occurred); and

(d) The Obligated Group Representative shall have delivered or caused to be delivered to the Master Trustee such opinions, certificates, proceedings, instruments and other documents as the Master Trustee may reasonably request.

ARTICLE III

PAYMENTS; OBLIGATED GROUP COVENANTS

Section 3.01. Payment of Required Payments. Each Obligated Group Member jointly and severally covenants, to pay or cause to be paid promptly, all Required Payments at the place, on the dates and in the manner provided herein, or in any Related Supplement or Obligation. Each Obligated Group Member acknowledges that the time of such payment and performance is of the essence of the Obligations hereunder. Each Obligated Group Member further covenants to faithfully observe and perform all of the conditions, covenants and requirements of this Master Indenture, any Related Supplement and any Obligation.

The obligation of each Obligated Group Member with respect to Required Payments shall not be abrogated, prejudiced or affected by:

(a) the granting of any extension, waiver or other concession given to any Obligated Group Member by the Master Trustee or any Holder or by any compromise, release, abandonment, variation, relinquishment or renewal of any of the rights of the Master Trustee or any Holder or anything done or omitted or neglected to be done by the Master Trustee or any Holder in exercise of the authority, power and discretion vested in them by this Master Indenture, or by any other dealing or thing which, but for this provision, might operate to abrogate, prejudice or affect such obligation; or

(b) the liability of any other Obligated Group Member under this Master Indenture ceasing for any cause whatsoever, including the release of any other Obligated Group Member pursuant to the provisions of this Master Indenture or any Related Supplement; or

(c) any Obligated Group Member's failing to become liable as, or losing eligibility to become, an Obligated Group Member with respect to an Obligation.

Subject to the provisions of Section 3.13 hereof permitting withdrawal from the Obligated Group, the obligation of each Obligated Group Member to make Required Payments is a continuing one and is to remain in effect until all Required Payments have been paid or deemed paid in full in accordance with Article VII hereof. All moneys from time to time received by the Obligated Group Representative or the Master Trustee to reduce liability on Obligations, whether from or on account of the Obligated Group Members or otherwise, shall be regarded as payments in gross without any right on the part of any one or more of the Obligated Group Members to claim the benefit of any moneys so received until the whole of the amounts owing on Obligations has been paid or satisfied and so that in the event of any such Obligated Group Member's filing bankruptcy, the Obligated Group Representative or the Master Trustee shall be entitled to prove up the total indebtedness or other liability on Obligations Outstanding as to which the liability of such Obligated Group Member has become fixed.

Each Obligation shall be a primary obligation of the Obligated Group Members and shall not be treated as ancillary to or collateral with any other obligation and shall be independent of any other security so that the covenants and agreements of each Obligated Group Member hereunder shall be enforceable without first having recourse to any such security or source of payment and without first taking any steps or proceedings against any other Person. The Obligated Group Representative and the Master Trustee are each empowered to enforce each covenant and agreement of each Obligated Group Member hereunder and to enforce the making of Required Payments. Each Obligated Group Member hereby authorizes each of the Obligated Group Representative and the Master Trustee to enforce or refrain from enforcing any covenant or agreement of the Obligated Group Members hereunder and to make any arrangement or compromise with any Obligated Group Member or Obligated Group Members as the Obligated Group Representative or the Master Trustee may deem appropriate, consistent with this Master Indenture and any Related Supplement. Each Obligated Group Member hereby waives in favor of the Obligated Group Representative and the Master Trustee all rights against the Obligated Group Representative, the Master Trustee and any other Obligated Group Member, insofar as is necessary to give effect to any of the provisions of this Section.

Section 3.02. Maintenance of Properties; Payment of Indebtedness. Each Obligated Group Member hereby covenants to:

(a) maintain its Property, Plant and Equipment in accordance with all valid and applicable governmental laws, ordinances, approvals and regulations including, without limitation, such zoning, sanitary, pollution and safety ordinances and laws and such rules and regulations thereunder as may be binding upon it; provided, however, that no Obligated Group Member shall be required to comply with any law, ordinance, approval or regulation as long as it shall in good faith contest the validity thereof;

(b) maintain and operate its Property, Plant and Equipment in reasonably good working condition, and from time to time make or cause to be made all needful and proper replacements, repairs and improvements so that the operations of such Obligated Group Member will not be materially impaired;

(c) pay and discharge all applicable taxes, assessments, governmental charges of any kind whatsoever, water rates, meter charges and other utility charges which may be or have been assessed or which may have become Liens upon the Property, Plant and Equipment, and will make such payments or cause such payments to be made in due time to prevent any delinquency thereon or any forfeiture or sale of any part of the Property, Plant and Equipment, and, upon request, will furnish to the Master Trustee receipts for all such payments, or other evidences satisfactory to the Master Trustee; provided, however, that no Obligated Group Member shall be required to pay any tax, assessment, rate or charge as long as it shall in good faith contest the validity thereof as set out in the definition of Permitted Liens;

(d) pay or otherwise satisfy and discharge all of its obligations and Indebtedness and all demands and claims against it as and when the same become due and payable, other than obligations, Indebtedness, demands or claims (exclusive of the Obligations issued and Outstanding hereunder) the validity, amount or collectibility of which is being contested in good faith;

(e) at all times comply with all terms, covenants and provisions of any Liens at such time existing upon its Property or any part thereof or securing any of its Indebtedness noncompliance with which would have a material adverse effect on the operations of the Obligated Group or its Property;

(f) use its best efforts to maintain (as long as it is in its best interests and will not materially adversely affect the interests of the Holders) all permits, licenses and other governmental approvals necessary for the operation of its Property; and

(g) take no action or suffer any action to be taken by others which would result in the interest on any Related Bond issued as a tax exempt obligation becoming subject to federal income taxation.

Nothing in this Section 3.02 shall be construed to require an Obligated Group Member to maintain any permit, license or other governmental approval, or to continue to operate or maintain any Property, Plant or Equipment, if, in the reasonable good faith judgment of the Obligated Group Member, such permit, license, governmental approval or Property, Plant or Equipment is, or within the next succeeding twelve (12) calendar months is reasonably expected to become, inadequate, obsolete, unsuitable, undesirable or unnecessary for the business of the Obligated Group and failure to maintain or operate such permit, license, governmental approval or Property, Plant or Equipment will not materially adversely impair the operation of the Obligated Group.

Section 3.03. Insurance Required.

(a) Each Obligated Group Member, respectively, covenants and agrees that it will keep the Property, Plant and Equipment and all of its operations adequately insured at all times and carry and maintain such insurance in amounts which are customarily carried, subject to customary

deductibles and alternative risk management programs and self-insurance, and against such risks as are customarily insured against by other health care institutions in connection with the ownership and operation of health facilities of similar character and size in the State of California.

(b) The Obligated Group Representative shall employ an Insurance Consultant at least once every two years to review the insurance requirements (including alternative risk management programs and self-insurance) of the Members. If the Insurance Consultant makes recommendations for a change in the insurance coverage required by subsection (a), the Obligated Group Members shall change such coverage in accordance with such recommendations, subject to a good faith determination of the Governing Body of the Obligated Group Representative that such recommendations, in whole or in part, are not in the best interests of the Obligated Group Members or that such coverage is not obtainable at commercially reasonable rates. In lieu of maintaining insurance coverage which the Governing Body of the Obligated Group Representative deems necessary, the Obligated Group Members shall have the right to adopt alternative risk management programs which the Governing Body of the Obligated Group Representative determines to be reasonable and which shall not have a material adverse impact on reimbursement from third-party payers, including, without limitation, to self-insure in whole or in part individually or in connection with other institutions, to participate in programs of captive insurance companies, to participate with other health care institutions in mutual or other cooperative insurance or other risk management programs, to participate in state or federal insurance programs, to take advantage of state or federal laws now or hereafter in existence limiting medical and malpractice liability, or to establish or participate in other alternative risk management programs; all as may be approved, in writing, as reasonable and appropriate risk management by the Insurance Consultant.

(c) Notwithstanding anything in this Section to the contrary, the Obligated Group Members shall have the right, without giving rise to an Event of Default hereunder solely on such account, (1) to maintain insurance coverage below that required by subsection (a) of this Section, if the Obligated Group Representative furnishes to the Master Trustee a certificate of the Insurance Consultant that the insurance so provided accords the greatest amount of coverage available for the risk being insured against at rates which in the judgment of the Insurance Consultant are reasonable in connection with reasonable and appropriate risk management, or (2) to adopt alternative risk management and self-insurance programs described in (b) above.

Section 3.04. Against Encumbrances. Each Obligated Group Member, respectively, covenants and agrees that it will not create, assume or suffer to exist any Lien upon the Property of the Obligated Group, except for Permitted Liens. Each Obligated Group Member, respectively, further covenants and agrees that if such a Lien (other than a Permitted Lien) is nonetheless created by someone other than an Obligated Group Member and is assumed by any Obligated Group Member, it will make or cause to be made effective a provision whereby all Obligations will be secured prior to any such Indebtedness or other obligation secured by such Lien.

Section 3.05. Reserved.

Section 3.06. Gross Receivables Pledge.

(a) To secure its obligations to make Required Payments hereunder and its other obligations, agreements and covenants to be performed and observed hereunder, each Obligated Group Member hereby grants to the Master Trustee security interests under the UCC in all of its Gross Receivables. In order to further secure the Obligations and Required Payments, each Obligated Group Member pledges of the benefit of Holders all monies and securities held from time to time by the Master Trustee under this Master Indenture, including without limitation, monies and securities held in any fund or account established under this Master Indenture, subject to any requirement that such monies or securities be applied only to specific purposes or assigned particular preference or priority.

(b) This Master Indenture shall be deemed a “security agreement” for purposes of the UCC.

(c) The Master Trustee’s security interest in the Gross Receivables shall be perfected by the filing of financing statements that comply with the requirements of the UCC. Each Member (or the Obligated Group Representative on such Member’s behalf) shall cause to be filed, in accordance with the requirements of the UCC, financing statements; and, from time to time thereafter, shall execute and deliver such other documents (including, but not limited to, continuation statements as required by the UCC) as may be necessary or reasonably requested by the Master Trustee (which has no duty to make such request) in order to perfect or maintain perfected such security interests or give public notice thereof.

(d) Upon written request from the Obligated Group Representative, the Master Trustee shall take all procedural steps necessary as specified in writing by, and at the expense of, the Obligated Group Representative, to effect the subordination of its security interest in the Gross Receivables granted herein to security interests constituting Permitted Liens.

(e) Each Obligated Group Member shall notify the Master Trustee of any change of name, any change of its jurisdiction of organization, and any change of address of its chief executive office.

(f) Each Member of the Obligated Group represents and warrants that the Lien granted by this Section is and at all times will be a first Lien, subject only to (a) Permitted Liens and (b) non-consensual Liens arising by operation of law.

Section 3.07. Debt Coverage.

(a) Each Obligated Group Member, respectively, further covenants and agrees to manage its operations such that Income Available for Debt Service for the Obligated Group calculated at the end of each Fiscal Year will be not less than 1.10 times Annual Debt Service.

(b) Within five (5) months after the end of each Fiscal Year, the Obligated Group Representative shall compute the Debt Service Coverage Ratio for the Obligated Group for such

Fiscal Year and furnish to the Master Trustee, an Officer's Certificate setting forth the results of such computation. The Obligated Group Representative covenants that if at the end of such Fiscal Year the Debt Service Coverage Ratio shall have been less than 1.1:1.0, it will promptly employ an Independent Consultant to make recommendations as to a revision of the rates, fees and charges of the Obligated Group or the methods of operation of the Obligated Group to increase the Debt Service Coverage Ratio to at least 1.1:1.0 for subsequent Fiscal Years (or, if in the opinion of the Independent Consultant, the attainment of such level is impracticable, to the highest practicable level). Copies of the recommendations of the Independent Consultant shall be filed with the Master Trustee within ninety (90) days of the retention of the Independent Consultant. Each Obligated Group Member shall, promptly upon its receipt of such recommendations, subject to applicable requirements or restrictions imposed by law and to a good faith determination by the Governing Body of the Obligated Group Representative that such recommendations are in the best interest of the Obligated Group, revise its rates, fees and charges or its methods of operation or collections and shall take such other action as shall be in conformity with such recommendations.

If either (i) the Obligated Group complies in all material respects with the reasonable recommendations of the Independent Consultant with respect to their rates, fees, charges and methods of operation or collection or (ii) the Obligated Group Representative determines that such recommendations are not in the best interests of the Obligated Group (and accordingly will not be followed) as evidenced by an Officer's Certificate filed with the Master Trustee, the Obligated Group will be deemed to have complied with the covenants set forth in this Section for such Fiscal Year, notwithstanding that the Debt Service Coverage Ratio shall be less than 1.1:1.0. Notwithstanding the foregoing, the Obligated Group Members shall not be excused from taking any action or performing any duty required under this Master Indenture and no other Event of Default shall be waived by the operation of the provisions of this subsection (b).

Section 3.08. Reserved.

Section 3.09. Reserved.

Section 3.10. Merger, Consolidation, Sale or Conveyance. Each Obligated Group Member covenants that it will not merge or consolidate with any other Person that is not an Obligated Group Member or sell or convey all or substantially all of its assets to any Person that is not an Obligated Group Member (a "Merger Transaction") unless:

- (a) After giving effect to the Merger Transaction,
 - (1) the successor or surviving entity (hereinafter, the "Surviving Entity") is an Obligated Group Member, or
 - (2) the Surviving Entity shall
 - (A) be a corporation or other entity organized and existing under the laws of the United States of America or any state thereof, and
 - (B) become an Obligated Group Member pursuant to Section 3.12 and, pursuant to the Related Supplement required by Section 3.12(b), shall expressly

assume in writing the due and punctual payment of all Required Payments of the disappearing Obligated Group Member hereunder; and

(b) The Master Trustee receives an Officer's Certificate to the effect that no Event of Default then exists in connection with or will arise as a result of the Merger Transaction; and

(c) So long as any Related Bonds that are tax-exempt obligations are Outstanding, the Master Trustee receives an Opinion of Bond Counsel to the effect that, under then existing law, the consummation of the Merger Transaction, in and of itself, would not result in the inclusion of interest on such Related Bonds in gross income for purposes of federal income taxation; and

(d) The Master Trustee receives an Opinion of Counsel to the effect that: (i) all conditions in this Section 3.10 relating to the Merger Transaction have been complied with and the Master Trustee is authorized to join in the execution of any instrument required to be executed and delivered; (ii) the Surviving Entity meets the conditions set forth in this Section 3.10 and is liable on all Obligations then Outstanding; (iii) the Merger Transaction will not adversely affect the validity of any Obligations then Outstanding and such Obligations then Outstanding are enforceable against the Surviving Entity in accordance with their respective terms; and (iv) the Merger Transaction will not cause the Master Indenture or any Obligations to be subject to registration under federal or state securities laws or the Trust Indenture Act of 1939, as amended (or, that any such registration, if required, has occurred); and

(e) The Surviving Entity shall be substituted for its predecessor in interest in all Obligations and agreements then in effect which affect or relate to any Obligation, and the Surviving Entity shall execute and deliver to the Master Trustee appropriate documents in order to effect the substitution.

From and after the effective date of such substitution (as set forth in the above-mentioned documents), the Surviving Entity shall be treated as though it were an Obligated Group Member as of the date of the execution of this Master Indenture and shall thereafter have the right to participate in transactions hereunder relating to Obligations to the same extent as the other Obligated Group Members. All Obligations issued hereunder on behalf of a Surviving Entity shall have the same legal rank and benefit under this Master Indenture as Obligations issued on behalf of any other Obligated Group Member.

Section 3.11. Preparation and Filing of Financial Statements, Certificates and Other Information.

(a) Each Obligated Group Member covenants that it will keep adequate records and books of accounts in which complete and correct entries shall be made (said books shall be subject to the inspection by the Master Trustee (which inspection the Master Trustee is not required to make) during regular business hours after reasonable notice and under reasonable circumstances).

(b) The Obligated Group Representative covenants that it will furnish to the Master Trustee and any Related Bond Issuer that shall request the same in writing:

(1) As soon as practicable, but in no event more than five (5) months after the last day of each Fiscal Year, one or more financial statements which, in the aggregate, shall include the Obligated Group Members. Such financial statements:

(A) may consist of (i) consolidated or combined financial results including one or more Members of the Obligated Group and one or more other Persons required to be consolidated or combined with such Member(s) of the Obligated Group under GAAP or (ii) special purpose financial statements including only Members of the Obligated Group;

(B) shall be audited by an Accountant selected by the Obligated Group Representative and shall be prepared in accordance with GAAP (except, in the case of special purpose financial statements, for required consolidations);

(C) shall include a consolidated or combined balance sheet, statement of operations and changes in net assets; and

(D) if financial statements delivered to the Master Trustee pursuant to this subsection include financial information with respect to any Person who is not an Obligated Group Member or an Immaterial Affiliate as provided pursuant to clause (3) below or do not include financial information with respect to all Obligated Group Members, then the financial statements shall contain a consolidating or combining schedule from which financial information solely relating to the Obligated Group Members and Immaterial Affiliates may be derived.

(2) At the time of the delivery of financial statements complying with the provisions of Section 3.11(b)(1) (the "Financial Statements"), a certificate of the chief financial officer of the Obligated Group Representative, stating that the Obligated Group Representative has made a review of the activities of the Obligated Group Members during the preceding Fiscal Year for the purpose of determining whether or not the Obligated Group Members have complied with all of the terms, provisions and conditions of this Master Indenture and that each Obligated Group Member has kept, observed, performed and fulfilled each and every covenant, provision and condition of this Master Indenture on its part to be performed and none of such Obligated Group Members is in default in the performance or observance of any of the terms, covenants, provisions or conditions, or if any Obligated Group Member shall be in default, such certificate shall specify all such defaults and the nature thereof.

(3) Notwithstanding the foregoing, the results of operation and financial position of Immaterial Affiliates need not be excluded from Financial Statements delivered to the Master Trustee pursuant to this Section 3.11, and such results of operation and financial position may be considered as if they were a portion of the results of operation and financial position of the Obligated Group Members for all purposes of this Master Indenture notwithstanding the inclusion of the results of operation and financial position of such Immaterial Affiliates.

(c) The Master Trustee shall not be obligated to review, verify, or analyze any Financial Statements delivered to the Master Trustee hereunder, and shall only retain such Financial Statements as a repository for the Holders.

Section 3.12. Membership in Obligated Group. Additional Obligated Group Members may be added to the Obligated Group from time to time, provided that prior to such addition the Master Trustee receives:

(a) a copy of a resolution of the Governing Body of the proposed new Obligated Group Member which authorizes the execution and delivery of a Related Supplement and compliance with the terms of this Master Indenture;

(b) a Related Supplement executed by the Obligated Group Representative, the new Obligated Group Member and the Master Trustee pursuant to which the proposed new Obligated Group Member

(1) agrees to become an Obligated Group Member, and

(2) agrees to be bound by the terms of this Master Indenture, the Related Supplements and the Obligations, and

(3) irrevocably appoints the Obligated Group Representative as its agent and attorney-in-fact and grants to the Obligated Group Representative the requisite power and authority to execute Related Supplements authorizing the issuance of Obligations or Series of Obligations, to execute and deliver Obligations and to make payments on all Obligations;

(c) an Opinion of Counsel to the effect that: (i) the proposed new Obligated Group Member has taken all necessary action to become an Obligated Group Member, and upon execution of the Related Supplement, such proposed new Obligated Group Member will be bound by the terms of this Master Indenture; (ii) the addition of such Obligated Group Member would not adversely affect the validity of any Obligation then Outstanding; and (iii) the addition of such Obligated Group Member will not cause the Master Indenture or any Obligations to be subject to registration under federal or state securities laws or the Trust Indenture Act of 1939, as amended (or, that any such registration, if required, has occurred);

(d) an Officer's Certificate to the effect that immediately after the addition of the proposed new Obligated Group Member, no Event of Default will exist; and

(e) so long as any Related Bonds that are tax-exempt obligations are Outstanding, an Opinion of Bond Counsel to the effect that the addition of the proposed new Obligated Group Member will not, in and of itself, result in the inclusion of interest on any Related Bonds in gross income for purposes of federal income taxation.

Section 3.13. Withdrawal from Obligated Group. Any Obligated Group Member may withdraw from the Obligated Group and be released from further liability or obligation under the

provisions of this Master Indenture, provided that prior to such withdrawal the Master Trustee receives:

(a) the written consent of the Obligated Group Representative to the withdrawal of such Obligated Group Member;

(b) an Officer's Certificate to the effect that immediately following the withdrawal of such Obligated Group Member, no Event of Default will exist; and

(c) an Opinion of Counsel to the effect that: (i) the withdrawal of such Obligated Group Member would not adversely affect the validity of any Obligation then Outstanding; and (ii) the withdrawal of such Obligated Group Member will not cause the Master Indenture or any Obligations to be subject to registration under federal or state securities laws or the Trust Indenture Act of 1939, as amended (or, that any such registration, if required, has occurred).

Upon compliance with the conditions contained in this Section 3.13, the Master Trustee shall execute any documents reasonably requested by the withdrawing Obligated Group Member to evidence the termination of such Obligated Group Member's obligations hereunder, under all Related Supplements and under all Obligations.

Notwithstanding the foregoing, the Corporation may not withdraw from the Obligated Group unless prior to or concurrently with such withdrawal, the Corporation shall transfer all or substantially all of its assets to another Member of the Obligated Group.

ARTICLE IV

DEFAULTS

Section 4.01. Events of Default. Each of the following events shall be an Event of Default hereunder:

(a) Failure on the part of the Obligated Group Members to make due and punctual payment of the principal of, redemption premium, if any, interest on, or any other Required Payment on, any Obligation.

(b) Any Obligated Group Member shall fail to observe or perform any other covenant or agreement under this Master Indenture (including covenants or agreements contained in any Related Supplement or Obligation) and shall not have cured such failure within sixty (60) days after the date on which written notice of such failure, requiring the failure to be remedied, shall have been given to the Obligated Group Representative by the Master Trustee or to the Obligated Group Representative and the Master Trustee by the Holders of twenty-five percent (25%) in aggregate principal amount of Outstanding Obligations; provided that if such failure can be remedied but not within such sixty (60) day period, such failure shall not become an Event of Default for so long as the Obligated Group Representative shall diligently proceed to remedy the failure.

(c) A court having jurisdiction shall enter a decree or order for relief in respect of any Obligated Group Member in an involuntary case under any applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of any Obligated Group Member or for any substantial part of the Property of any Obligated Group Member, or ordering the winding up or liquidation of its affairs, and such decree or order shall remain unstayed and in effect for a period of sixty (60) consecutive days.

(d) Any Obligated Group Member shall commence a voluntary case under any applicable federal or state bankruptcy, insolvency or other similar law, or shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of any Obligated Group Member or for any substantial part of its Property, or shall make any general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due or shall take any corporate action in furtherance of the foregoing.

(e) An event of default shall exist under any Related Bond Indenture.

The Obligated Group Representative agrees that, as soon as practicable, and in any event within ten (10) days after such event, the Obligated Group Representative shall notify the Master Trustee of any event which is an Event of Default hereunder which has occurred and is continuing, which notice shall state the nature of such event and the action which the Obligated Group Members propose to take with respect thereto.

Section 4.02. Acceleration; Annulment of Acceleration.

(a) Upon the occurrence and during the continuation of an Event of Default hereunder, the Master Trustee may, and, upon (i) the written request of the Holders of not less than twenty-five percent (25%) in aggregate principal amount of Outstanding Obligations or of any Holder if an Event of Default under Section 4.01(a) hereof has occurred or (ii) the acceleration of any Obligation pursuant to the terms of the Related Supplement under which such Obligation was issued, the Master Trustee shall, by notice to the Members, declare all Outstanding Obligations immediately due and payable, whereupon such Obligations shall become and be immediately due and payable, anything in the Obligations or herein to the contrary notwithstanding; provided, however, that if the terms of any Related Supplement give a Person the right to consent to acceleration of the Obligations issued pursuant to such Related Supplement, the Obligations issued pursuant to such Related Supplement may not be accelerated by the Master Trustee unless such consent is properly obtained pursuant to the terms of such Related Supplement. In the event of acceleration, an amount equal to the aggregate principal amount of all Outstanding Obligations, plus all interest accrued thereon and, to the extent permitted by applicable law, which accrues on such principal and interest to the date of payment, shall be due and payable on the Obligations. Notwithstanding the foregoing, no Obligation shall be accelerated if the Event of Default is the result of the nonpayment of a Subordinate Financial Product Extraordinary Payment issued on or after the date of effectiveness of this Master Indenture set forth in Section 8.10.

(b) At any time after the Obligations have been declared to be due and payable, and before the entry of a final judgment or decree in any proceeding instituted with respect to the Event of Default that resulted in the declaration of acceleration, the Master Trustee may annul such declaration and its consequences if:

(1) the Obligated Group Members have paid (or caused to be paid or deposited with the Master Trustee moneys sufficient to pay) all payments then due on all Outstanding Obligations (other than payments then due only because of such declaration);

(2) the Obligated Group Members have paid (or caused to be paid or deposited with the Master Trustee moneys sufficient to pay) all fees and expenses of the Master Trustee then due;

(3) the Obligated Group Members have paid (or caused to be paid or deposited with the Master Trustee moneys sufficient to pay) all other amounts then payable by the Obligated Group hereunder; and

(4) every Event of Default (other than a default in the payment of the principal or other payments of such Obligations then due only because of such declaration) has been remedied.

No such annulment shall extend to or affect any subsequent Event of Default or impair any right with respect to any subsequent Event of Default.

Section 4.03. Additional Remedies and Enforcement of Remedies.

(a) Upon the occurrence and continuance of any Event of Default, the Master Trustee may, and upon the written request of the Holders of not less than twenty-five percent (25%) in aggregate principal amount of Outstanding Obligations (and upon indemnification of the Master Trustee to its satisfaction by the Obligated Group for any such request), shall, proceed to protect and enforce its rights and the rights of the Holders hereunder by such proceedings as the Master Trustee may deem expedient, including but not limited to:

(1) Enforcement of the right of the Holders to collect amounts due or becoming due under the Obligations;

(2) Civil action upon all or any part of the Obligations;

(3) Civil action to require any Person holding moneys, documents or other property pledged to secure payment of amounts due or to become due on the Obligations to account as if it were the trustee of an express trust for the Holders of Obligations;

(4) Civil action to enjoin any acts which may be unlawful or in violation of the rights of the Holders of Obligations; and

(5) Enforcement of any other right or remedy of the Holders conferred by law or hereby.

(b) Regardless of the occurrence of an Event of Default, if requested in writing by the Holders of not less than twenty-five percent (25%) in aggregate principal amount of the Outstanding Obligations (and upon indemnification of the Master Trustee to its satisfaction for such request), the Master Trustee shall institute and maintain such proceedings as it may be advised shall be necessary or expedient (1) to prevent any impairment of the security hereunder by any acts which may be unlawful or in violation hereof, or (2) to preserve or protect the interests of the Holders. However, the Master Trustee shall not comply with any such request or institute and maintain any such proceeding that is in conflict with any applicable law or the provisions hereof or (in the sole judgment of the Master Trustee) is unduly prejudicial to the interests of the Holders not making such request.

Section 4.04. Application of Moneys After Default. During the continuance of an Event of Default, all moneys received by the Master Trustee pursuant to any right given or action taken under the provisions of this Article (after payment of the costs of the proceedings resulting in the collection of such moneys and payment of all fees, expenses and other amounts owed to the Master Trustee) shall be applied as follows:

(a) Unless all Outstanding Obligations have become or have been declared due and payable (or if any such declaration is annulled in accordance with the terms of this Article):

First: To the payment of all installments of interest then due on the Obligations (including (i) Financial Product Payments to the extent made pursuant to a Financial Products Agreement secured or evidenced by an Obligation and (ii) Parity Financial Product Extraordinary Payments), in the order of their due dates, and, if the amount available is not sufficient to pay in full all installments of interest, Financial Product Payments to the extent made pursuant to a Financial Products Agreement secured or evidenced by an Obligation, and Parity Financial Product Extraordinary Payments due on the same date, then to the payment thereof ratably, according to the amounts of interest, Financial Product Payments to the extent made pursuant to a Financial Products Agreement secured or evidenced by an Obligation, and Parity Financial Product Extraordinary Payments due on such date, without any discrimination or preference;

Second: To the payment of all installments of principal then due on the Obligations (whether at maturity or by call for redemption) and other unpaid Required Payments in the order of their due dates, and, if the amount available is not sufficient to pay in full all installments of principal due on the same date, then to the payment thereof ratably, according to the amounts of principal due on such date, without any discrimination or preference;

Third: To the payment of all Subordinate Financial Product Extraordinary Payments in the order of their due dates, and, if the amount available is not sufficient to pay in full all Subordinate Financial Product Extraordinary Payments due on the same date, then to the payment thereof ratably, according to the amounts of Subordinate Financial Product Extraordinary Payments due on such date, then to the payment thereof ratably, according to the amounts of Subordinate Financial Product Extraordinary Payments due on such date, without any discrimination or preference.

(b) If all Outstanding Obligations have become or have been declared due and payable (and such declaration has not been annulled under the terms of this Article):

First: To the payment of the principal and interest and other Required Payments (including (i) Financial Product Payments to the extent made pursuant to a Financial Products Agreement secured or evidenced by an Obligation and (ii) Parity Financial Product Extraordinary Payments, but excluding Subordinate Financial Product Extraordinary Payments) then due and unpaid on the Obligations, and, if the amount available is not sufficient to pay in full the whole amount then due and unpaid, then to the payment thereof ratably, without preference or priority of principal over interest, of interest over principal, of any installment or payment over any other installment or payment or of any Obligation over any other Obligation, according to the amounts due respectively, without any discrimination or preference; and

Second: To the payment of all Subordinate Financial Product Extraordinary Payments in the order of their due dates, and, if the amount available is not sufficient to pay in full all Subordinate Financial Product Extraordinary Payments due on the same date, then to the payment thereof ratably, according to the amounts of Subordinate Financial Product Extraordinary Payments due on such date, without any discrimination or preference.

Such moneys shall be applied at such times as the Master Trustee shall determine, having due regard for the amount of moneys available and the likelihood of additional moneys becoming available in the future. Upon any date fixed by the Master Trustee for the application of such moneys to the payment of principal, interest on the amounts of principal to be paid on such date shall cease to accrue, provided such moneys are applied by the Master Trustee to the payment of such principal. The Master Trustee shall give such notices as it may deem appropriate of the deposit with it of such moneys or of the fixing of such dates. The Master Trustee shall not be required to make payment to the Holder of any unpaid Obligation until such Obligation is presented to the Master Trustee for appropriate endorsement of any partial payment or for cancellation if fully paid.

Whenever all Obligations have been paid under the terms of this Section and all fees and expenses of the Master Trustee have been paid, any balance remaining shall be paid to the Person entitled to receive such balance. If no other Person is entitled thereto, then the balance shall be paid to the Members of the Obligated Group or such Person as a court of competent jurisdiction may direct.

Section 4.05. Remedies Not Exclusive. No remedy granted by the terms of this Master Indenture is intended to be exclusive of any other remedy. Each remedy shall be cumulative and shall be in addition to every other remedy given hereunder or existing at law or in equity.

Section 4.06. Remedies Vested in the Master Trustee. All rights of action (including the right to file proof of claims) hereunder or under any of the Obligations may be enforced by the Master Trustee without the possession of any of the Obligations or the production thereof in any proceeding relating thereto. Any proceeding instituted by the Master Trustee may be brought in

its name as the Master Trustee without the necessity of joining any Holders as plaintiffs or defendants. Subject to the provisions of Section 4.04 hereof, any recovery or judgment shall be for the equal benefit of the Holders of the Outstanding Obligations.

Section 4.07. Master Trustee to Represent Holders. The Master Trustee is hereby irrevocably appointed as trustee and attorney in fact for the Holders for the purpose of exercising on their behalf the rights and remedies available to the Holders under the provisions of this Master Indenture, the Obligations, any Related Supplement and applicable provisions of law, in each case subject to the provisions of Section 4.08. The Holders, by taking and holding the Obligations, shall be conclusively deemed to have so appointed the Master Trustee.

Section 4.08. Holders' Control of Proceedings. If an Event of Default has occurred and is continuing, notwithstanding anything herein to the contrary, the Holders of at least a majority in aggregate principal amount of Outstanding Obligations shall have the right (upon the indemnification of the Master Trustee to its satisfaction) to direct the method and/or place of conducting any proceeding to be taken in connection with the enforcement of the terms hereof. Such direction must be in writing, signed by such Holders and delivered to the Master Trustee. However, the Master Trustee shall not follow any such direction that is in conflict with any applicable law or the provisions hereof or (in the sole judgment of the Master Trustee) is unduly prejudicial to the interests of the Holders not joining in such direction. Nothing in this Section shall impair the right of the Master Trustee to take any other action authorized by this Master Indenture which it may deem proper and which is not inconsistent with such direction by Holders.

Section 4.09. Termination of Proceedings. In case any proceeding instituted by the Master Trustee with respect to any Event of Default is discontinued or abandoned for any reason or is determined adversely to the Master Trustee or the Holders, then the Obligated Group Members, the Master Trustee and the Holders shall be restored to their former positions and rights hereunder. All rights, remedies and powers of the Master Trustee and the Holders shall continue as if no such proceeding had been taken.

Section 4.10. Waiver of Event of Default.

(a) No delay or omission of the Master Trustee or of any Holder to exercise any right with respect to any Event of Default shall impair such right or shall be construed to be a waiver of or acquiescence to such Event of Default. Every right and remedy given by this Article to the Master Trustee and the Holders may be exercised from time to time and as often as may be deemed expedient by them.

(b) The Master Trustee may waive any Event of Default which in its opinion has been remedied before the entry of a final judgment or decree in any proceeding instituted by it under the provisions hereof, or before the completion of the enforcement of any other remedy hereunder.

(c) Upon the written request of the Holders of at least a majority in aggregate principal amount of Outstanding Obligations, the Master Trustee shall waive any Event of Default hereunder and its consequences; provided, however, that, except under the circumstances set forth in subsection (b) of Section 4.02 hereof, the failure to pay the principal of, premium, if any, or interest

on any Obligation when due may not be waived without the written consent of the Holders of all Outstanding Obligations.

(d) In case of any waiver by the Master Trustee of an Event of Default, the Obligated Group Members, the Master Trustee and the Holders shall be restored to their former positions and rights. No waiver shall extend to, or impair any right with respect to, any other Event of Default.

Section 4.11. Appointment of Receiver. Upon the occurrence and continuance of any Event of Default, the Master Trustee shall be entitled (a) without declaring the Obligations to be due and payable, (b) after declaring the Obligations to be due and payable, or (c) upon the commencement of any proceeding to enforce any right of the Master Trustee or the Holders, to the appointment of a receiver or receivers of any or all of the Property of the Obligated Group Members (without the necessity of notice to any Obligated Group Member or any other Person), with such powers as the court making such appointment shall confer. Each Obligated Group Member consents, and will if requested by the Master Trustee, consent at the time of application by the Master Trustee for appointment of a receiver, to the appointment of such receiver and agrees that such receiver may be given the right, to the extent the right may lawfully be given, to take possession of, operate and deal with such Property and the revenues, profits and proceeds therefrom, with the same effect as the Obligated Group Member could, and to borrow money and issue evidences of indebtedness as such receiver.

Section 4.12. Remedies Subject to Provisions of Law. All rights, remedies and powers provided by this Article may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law. All the provisions of this Article are intended to be subject to all applicable mandatory provisions of law that may be continuing and to be limited to the extent necessary so that they will not render any provision hereof invalid or unenforceable under the provisions of any applicable law.

Section 4.13. Notice of Default. Within ten (10) days after a Responsible Officer of the Master Trustee has actual knowledge or has received written notice of the occurrence of an Event of Default, the Master Trustee shall mail notice of such Event of Default to all Holders, unless such Event of Default has been cured before the giving of such notice (the term "Event of Default" for the purposes of this Section being limited to the events specified in subsections (a)-(f) of Section 4.01, not including any periods of grace provided for in subsections (b), (c) and (d), and regardless of the giving of written notice specified in subsection (b) of Section 4.01). Except in the case of default in the payment of the principal of or premium, if any, or interest on any of the Obligations and the Events of Default specified in subsections (d) and (e) of Section 4.01, the Master Trustee shall be protected in withholding such notice if and so long as the Master Trustee in good faith determines that the withholding of such notice is in the best interest of the Holders.

Section 4.14. Amendment of Percentages Specified in Events of Default; Acceleration; Annulment of Acceleration; and Additional Remedies and Enforcement of Remedies. Upon securing the consent of the Holders of 100% in aggregate principal amount of the Outstanding Obligations, references to twenty-five percent (25%) in aggregate principal amount of Outstanding

Obligations set forth in Section 4.01(b), Section 4.02(a) and 4.03(a) shall be revised to read as follows:

"a majority in aggregate principal amount of Outstanding Obligations"

ARTICLE V

THE MASTER TRUSTEE

Section 5.01. Certain Duties and Responsibilities; Liability of Master Trustee.

(a) Except during the continuance of an Event of Default:

(1) The Master Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Master Indenture, and no implied covenant or obligation shall be read into this Master Indenture against the Master Trustee; and

(2) In the absence of bad faith on its part, the Master Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon Certificates or opinions furnished to the Master Trustee and conforming to the requirements of this Master Indenture; but in the case of any Certificate or opinion specifically required by the provisions hereof to be furnished to the Master Trustee, the Master Trustee shall be under a duty to examine such Certificate or opinion to determine whether or not it conforms to the requirements of this Master Indenture.

(b) In case an Event of Default has occurred and is continuing, the Master Trustee shall exercise such of the rights and powers vested in it by this Master 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 its own affairs.

(c) The Master Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct. No provision of this Master Indenture shall be construed to relieve the Master Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(1) this subsection shall not be construed to limit the effect of subsection (a) of this Section;

(2) the Master Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved that the Master Trustee was negligent in ascertaining the pertinent facts;

(3) the Master Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in principal amount of Obligations Outstanding relating to the timing, method and place of conducting any proceeding for any remedy available to the Master Trustee, or

exercising any trust or power conferred upon the Master Trustee under this Master Indenture;

(4) no provision of this Master Indenture shall require the Master Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it; and

(5) the Master Trustee shall not be deemed to have knowledge of and shall not be required to take any action with respect to any Event of Default or any event which would, with the giving of notice or the passing of time or both, constitute an Event of Default, unless a Responsible Officer in the Corporate Trust Office of the Master Trustee shall have actual knowledge of such Event of Default or shall have been notified in writing of such event by any Obligated Group Member or by the Holder of an Obligation.

The Master Trustee will keep on file at its office a list of the names and addresses of the last known Holders of all Obligations. At reasonable times and under reasonable regulations established by the Master Trustee, said list may be inspected and copied by the Obligated Group Members, any Holder or the authorized representative thereof, provided that the ownership of such Holder and the authority of any such designated representative shall be evidenced to the satisfaction of the Master Trustee.

(d) Every provision of this Master Indenture relating to the conduct of, affecting the liability of or affording protection to the Master Trustee shall be subject to the provisions of this Section.

Section 5.02. Certain Rights of Master Trustee. Subject to Section 5.01:

(a) The Master Trustee may conclusively rely and shall be protected in acting or refraining from acting upon any document, including, without limitation, any opinion, request, written consent or certificate, believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) Any request or direction of the Obligated Group Representative mentioned herein shall be sufficiently evidenced by an Officer's Certificate. Any action of the Governing Body of any Obligated Group Member shall be sufficiently evidenced by a copy of a resolution certified by the secretary or an assistant secretary of the Obligated Group Member to have been duly adopted by the Governing Body and to be in full force and effect on the date of such certification and delivered to the Master Trustee.

(c) Whenever in the administration of this Master Indenture the Master Trustee shall deem it desirable that a matter be proved or established prior to taking, allowing or omitting any action hereunder, the Master Trustee may (in the absence of bad faith on its part and unless other evidence is specifically prescribed by this Master Indenture) request and conclusively rely upon an Officer's Certificate.

(d) The Master Trustee may consult with counsel of its selection, and any opinion of such counsel shall be full and complete authorization and protection with respect to any action taken, allowed or omitted by it hereunder in good faith and in reliance thereon.

(e) The Master Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Master Indenture at the request or direction of any of the Holders, unless such Holders shall have offered to the Master Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction; provided, however, that no security or indemnity shall be required for the giving of notice of default pursuant to Section 4.13.

(f) The Master Trustee shall not be bound to make any investigation into the facts stated in any document delivered to it hereunder, but the Master Trustee, in its discretion, may make such further inquiry or investigation into such facts as it may see fit. If the Master Trustee determines to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of any Obligated Group Member (excluding specifically donor records, patient records and personnel records), personally or by agent or attorney, during regular business hours and after reasonable notice.

(g) The Master Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents or attorneys. The Master Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed by it with due care.

(h) The Master Trustee shall not be liable for any action taken, suffered, or omitted to be taken by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Master Indenture.

(i) The Master Trustee shall not be deemed to have notice of any default or Event of Default unless a Responsible Officer of the Master Trustee has actual knowledge thereof or unless written notice of any event which is in fact such a default is received by the Master Trustee at the Corporate Trust Office of the Master Trustee, and such notice references this Master Indenture.

(j) The Master Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay in the performance of such obligations due to unforeseeable causes arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control and without its fault or negligence, including, but not limited to, acts of God, acts of the public enemy or terrorists, earthquakes, fires, floods, war, civil or military disturbances, sabotage, epidemics, quarantine restrictions, riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service, accidents, labor disputes, acts of civil or military authority or governmental actions affecting the performance of its duties under this Master Indenture, it being understood that the Master Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

(k) The Master Trustee shall have no responsibility or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of any Related Bonds.

Section 5.03. Right to Deal in Obligations and Related Bonds. The Master Trustee may buy, sell or hold and deal in any Obligations and Related Bonds with the same effect as if it were not the Master Trustee. The Master Trustee may commence or join in any action which a Holder or holder of a Related Bond is entitled to take with the same effect as if the Master Trustee were not the Master Trustee.

Section 5.04. Removal and Resignation of the Master Trustee.

(a) The Master Trustee may be removed at any time by an instrument or instruments in writing signed by (1) the Holders of not less than a majority of the principal amount of Outstanding Obligations or (2) (unless an Event of Default has occurred and is then continuing) the Obligated Group Representative.

(b) The Master Trustee may at any time resign by giving written notice of such resignation to the Obligated Group Representative.

(c) No such resignation or removal shall become effective unless and until a successor Master Trustee has been appointed and has assumed the trusts created hereby. Written notice of removal of the predecessor Master Trustee and/or appointment of the successor Master Trustee shall be given by the successor Master Trustee within ten (10) days of the successor's acceptance of appointment to the Obligated Group Members and to each Holder at the addresses shown on the books of the Master Trustee. A successor Master Trustee may be appointed at the direction of the Holders of not less than a majority in aggregate principal amount of Outstanding Obligations, or, if the Master Trustee has resigned or has been removed by the Obligated Group Representative, by the Obligated Group Representative. In the event a successor Master Trustee has not been appointed and qualified within sixty (60) days of the date notice of resignation or removal is given, the Master Trustee, any Obligated Group Member or any Holder may apply at the expense of the Obligated Group Members to any court of competent jurisdiction for the appointment of an interim successor Master Trustee to act until such time as a permanent successor is appointed.

(d) Unless otherwise ordered by a court or regulatory body having competent jurisdiction, or unless required by law, any successor Master Trustee shall be a national banking association in good standing under the laws of the United States of America or a trust company or bank having the powers of a trust company as to trusts, qualified to do and doing trust business in one or more states of the United States of America, and having an officially reported combined capital, surplus, undivided profits and reserves aggregating at least \$50,000,000, if there is such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

(e) Every successor Master Trustee shall execute and deliver to its predecessor and to each Obligated Group Member a written instrument accepting such appointment. Upon the delivery of such acceptance, the successor Master Trustee shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor. The predecessor shall execute and deliver to the successor Master Trustee a written instrument transferring to the

successor Master Trustee all the rights, powers and trusts of the predecessor. The predecessor Master Trustee (upon payment of all amounts owed to it) shall execute any documents necessary or appropriate to convey all interest it may have to the successor Master Trustee. The predecessor Master Trustee shall promptly deliver all records relating to the trust or copies thereof and communicate all material information it may have obtained concerning the trust to the successor Master Trustee.

Section 5.05. Compensation and Reimbursement. Subject to the provisions of any specific agreement between the Obligated Group Representative and the Master Trustee relating to the compensation of the Master Trustee, each Obligated Group Member agrees:

(a) To pay the Master Trustee from time to time reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust).

(b) Except as otherwise expressly provided herein, to reimburse the Master Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Master Trustee in accordance with any provision of this Master Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and its agents), except any such expense, disbursement or advance as may be attributable to its negligence or willful misconduct.

(c) To indemnify each of the Master Trustee and any predecessor Master Trustee for, and to hold it harmless against, any and all loss, liability, damages, claim or expense, including legal fees and expenses and taxes (other than taxes based on the income of the Master Trustee), incurred without negligence or willful misconduct on its part, arising out of or in connection with the acceptance or administration of this trust or its duties hereunder, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

When the Master Trustee incurs expenses or renders services in connection with an Event of Default specified in Section 4.01(c) or Section 4.01(d), the expenses (including the reasonable charges and expenses of its counsel) and the compensation for the services are intended to constitute expenses of administration under any applicable federal or state bankruptcy, insolvency or other similar law.

The provisions of this Section shall survive the termination of this Master Indenture and the resignation or removal of the Master Trustee.

Section 5.06. Recitals and Representations. The recitals, statements and representations contained herein or in any Obligation (excluding the Master Trustee's authentication on the Obligations) shall be taken and construed as made by and on the part of the Obligated Group Members, and not by the Master Trustee. The Master Trustee assumes no responsibility for the correctness of such statements.

The Master Trustee makes no representation as to, and is not responsible for, the validity or sufficiency of this Master Indenture or of the Obligations. The Master Trustee shall not be concerned with or accountable to anyone for the use or application of any moneys which shall be

released or withdrawn in accordance with the provisions hereof. The Master Trustee shall have no duty of inquiry with respect to any Event of Default without actual knowledge of or receipt by the Master Trustee of written notice of an Event of Default from an Obligated Group Member or any Holder.

Section 5.07. Separate or Co-Master Trustee. At any time, for the purpose of meeting any legal requirements of any jurisdiction, the Master Trustee may appoint one or more Persons either to act as co-master trustee with the Master Trustee, or to act as separate master trustee, and to vest in such Persons or Persons, such rights, powers, duties, trusts or obligations as the Master Trustee may consider necessary or desirable, subject to the remaining provisions of this Section.

Every co-master trustee or separate master trustee shall, to the extent permitted by law, be appointed subject to the following terms:

- (a) The Obligations shall be authenticated and delivered solely by the Master Trustee.
- (b) All rights, powers, trusts, duties and obligations conferred or imposed upon the trustees shall be conferred or imposed upon and exercised or performed as shall be provided in the instrument appointing such co-master trustee or separate master trustee, except to the extent that, under the law of any jurisdiction in which any particular act or acts are to be performed, the Master Trustee is incompetent or unqualified to perform such act or acts, in which event such act or acts shall be performed by such co master trustee or separate master trustee.
- (c) Any request in writing by the Master Trustee to any co-master trustee or separate master trustee to take or to refrain from taking any action hereunder shall be sufficient for the taking, or the refraining from taking, of such action by such Person.
- (d) Any co-master trustee or separate master trustee may, to the extent permitted by law, delegate to the Master Trustee the exercise of any right, power, trust, duty or obligation, discretionary or otherwise.
- (e) The Master Trustee may at any time, by an instrument in writing, accept the resignation of or remove any co master trustee or separate master trustee appointed under this Section. Upon the request of the Master Trustee, the Obligated Group Members shall join with the Master Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal.
- (f) No trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder, nor will the act or omission of any trustee hereunder be imputed to any other trustee.
- (g) Any demand, request, direction, appointment, removal, notice, consent, waiver or other action in writing delivered to the Master Trustee shall be deemed to have been delivered to each such co-master trustee or separate master trustee.

(h) Any moneys, papers, securities or other items of personal property received by any such co-master trustee or separate master trustee hereunder shall be turned over to the Master Trustee immediately.

Upon the acceptance in writing of such appointment by any co master trustee or separate master trustee, such Person shall be vested with such rights, powers, duties or obligations as are specified in the instrument of appointment jointly with the Master Trustee (except insofar as local law makes it necessary for any such co-master trustee or separate master trustee to act alone) subject to all the terms hereof. Every such acceptance shall be filed with the Master Trustee. To the extent permitted by law, any co-master trustee or separate master trustee may, at any time by an instrument in writing, constitute the Master Trustee its attorney-in-fact and agent, with full power and authority to do all acts and things and to exercise all discretion on its behalf and in its name.

In case any co-master trustee or separate master trustee shall become incapable of acting, resign or be removed, all rights, powers, trusts, duties and obligations of such Person shall, so far as permitted by law, vest in and be exercised by the Master Trustee unless and until a successor co-master trustee or separate master trustee shall be appointed in the manner herein provided.

Section 5.08. Merger or Consolidation. Any company into which the Master 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 is a party, or any company to which the Master Trustee may sell or transfer all or substantially all of its corporate trust business (provided such company is eligible under Section 5.04) shall be the successor to the Master Trustee without the execution or filing of any paper or any further act.

ARTICLE VI

SUPPLEMENTS AND AMENDMENTS

Section 6.01. Supplements Not Requiring Consent of Holders. The Obligated Group Representative (acting for itself and as agent for each Obligated Group Member) and the Master Trustee may, without the consent of or notice to any of the Holders, enter into one or more Related Supplements for any of the following purposes:

- (a) To correct any ambiguity or formal defect or omission in this Master Indenture;
- (b) To correct or supplement any provision which may be inconsistent with any other provision or to make any other provision with respect to matters or questions arising hereunder, which, in either case, does not materially and adversely affect the interests of the Holders;
- (c) To grant or confer ratably upon all of the Holders any additional benefits, rights, remedies, powers or authority, including, without limitation, the addition of provisions providing for the creation of a credit group which credit group shall consist of all Obligated Group Members and Persons designated as affiliates of Obligated Group Members, or to add to the covenants of and restrictions on the Obligated Group Members;

(d) To qualify this Master Indenture under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal law from time to time in effect;

(e) To create and provide for the issuance of an Obligation or Series of Obligations as permitted hereunder;

(f) To obligate a successor to any Obligated Group Member as provided in Section 3.10;

(g) To add a new Obligated Group Member as provided in Section 3.12; or

(h) To make any other change which does not materially and adversely affect the interests of the Holders.

Section 6.02. Supplements Requiring Consent of Holders.

(a) Other than Related Supplements referred to in Section 6.01 hereof and subject to the terms contained in this Article, the Holders of not less than a majority in aggregate principal amount of the Outstanding Obligations shall have the right to consent to and approve the execution by the Obligated Group Representative (acting for itself and as agent for each Obligated Group Member) and the Master Trustee of such Related Supplements as shall be deemed necessary or desirable for the purpose of modifying, altering, amending, adding to or rescinding any of the terms contained herein; provided, however, with respect to any Obligation issued on or after the date of effectiveness of this Master Indenture set forth in Section 8.10, registered in the name of a Related Bond Trustee and securing a Related Series of Bonds, payment of the principal of and interest on which is insured or otherwise guaranteed by a municipal bond insurance policy or is secured by a letter of credit, the provider of such municipal bond insurance or letter of credit shall be deemed to be the Holder of such Obligation for purposes of consenting to and approving the execution of Related Supplements for purposes of this Section 6.02, subject to the provisions set forth in Section 8.04 and as except as otherwise provided in the applicable Related Supplement or Obligation; and provided, further, however, that nothing in this Section shall permit or be construed as permitting a Related Supplement which would:

(i) extend the stated maturity of, or time for paying interest on, any Obligation or reduce the principal amount of or the redemption premium or rate of interest or change the method of calculating interest payable on, or reduce any other Required Payment on any Obligation without the consent of the Holder of such Obligation;

(ii) modify, alter, amend, add to or rescind any of the terms or provisions contained in Article IV hereof so as to affect the right of the Holders of any Obligations in default as to payment to compel the Master Trustee to declare the principal of all Obligations to be due and payable, without the consent of the Holders of all Obligations then Outstanding; or

(iii) reduce the aggregate principal amount of Obligations then Outstanding the consent of the Holders of which is required to authorize such Related Supplement, without the consent of the Holders of all Obligations then Outstanding.

(b) The Master Trustee may execute a Related Supplement (in substantially the form delivered to it as described below) without liability or responsibility to any Holder (whether or not such Holder has consented to the execution of such Related Supplement) if the Master Trustee receives: (i) a Request of the Obligated Group Representative to enter into such Related Supplement; (ii) a certified copy of the resolution of the Governing Body of the Obligated Group Representative approving the execution of such Related Supplement; (iii) the proposed Related Supplement; and (iv) an instrument or instruments executed by the Holders of not less than the aggregate principal amount or number of Obligations specified in subsection (a) for the Related Supplement in question which instrument or instruments shall refer to the proposed Related Supplement and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof as on file with the Master Trustee.

(c) Any such consent shall be binding upon the Holder of the Obligation giving such consent and upon any subsequent Holder of such Obligation and of any Obligation issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Holder of such Obligation giving such consent or by a subsequent Holder thereof by filing with the Master Trustee, prior to the execution by the Master Trustee of such Related Supplement, such revocation and, if such Obligation or Obligations are transferable by delivery, proof that such Obligations are held by the signer of such revocation. At any time after the Holders of the required principal amount or number of Obligations shall have filed their consents to the Related Supplement, the Master Trustee shall file a written statement to that effect with the Obligated Group Representative. Such written statement shall be conclusive evidence that such consents have been so filed.

(d) If the Holders of the required principal amount or number of the Outstanding Obligations have consented to the execution of such Related Supplement, no Holder shall have any right to object to the execution thereof, to object to any of the terms and provisions contained therein or the operation thereof, to question the propriety of the execution thereof or to enjoin or restrain the Master Trustee or the Obligated Group Representative from executing such Related Supplement or from taking any action pursuant to the provisions thereof.

Section 6.03. Execution and Effect of Supplements.

(a) In executing any Related Supplement permitted by this Article, the Master Trustee shall be entitled to receive and to rely upon an Opinion of Counsel stating that the execution of such Related Supplement is authorized or permitted hereby. The Master Trustee may (but shall not be obligated to) enter into any Related Supplement that materially and adversely affects the Master Trustee's own rights, duties or immunities.

(b) Upon the execution and delivery of any Related Supplement in accordance with this Article, the provisions of this Master Indenture shall be deemed modified in accordance therewith. Such Related Supplement shall form a part hereof for all purposes and every Holder shall be bound thereby.

(c) Any Obligation authenticated and delivered after the execution and delivery of any Related Supplement in accordance with this Article may, and, if required by the Obligated Group

Representative or the Master Trustee shall, bear a notation in form approved by the Master Trustee as to any matter provided for in such Related Supplement. If the Obligated Group Representative or the Master Trustee shall so determine, new Obligations so modified as to conform in the opinion of the Master Trustee and the Governing Body of the Obligated Group Representative to any such Related Supplement may be prepared and executed by the Obligated Group Representative and authenticated and delivered by the Master Trustee in exchange for and upon surrender of Obligations then Outstanding.

Section 6.04. Amendment of Related Supplements. Any Related Supplement may provide that the provisions thereof may be amended without the consent of or notice to any of the Holders, or pursuant to such terms and conditions as may be specified in such Related Supplement. If a Related Supplement does not contain provisions relating to the amendment thereof, the amendment of such Related Supplement shall be governed by the provisions of Section 6.01 and Section 6.02 hereof.

ARTICLE VII

SATISFACTION AND DISCHARGE

Section 7.01. Satisfaction and Discharge of Master Indenture. This Master Indenture shall cease to be of further effect if:

(a) all Obligations previously authenticated (other than any Obligations which have been mutilated, destroyed, lost or stolen and which have been replaced or paid as provided in any Related Supplement) and not cancelled are delivered to the Master Trustee for cancellation; or

(b) all Obligations not previously cancelled or delivered to the Master Trustee for cancellation are paid; or

(c) a deposit is made in trust with the Master Trustee (or with one or more national banking associations or trust companies acceptable to the Master Trustee pursuant to an agreement between an Obligated Group Member and such national banking associations or trust companies in form acceptable to the Master Trustee) in cash or Government Obligations or both, sufficient to pay at maturity or upon redemption all Obligations not previously cancelled or delivered to the Master Trustee for cancellation, including principal and interest or other payments (including Financial Product Payments and Financial Product Extraordinary Payments) due or to become due to such date of maturity, redemption date or payment date, as the case may be; and all other sums payable hereunder by the Obligated Group Members are also paid. The Master Trustee, on demand of the Obligated Group Representative and at the cost and expense of the Obligated Group Members, shall execute proper instruments acknowledging satisfaction of and discharging this Master Indenture and authorizing the Obligated Group Representative to file such terminations and releases as may be necessary to evidence the termination of the Master Trustee's security interest in the Gross Receivables. Unless the deposit pursuant to clause (c) above is made solely with cash, the Master Trustee may request that the Obligated Group Representative provide a report prepared by an accountant or other financial services firm regarding the sufficiency of the funds for such discharge and satisfaction provided pursuant to clause (c) above (such report being

hereinafter referred to as a "Verification Report"). If the Master Trustee shall have been provided with a Verification Report, the Master Trustee shall be entitled to rely upon such Verification Report.

The Obligated Group Members shall pay and indemnify the Master Trustee against any tax, fee or other charge imposed on or assessed against the Government Obligations deposited pursuant to this Section 7.01 or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of Outstanding Obligations.

Notwithstanding the satisfaction and discharge of this Master Indenture, the obligations of the Obligated Group Members to the Master Trustee under Section 5.05 hereof shall survive.

Section 7.02. Payment of Obligations After Discharge of Lien. Notwithstanding the discharge of the lien of this Master Indenture as provided in this Article, the Master Trustee shall retain such rights, powers and duties as may be necessary and convenient for the payment of amounts due or to become due on the Obligations and for the registration, transfer, exchange and replacement of Obligations. Any moneys held by the Master Trustee for the payment of the principal of, premium, if any, or interest or other Required Payment on any Obligation remaining unclaimed for one year after the principal of all Obligations has become due and payable, whether at maturity, upon proceedings for redemption or by declaration as provided herein, shall then be paid to the Obligated Group Members. The Holders of any Obligations not previously presented for payment shall thereafter be entitled to look only to the Obligated Group Members for payment thereof as unsecured creditors and all liability of the Master Trustee with respect to such moneys shall thereupon cease.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.01. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Master Indenture or the Obligations is intended or shall be construed to give to any Person other than each Obligated Group Member, the Master Trustee, the Related Bonds Issuers and the Holders any legal or equitable right, remedy or claim under or with respect to this Master Indenture. This Master Indenture and all of the covenants, conditions and provisions hereof are intended to be and are for the sole and exclusive benefit of the parties mentioned in this Section.

Section 8.02. Severability. If any part of this Master Indenture is for any reason held invalid or unenforceable, no other part shall be invalidated or deemed unenforceable.

Section 8.03. Holidays. Except to the extent a Related Supplement or an Obligation provides otherwise:

(a) Subject to subsection (b), when any action is provided herein to be done on a day or within a time period named, and the day or the last day of the period falls on a day on which banking institutions in the jurisdiction where the Corporate Trust Office is located are authorized

by law to remain closed, the action may be done on the next ensuing day that is not a day on which banking institutions in such jurisdiction are authorized by law to remain closed, with the same effect as if done on the day or within the time period named.

(b) When the date on which principal of or interest or premium on any Obligation is due and payable is a day on which banking institutions at the place of payment are authorized by law to remain closed, payment may be made on the next ensuing day on which banking institutions at such place are not authorized by law to remain closed with the same effect as if payment were made on the due date, and, if such payment is made, no interest shall accrue from and after such due date.

Section 8.04. Credit Enhancer Deemed Holder of Obligation. Except to the extent a Related Supplement or an Obligation provides otherwise, any credit enhancer of Related Bonds shall be deemed the Holder of the related Obligation for purposes of this Master Indenture for so long as the credit enhancement is in effect and the credit enhancer is not in default thereunder. If the credit enhancement is applicable to a portion of Related Bonds, such Related Obligation shall be treated as if such Related Obligation were two Obligations, one in the principal amount of the Related Bonds for which the credit enhancement is applicable and another in the principal amount of the remainder of the Related Bonds.

Section 8.05. Governing Law. This Master Indenture and the Obligations are contracts made under the laws of the State of California, and shall be governed by and construed in accordance with such laws applicable to contracts made and performed in said State.

Section 8.06. Counterparts. This Master Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute one instrument.

Section 8.07. Immunity of Individuals. No recourse shall be had for the payment of the principal of, premium, if any, or interest on any of the Obligations issued hereunder or for any claim based thereon or upon any obligation, covenant or agreement herein against any past, present or future officer, director, trustee, member, employee or agent of any Obligated Group Member which is a corporation, whether directly or indirectly. All liability of any such individual is hereby expressly waived and released as a condition of and in consideration for the execution hereof and the issuance of the Obligations.

Section 8.08. Binding Effect. This instrument shall inure to the benefit of and shall be binding upon each Obligated Group Member, the Master Trustee and their respective successors and assigns, subject to the limitations contained herein.

Section 8.09. Notices.

(a) Unless otherwise expressly specified or permitted by the terms hereof, all notices, consents or other communications required or permitted hereunder shall be in writing and shall be deemed sufficiently given or served if given: (i) by facsimile or electronic mail with prompt telephonic confirmation of receipt; (ii) personally by hand; (iii) by overnight delivery service; or (iv) by first class mail, postage prepaid and addressed as follows:

(1) If to the Obligated Group Representative, addressed to it at 300 Pasteur Drive, M/C 5554, Stanford, California 94305, Attention: Chief Financial Officer;

(2) If to the Master Trustee, addressed to it at the Corporate Trust Office; or

(3) If to the registered Holder of an Obligation, addressed to such Holder at the address shown on the books of the Master Trustee.

(b) The Obligated Group Representative or the Master Trustee may from time to time designate a different address or addresses for notice by notice in writing to the others and to the Holders.

Section 8.10. Effectiveness. Amendment and Restatement of the Existing Master Indenture as set forth in this Master Indenture shall take effect on ____ __, ____.

IN WITNESS WHEREOF, **Stanford Health Care** has caused this Second Amended and Restated Master Indenture of Trust to be signed in its name by its duly authorized officer, and to evidence its acceptance of the trusts and agreements hereby created **The Bank of New York Mellon Trust Company, N.A.** has caused this Second Amended and Restated Master Indenture of Trust to be signed in its name by one of its duly authorized officers, all as of the day and year first above written.

Stanford Health Care

By: _____
Chief Financial Officer

**The Bank of New York Mellon Trust Company,
N.A., as Master Trustee**

By: _____
Authorized Representative

Exhibit A

Existing Financial Products Agreements*

1. ISDA Master Agreement, dated as of September 1, 2007, between Bear Stearns Financial Products Inc. and Stanford Health Care, formerly known as Stanford Hospital and Clinics (the "Corporation"), the Amended and Restated Schedule to the ISDA Master Agreement, dated as of June 17, 2003, amended and restated as of September 1, 2007, the related ISDA Credit Support Annex to the ISDA Master Agreement dated as of September 1, 2007, together with Confirmations FXNEC5267/REF 05000850178215, FXNEC5272/REF 050000701 0816, FXNEC5273/REF 050008501 7862, FXNEC5274/REF 050008501 7795 and FXNEC5275/REF 050008501 7775, each dated September 1, 2007.
2. ISDA Master Agreement, dated as of June 17, 2003, between Morgan Stanley Capital Services Inc. and the Corporation, the Amended and Restated Schedule to the ISDA Master Agreement, dated as of June 17, 2003, amended and restated as of September 1, 2007, the related ISDA Credit Support Annex to the ISDA Master Agreement, dated as of September 1, 2007, and Confirmations MSCS Ref. No. AUBRJ, dated June 17, 2003, MSCS Ref. No. AUKNU, dated May 28, 2008, and MSCS Ref. No. AUN19 dated November 17, 2008 and amended and restated as of November 30, 2010.
3. ISDA Master Agreement, dated as of August 22, 2008, between JPMorgan Chase Bank, N.A. and the Corporation, the Schedule to the ISDA Master Agreement, dated as of August 22, 2008, the related ISDA Credit Support Annex to the ISDA Master Agreement, dated as of August 22, 2008, as amended by the 1st Amendment Agreement, dated as of November 1, 2008, and Novation Confirmations dated August 29, 2008 numbered, FXNEC9725/REF 0500007010838 and FXNEC9726/REF 0500007010839.
4. ISDA Master Agreement, the related Schedule to the ISDA Master Agreement and ISDA Credit Support Annex to the ISDA Master Agreement, each dated as of November 9, 2010, between Wells Fargo Bank, National Association and the Corporation, and Confirmations dated December 1, 2010 reference numbers REF 0500000701923/7680693 and REF 05000007010878/7680694.
5. ISDA Master Agreement, the related Schedule to the ISDA Master Agreement and ISDA Credit Support Annex to the ISDA Master Agreement, each dated as of November 10, 2010, between Barclays Bank PLC and the Corporation.
6. ISDA Master Agreement, the related Schedule to the ISDA Master Agreement and ISDA Credit Support Annex to the ISDA Master Agreement, each dated as of January 24, 2011, between Deutsche Bank AG, New York Branch and the Corporation, and Confirmations dated January 26, 2011, reference numbers

* Note: Listing reflects Financial Products Agreements in effect as of the effective date of the Amended and Restated Master Indenture of Trust.

FXNEC9724/REF 0500007010837/N1253185N; and

FXNEC9723/REF 0500007010836/N1253181N.

6. ISDA Master Agreement, the related Schedule to the ISDA Master Agreement and ISDA Credit Support Annex to the ISDA Master Agreement, each dated as of January 24, 2011, between Deutsche Bank AG, New York Branch and the Corporation, and Confirmations dated January 26, 2011, reference numbers

FXNEC9724/REF 0500007010837/N1253185N; and

FXNEC9723/REF 0500007010836/N1253181N.

Exhibit B

Existing Obligations^{*1}

Obligation	Obligation Holder
1. Obligation No. 13, consisting of the ISDA Master Agreement dated as of September 1, 2007 between Bear Stearns Financial Products Inc. and Stanford Health Care, formerly known as Stanford Hospital and Clinics (the "Corporation"), the Amended and Restated Schedule to the ISDA Master Agreement, dated as of June 17, 2003, amended and restated as of September 1, 2007, the related ISDA Credit Support Annex to the ISDA Master Agreement, dated as of September 1, 2007, together with Confirmations FXNEC5267/REF 05000850178215, FXNEC5272/REF 050000701 0816, FXNEC5273/REF 050008501 7862, FXNEC5274/REF 050008501 7795 and FXNEC5275/REF 050008501 7775, each dated September 1, 2007	Bear Stearns Financial Products Inc.
2. Obligation No. 14, consisting of ISDA Master Agreement, dated as of June 17, 2003, between Morgan Stanley Capital Services Inc. and the Corporation, the Amended and Restated Schedule to the ISDA Master Agreement, dated as of June 17, 2003, amended and restated as of September 1, 2007, the related ISDA Credit Support Annex to the ISDA Master Agreement, dated as of September 1, 2007, and Confirmation MSCS Ref. No. AUBRJ dated June 17, 2003	Morgan Stanley Capital Services Inc.
3. Obligation No. 19, issued in the original principal amount of \$428,500,000	Wells Fargo National Bank, National Association ("Wells Fargo"), as trustee, under the Indenture, dated as of June 1, 2008, between California Health Facilities

* Note: Listing reflects Obligations Outstanding as of the effective date of the Amended and Restated Master Indenture of Trust.

¹ To be updated as of the effective date set forth in Section 8.10.

Obligation	Obligation Holder
<p>4. Obligation No. 21, consisting of the ISDA Master Agreement, dated as of June 17, 2003, between Morgan Stanley Capital Services Inc. and the Corporation, the Amended and Restated Schedule to the ISDA Master Agreement, dated as of June 17, 2003, amended and restated as of September 1, 2007, the related ISDA Credit Support Annex to the ISDA Master Agreement, dated as of September 1, 2007, and Confirmations MSCS Ref. No. AUKNU dated May 28, 2008 and AUN19 dated November 17, 2008 and amended and restated as of November 30, 2010</p>	<p>Financing Authority (“CHFFA”) and Wells Fargo</p> <p>Morgan Stanley Capital Services Inc.</p>
<p>5. Obligation No. 25, consisting of ISDA Master Agreement dated as of August 22, 2008, between JPMorgan Chase Bank, N.A. and the Corporation, the Schedule to the ISDA Master Agreement, dated as of August 22, 2008, the related ISDA Credit Support Annex to the ISDA Master Agreement dated as of August 22, 2008, as amended by the 1st Amendment Agreement, dated as of February 5, 2009, and Novation Confirmations dated August 29, 2008 numbered FXNEC9725/REF 0500007010838 and FXNEC9726/REF 0500007010839</p>	<p>JPMorgan Chase Bank. N.A.</p>
<p>6. Obligation No. 29, consisting of ISDA Master Agreement, the related Schedule to the ISDA Master Agreement and ISDA Credit Support Annex to the ISDA Master Agreement, each dated as of November 9, 2010, between Wells Fargo Bank, National Association and the Corporation, and Confirmation</p>	<p>Wells Fargo National Bank, National Association</p>

	Obligation	Obligation Holder
7.	Obligation No. 35, issued in the original principal amount of \$100,000,000	U.S. Bank National Association (“USB”), as trustee under the Indenture, dated as of June 1, 2015, between CHFFA and USB
8.	Obligation No. 39, issued in the original principal amount of \$454,200,000	The Bank of New York Mellon Trust Company, N.A. (“BNY”), as trustee under the Indenture, dated as of December 1, 2017, between CHFFA and BNY
9.	Obligation No. 40, issued in the original principal amount of \$500,000,000	BNY as trustee under the Indenture, dated as of January 1, 2018, between Stanford Health Care and BNY
10.	Obligation No. 41, issued in the original principal amount of \$300,000,000	BNY, as trustee under the Indenture, dated as of April 1, 2020, between Stanford Health Care and BNY
11.	Obligation No. 42, issued in the original principal amount of \$170,120,000	BNY, as trustee under the Indenture, dated as of April 1, 2020, between CHFFA and BNY
12.	Obligation No. 43, issued in the original principal amount of \$157,715,000	USB, as trustee under the Indenture dated as of April 1, 2021 between CHFFA and USB
13.	Obligation No. 44, issued in the original principal amount of \$365,100,000	USB, as trustee under the Indenture, dated as of April 1, 2021, between Stanford Health Care and USB
14.	Obligation No. 45, issued in the original principal amount of up to \$150,000,000	BNY, as Issuing and Paying Agent under the Issuing and Paying Agent Agreement dated as of April 1, 2021, between Stanford Health Care and BNY
15.	Obligation No. 46, issued in the original principal amount of \$[260,545,000]	U.S. Bank Trust Company, National Association (“U.S. Bank”), as trustee under the Indenture, dated as of September 1, 2023 between CHFFA and U.S. Bank
16.	Obligation No. 48, issued in the original principal amount of up to [\$200,000,000]	U.S. Bank, as Issuing and Paying Agent under the Issuing and Paying Agent Agreement dated as of September 1, 2023, among Stanford Health Care, U.S. Bank, and CHFFA

Exhibit C

Existing Parity Financial Product Extraordinary Payments*

Settlement Amounts payable by Stanford Health Care under the terms of Obligation No. 13 or Obligation No. 14 (each identified on Exhibit B to this Second Amended and Restated Master Indenture of Trust), respectively, if (and only if) Financial Security Assurance Inc., under the terms of the Financial Guaranty Insurance Policy Nos. 201227-SWPA and 201227-SWPB, each issued July 1, 2003, shall direct or consent to early termination of Obligation No. 13 or Obligation No. 14, respectively, in which event such Settlement Amounts are entitled by the terms of Supplemental Master Indenture No. 13 and No. 14, respectively, to be equally and ratably secured by any lien created under the Master Indenture and all other Obligations except as otherwise provided in the Master Indenture.

* Note: Listing reflects Parity Financial Product Extraordinary Payments as of the effective date of the Amended and Restated Master Indenture of Trust.

Exhibit D

Description of Excluded Property

1. Hoover Pavilion, meaning the property described in Exhibit A-2 and Exhibit B-2 of the Lease, and all buildings and improvements located thereon, together with all furnishings and equipment located thereon.

APPENDIX D

SUMMARY OF PRINCIPAL DOCUMENTS

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SUMMARY OF PRINCIPAL DOCUMENTS

The following is a summary of certain provisions of Supplemental Master Indenture for Obligation No. 19, dated as of June 1, 2008 (the “Supplemental Master Indenture”), between Stanford Hospital and Clinic (the “Corporation”) and The Bank of New York Mellon Trust Company, N.A., as master trustee (the “Master Trustee”), the Indenture, dated as of June 1, 2008 (as supplemented and amended, the “Indenture”), between the California Health Facilities Financing Authority (the “Authority”) and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the “Trustee”), and the Loan Agreement, dated as of June 1, 2008 (the “Loan Agreement”), between the Authority and the Corporation. This summary does not purport to be complete or definitive, is supplemental to the summary of other provisions of such documents described elsewhere in this Reoffering Circular and is qualified in its entirety by reference to the full terms of the Supplemental Master Indenture, the Indenture and the Loan Agreement. All capitalized terms used and not otherwise defined in this Reoffering Circular have the meanings assigned to such terms in the Indenture or, if not set forth in the Indenture, in the Master Indenture.

DEFINITIONS OF CERTAIN TERMS

Accountant means any independent certified public accountant or firm of such accountants of national reputation selected by the Corporation.

Act means the California Health Facilities Financing Authority Act, constituting Part 7.2 of Division 3 of Title 2 of the Government Code of the State of California, as now in effect and as it may from time to time hereafter be amended or supplemented.

Additional Payments means the payments so designated and required to be made by the Corporation pursuant to the provisions of the Loan Agreement.

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

Agreement or **Loan Agreement** means that certain Loan Agreement, dated as of June 1, 2008, between the Authority and the Corporation, as originally executed as it may from time to time be supplemented, modified or amended in accordance with the terms thereof and of the Indenture.

Alternate Credit Facility means a Credit Facility delivered to the Trustee or the Tender Agent, as applicable, in accordance with the provisions of the Loan Agreement which replaces a Credit Facility then in effect.

Alternate Liquidity Facility means a Liquidity Facility delivered to the Trustee or the Tender Agent, as applicable, in accordance with the provisions of the Loan Agreement which replaces a Liquidity Facility then in effect.

Authority means the California Health Facilities Financing Authority created pursuant to, and as defined in, the Act, and its successor.

Authorized Denomination means with respect to a Series or Subseries of Bonds in the Commercial Paper Rate, any denomination constituting an integral multiple of \$500, with respect to a Series of Bonds in the Daily Rate and Weekly Rate, \$100,000 and any larger denomination constituting an integral multiple of \$5,000, and means with respect to a Series of Bonds in the Long Term Rate, \$5,000 or any integral multiple thereof.

Authorized Representative means with respect to the Corporation, the Chair or Vice Chair of its governing body, its chief executive officer, its chief operating officer, its chief financial officer, or any other person designated as an Authorized Representative of the Corporation by a Certificate of the Corporation, signed by its chief executive officer, its chief operating officer or its chief financial officer and filed with the Trustee.

Available Moneys means, (a) if a Credit Facility in the form of a letter of credit is in effect with respect to a Series of Bonds, (i) moneys drawn under the Credit Facility which at all times since their receipt by the Trustee or

the Tender Agent were held in a separate segregated account or accounts or subaccount or subaccounts in which no moneys (other than those drawn under the Credit Facility) were at any time held, (ii) moneys which have been paid to the Trustee or the Tender Agent by the Corporation and have been on deposit with the Trustee or the Tender Agent for at least one hundred twenty-four (124) days (or, if paid to the Trustee or the Tender Agent by an “affiliate,” as defined in Section 101(2) of the Bankruptcy Code, of the Corporation, three hundred sixty-six (366) days) during and prior to which no Event of Bankruptcy has occurred, (iii) any other moneys, if, in the opinion of nationally recognized counsel experienced in bankruptcy matters (which opinion will be acceptable to each Rating Agency then rating the Bonds), the application of such moneys will not constitute a voidable preference in the event of the occurrence of an Event of Bankruptcy, and (iv) investment earnings on any of the moneys described in clauses (i), (ii) and (iii) of this definition; and (b) if a Credit Facility in the form of a letter of credit is not in effect with respect to a Series of Bonds, “Available Moneys” means any moneys deposited with the Trustee or the Tender Agent.

Bankruptcy Code means Title 11 of the United States Code, as amended, and any successor statute.

Bondholder or **Holder**, whenever used with respect to a Bond, means the person in whose name such Bond is registered.

Bond Counsel means any nationally recognized municipal bond counsel acceptable to the Authority and the Corporation.

Bond Trustee or **Trustee** means The Bank of New York Mellon Trust Company, N.A., a national banking association organized and existing under the laws of the United States of America, and any successor to its duties under the Indenture.

Bonds means California Health Facilities Financing Authority Refunding Revenue Bonds (Stanford Hospital and Clinics), 2008 Series B-1 authorized by, and at any time Outstanding pursuant to, the Indenture.

Business Day means any day other than: (a) a Saturday, Sunday or legal holiday, (b) a day on which banks located in any city in which the Principal Office of the Trustee or, as and to the extent applicable, the Principal Office of the applicable Credit Facility Provider, the applicable Liquidity Facility Provider, the applicable Remarketing Agent or the Tender Agent is located are required or authorized by law to remain closed, or (c) a day on which the New York Stock Exchange or the Securities Depository is closed.

Certificate, Statement, Request and Requisition of the Authority or the Corporation mean, respectively, a written certificate, statement, request or requisition signed in the name of the Authority by its Chairman, any Deputy to the Chairman, the Executive Director, the Deputy Executive Director or such other person as may be authorized to sign for the Authority and designated by the Chairman, any Deputy to the Chairman, the Executive Director or the Deputy Executive Director in writing to the Trustee, or in the name of the Corporation by an Authorized Representative of the Corporation.

Code means the Internal Revenue Code of 1986, as amended, or any successor statute thereto and any regulations promulgated thereunder. Reference to any particular Code section will, in the event of such a successor Code, be deemed to be reference to the successor to such Code section.

Commercial Paper Mode means, with respect to a Series of Bonds, the period with respect to such Series of Bonds when Commercial Paper Rates are in effect.

Commercial Paper Rate means, with respect to any Bond in a Commercial Paper Mode, the interest rate determined for such Bond during each Commercial Paper Rate Period which is established pursuant to the provisions of the Indenture.

Commercial Paper Rate Period means, with respect to any Bond in a Commercial Paper Mode, each Interest Period established pursuant to the provisions of the Indenture, which will be not less than one (1) calendar day nor more than two hundred seventy (270) calendar days, during which such Bond will bear interest at a Commercial Paper Rate.

Conversion means, with respect to any Series of Bonds, any conversion of such Series of Bonds from one Interest Rate Mode to another Interest Rate Mode in accordance with the terms of the Indenture.

Conversion Date means the date on which any Conversion becomes effective.

Corporation means Stanford Hospital and Clinics, a nonprofit public benefit corporation duly organized and validly existing under the laws of the State of California, or any corporation that is the surviving, resulting or transferee corporation in any merger, consolidation or transfer of assets permitted under the Master Indenture.

Costs of Issuance means all items of expense directly or indirectly payable by or reimbursable to the Authority or the Corporation and related to the authorization, issuance, sale and delivery of the Bonds, including but not limited to advertising and printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Authority, initial fees and charges of the Trustee, legal fees and charges, fees and disbursements of consultants and professionals, rating agency fees, bond insurance premiums, fees and charges for preparation, execution, transportation and safekeeping of Bonds and any other cost, charge or fee incurred in connection with the original issuance of the Bonds.

Counsel means an attorney duly admitted to practice law before the highest court of any state.

Credit Facility means, with respect to a Series of Bonds, any insurance, letter of credit or other instrument or agreement which secures or guarantees the payment of principal of and interest on a Series of Bonds, issued by an insurance company, bank or other financial institution, as from time to time supplemented or amended pursuant to its terms, or, in the event of the delivery or availability of an Alternate Credit Facility for such Series of Bonds, such Alternate Credit Facility.

Credit Facility Fund means, a fund by that name established pursuant to the provisions of the Indenture.

Credit Facility Provider means, with respect to a Series of Bonds, the bank, insurance company, pension fund or other financial institution issuing (or having primary obligation, or acting as agent for the entities obligated, under) a Credit Facility then in effect with respect to such Series of Bonds, and, upon the effectiveness of an Alternate Credit Facility for such Series of Bonds, means the bank, insurance company, pension fund or other financial institution or financial institutions then party to the Credit Facility.

Credit Facility Provider Failure means a failure of a Credit Facility Provider to pay a properly presented and conforming draw or request for advance under the Credit Facility or the filing or commencement of any bankruptcy or insolvency proceedings by or against a Credit Facility Provider or a Credit Facility Provider declares a moratorium on the payment of its unsecured debt obligations or repudiates the Credit Facility.

Daily Mode means, with respect to a Series of Bonds, the period with respect to such Series of Bonds when Daily Rates are in effect.

Daily Rate means, for each Interest Period within a Daily Mode, the interest rate borne by a Series of Bonds which is established pursuant to the provisions of the Indenture.

Daily Rate Period means, with respect to a Series of Bonds, each Interest Period with respect to such Series of Bonds which is established pursuant to the provisions of the Indenture.

DTC means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

Electronic Notice means notice by telegram, telex, telecopy, electronic mail or other telecommunications or electronic telecommunications device capable of creating a written notice that is operative as between the parties and acceptable for use by them.

Eligible Bonds means any Bonds other than Credit Facility Bonds, Liquidity Facility Bonds or Bonds owned by, for the account of, or on behalf of, the Authority or the Corporation or any other Member of the Obligated Group or any affiliate of any of them.

Environmental Laws means any federal, state or local law, statute, code, ordinance, regulation, requirement or rule relating to Hazardous Materials to which the Corporation or any property of the Corporation is subject.

Event of Bankruptcy means any of the following events:

(1) the Corporation (or any other Person obligated, as guarantor or otherwise, to make payments on the Bonds or under the Loan Agreement, the Master Indenture, Obligation No. 19 or any agreement entered into in connection with a Credit Facility, or an “affiliate” of the Corporation as defined in Section 101(2) of the Bankruptcy Code) or the Authority will (a) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee, liquidator or the like of the Corporation (or such other Person) or the Authority or of all or any substantial part of their respective property, (b) commence a voluntary case under the Bankruptcy Code, or (c) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts; or

(2) a proceeding or case will be commenced, without the application or consent of the Corporation (or any other Person obligated, as guarantor or otherwise, to make payments on the Bonds or under the Loan Agreement, the Master Indenture, Obligation No. 19 or any agreement entered into in connection with a Credit Facility, or an “affiliate” of the Corporation as defined in Section 101(2) of the Bankruptcy Code) or the Authority in any court of competent jurisdiction, seeking (a) the liquidation, reorganization, dissolution, winding up, or composition or adjustment of debts, of the Corporation (or any such other Person) or the Authority, (b) the appointment of a trustee, receiver, custodian, liquidator or the like of the Corporation (or any such other Person) or the Authority or of all or any substantial part of their respective property, or (c) similar relief in respect of the Corporation (or any such other Person) or the Authority under any law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts.

Event of Default, for purposes of the Indenture, means any of the events of default specified in the Indenture and, for purposes of the Master Indenture, means any of the events of default specified in the Master Indenture.

Expiration Date means (i) the date upon which a Credit Facility or a Liquidity Facility is scheduled to expire (taking into account any extensions of such Expiration Date by virtue of extensions of a particular Credit Facility or Liquidity Facility, from time to time) in accordance with its terms, including, without limitation, termination upon the effective date of an Alternate Credit Facility or Alternate Liquidity Facility delivered in accordance with the provisions of the Loan Agreement, and (ii) the date upon which a Credit Facility or a Liquidity Facility terminates following voluntary termination by the Corporation pursuant to the provisions of the Loan Agreement.

Favorable Opinion of Bond Counsel means an opinion of Bond Counsel, addressed to the Trustee, to the effect that the action proposed to be taken is authorized or permitted by the Indenture and will not, in and of itself, adversely affect any exclusion of interest on the Bonds from gross income for purposes of federal income taxation.

Fitch means Fitch, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, or, if such corporation dissolves or liquidates or no longer performs the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Corporation by notice to the Authority and the Trustee.

Hazardous Materials means dangerous, toxic or hazardous pollutants, contaminants, chemicals, waste, materials or substances (as defined in Environmental Laws), and also any urea formaldehyde, polychlorinated biphenyls, asbestos, asbestos containing materials, nuclear fuel or waste, radioactive materials, explosives, carcinogens and petroleum products, or any other waste, material, substance, pollutant or contaminant the improper storage, disposal or release of which would subject the person so storing, disposing or releasing (or the owner of the

property on which such action occurs) to any damages, penalties or liabilities under any applicable law, regulation, requirement or rule.

Holder or **Bondholder**, whenever used with respect to a Bond, means the person in whose name such Bond is registered.

Holder or **Obligation Holder**, whenever used with respect to an Obligation, means the registered owner of any Obligation in registered form or the bearer of any Obligation in coupon form that is not registered or is registered to bearer.

Indenture means that certain Indenture, dated as of June 1, 2008, between the Authority and the Trustee, as originally executed and as it may from time to time be supplemented, modified or amended in accordance with the terms thereof.

Interest Fund means the fund by that name established pursuant to the provisions of the Indenture.

Interest Rate Mode or **Mode** means for any Series of Bonds any Daily Mode, Weekly Mode, Commercial Paper Mode, Long Term Rate Mode or Auction Mode.

Investment Securities means any of the following:

- (1) United States Government Obligations;
- (2) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America: (a) Export-Import Bank; (b) Rural Economic Community Development Administration; (c) U.S. Maritime Administration; (d) Small Business Administration; (e) U.S. Department of Housing & Urban Development (PHAs); (f) Federal Housing Administration; and (g) Federal Financing Bank;
- (3) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America: (a) senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC); (b) obligations of the Resolution Funding Corporation (REFCORP); and (c) senior debt obligations of the Federal Home Loan Bank System;
- (4) U.S. dollar denominated deposit accounts, federal fund and bankers' acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P and maturing not more than three hundred sixty (360) calendar days after the date of purchase;
- (5) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1" or "A-1+" by S&P and which matures not more than two hundred seventy (270) calendar days after the date of purchase;
- (6) Investments in money market funds rated "AAAm" or "AAm-G" or better by S&P;
- (7) Pre-refunded municipal obligations defined as any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (a) which are rated, based on irrevocable escrow account or fund (the "escrow"), in the highest Rating Category of Moody's or S&P or any successors thereto; or (b) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or United States Government Obligations, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay

principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(8) Municipal obligations rated “Aaa/AAA” or general obligations of states of the United States of America with a rating of “A2/A” or higher by both Moody's and S&P; and

(9) Investment agreements with any financial institution that at the time of investment has long-term obligations rated in one of the three highest Rating Categories by each Rating Agency then rating both the Bonds and such obligations (but in all cases by at least one Rating Agency then rating the Bonds).

Issue Date means June 2, 2008.

Lease or Stanford Lease means that certain Restatement and Assignment of Lease (Hospital and Hoover Pavilion), dated November 1, 1997, as amended by Amendment of Lease, dated March 31, 2000, among Stanford University, as lessor, the Corporation, as lessee, and UCSF Stanford Health Care, as assignee, which amended and restated that certain Lease and License Agreement, dated as of April 20, 1984, between Stanford University, as lessor, and the Corporation, as lessee.

Lien means any mortgage or pledge of, or security interest in, or lien or encumbrance on, any Property, excluding Liens applicable to Property in which any Member has only a leasehold interest unless the Lien is with respect to such leasehold interest.

Liquidity Facility means a line of credit, letter of credit, standby bond purchase agreement or similar liquidity facility issued by a Liquidity Facility Provider which, by its terms, provides for the payment of the Purchase Price of a Series of Bonds tendered for purchase and not remarketed, delivered to the Tender Agent in accordance with the provisions of the Loan Agreement, or, in the event of the delivery of an Alternate Liquidity Facility, such Alternate Liquidity Facility, not to exceed the maximum rate of interest permitted by applicable law.

Liquidity Facility Account means an account by that name in a Purchase Fund established pursuant to the provisions of the Indenture.

Liquidity Facility Bonds means any Bond purchased with moneys drawn under (or otherwise obtained pursuant to the terms of) a Liquidity Facility, but excluding any Bonds no longer considered to be Liquidity Facility Bonds in accordance with the terms of the Liquidity Facility provided with respect to such Bond.

Liquidity Facility Provider means, with respect to a Series of Bonds, the bank, savings and loan association, insurance company, pension fund or other financial institution or any for profit corporation, nonprofit corporation or trust, including any educational institution, or combination thereof, which provides (or having primary obligation or acting as agent for the entities obligated, under) a Liquidity Facility then in effect with respect to a Series of Bonds.

Liquidity Facility Rate means the rate per annum, if any, specified in the Liquidity Facility as applicable to Liquidity Facility Bonds.

Loan Agreement or Agreement means that certain Loan Agreement, dated as of June 1, 2008, between the Authority and the Corporation, as originally executed and as it may from time to time be supplemented, modified or amended in accordance with the terms thereof and of the Indenture.

Loan Default Event means any of the events specified as such in the Loan Agreement.

Loan Repayments means the payments so designated and required to be made by the Corporation pursuant to the Loan Agreement.

Long-Term Conversion Date means each date on which the Bonds of any Series begin to bear interest at a Long Term Rate pursuant to the provisions of the Indenture.

Long Term Rate means, with respect to a Series of Bonds, an interest rate on such Series of Bonds which is established pursuant to the provisions of the Indenture.

Long Term Rate Mode means, with respect to each Series of Bonds, each period with respect to such Series of Bonds when a Long Term Rate is in effect.

Long Term Rate Period means, with respect to a Series of Bonds, each Interest Period established by the Corporation pursuant to the provisions of the Indenture and beginning on, and including, as applicable, the Issue Date for such Series of Bonds or the Long Term Conversion Date for such Series of Bonds and ending on, and including, the day preceding the last Interest Payment Date for such Long Term Rate Period.

Mandatory Credit/Liquidity Tender means the mandatory tender of Bonds pursuant to the provisions of the Indenture upon receipt by the Trustee of written notice from a Credit Facility Provider or a Liquidity Facility Provider, as applicable, that: (i) an event with respect to the Credit Facility or the Liquidity Facility, as applicable, has occurred which requires or gives such Credit Facility Provider or Liquidity Facility Provider the option to cause a mandatory tender of the Bonds of the applicable Series or the option to terminate such Credit Facility or Liquidity Facility upon notice and directing the Tender Agent to call Bonds of the applicable Series for mandatory tender; or (ii) the amount of an interest drawing under a Credit Facility will not be reinstated and directing the Tender Agent to call the Bonds of the applicable Series for mandatory tender. Mandatory Credit/Liquidity Tender will not include circumstances, if any, where a Liquidity Facility Provider may suspend or terminate its obligations to purchase securities without notice, in which case there will be no mandatory tender.

Mandatory Sinking Account Payment means the amount required by the Indenture to be paid by the Authority on any single date for the redemption or payment at maturity of Bonds of any Series.

Master Indenture means that certain Master Indenture of Trust, dated as of December 1, 1990, between the Corporation and First Interstate Bank, LTD., predecessor master trustee to BNY Western Trust Company, predecessor-in-interest to The Bank of New York Mellon Trust Company, N.A., formerly known as The Bank of New York Trust Company, N.A., as master trustee, as originally executed and as it may from time to time be supplemented, modified or amended in accordance with the terms thereof, including as amended and restated by the Amended and Restated Master Indenture of Trust, dated as of June 1, 2011, between the Corporation and the Master Trustee and, effective September 27, 2023, as amended and restated by the Second Amended and Restated Master Indenture of Trust, dated as of September 1, 2023, between the Corporation and the Master Trustee, a form of which is attached as APPENDIX C to this Reoffering Circular. For more information regarding the amendment of the Master Indenture, see “SECURITY FOR THE 2008 B-1 BONDS—The Master Indenture—Amendment of Master Indenture” in the forepart of this Reoffering Circular.

Master Trustee means The Bank of New York Mellon Trust Company, N.A., formerly known as The Bank of New York Trust Company, N.A. as successor-in-interest to BNY Western Trust Company, as successor master trustee to First Interstate Bank, LTD., a national banking association organized and existing under the laws of the United States of America, or its successor, as master trustee under the Master Indenture.

Maximum Interest Rate means with respect to all Bonds of any Series in the Daily Rate, the Weekly Rate, the Commercial Paper Rate and the Long-Term Rate, 12% per annum; provided, however, that the Maximum Interest Rate will not exceed the maximum interest rate permitted by law from time to time.

Members means the Corporation and each other Person that is then obligated under the Master Indenture.

Mode or Interest Rate Mode means for any Series of Bonds any Daily Mode, Weekly Mode, Commercial Paper Mode, Long Term Rate Mode or Auction Mode.

Moody's means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, or, if such corporation dissolves or liquidates or no longer performs the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Corporation by notice to the Authority and the Trustee.

Non-Recourse Indebtedness means any Indebtedness that is not a general obligation and that is secured by a Lien, liability for which is effectively limited to the Property subject to such Lien with no recourse, directly or indirectly, to any other Property of any Member.

Obligated Group means the Corporation and each other Person which becomes a Member of, and has not withdrawn from, the Obligated Group, in each case pursuant to the terms of the Master Indenture.

Obligation No. 19 means the obligation issued by the Corporation pursuant to the Master Indenture and Supplement No. 19.

Officer's Certificate means a certificate signed by the Authorized Representative of the Obligated Group Representative

Opinion of Counsel means a written opinion of counsel (who may be counsel for the Authority) selected by the Authority.

Optional Redemption Account means the account by that name in the Redemption Fund established pursuant to the provisions of the Indenture.

Outstanding, when used as of any particular time with reference to Bonds, means (subject to the provisions of the Indenture concerning disqualified Bonds) all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under the Indenture except: (1) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation; (2) Bonds with respect to which all liability of the Authority has been discharged in accordance with the defeasance provisions of the Indenture; (3) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds have been executed and delivered by the Trustee pursuant to the provisions of the Indenture; and (4) Bonds paid pursuant to the provisions of the Indenture relating to mutilated, lost, destroyed or stolen Bonds.

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

Prevailing Market Conditions means, in connection with the determination of the rate of interest with respect to any Series of Bonds, without limitation, the following factors: existing short-term market rates for securities, the interest on which is excluded from gross income for federal income tax purposes; indices of such short-term rates; the existing market supply and demand and the existing yield curves for short-term and long-term securities for obligations of credit quality comparable to such Series of Bonds, the interest on which is excluded from gross income for federal income tax purposes; general economic conditions, economic conditions in the health care industry and financial conditions that may affect or be relevant to such Series of Bonds; and such other facts, circumstances and conditions as the applicable Remarketing Agent, in its sole discretion, will determine to be relevant to the remarketing of such Series of Bonds at the principal amount thereof.

Principal Fund means the fund by that name established pursuant to the provisions of the Indenture.

Principal Office means with respect to the Trustee, the corporate trust office of the Trustee located at 333 Market Street, 18th Floor, San Francisco, California 94105, Attention: Corporate Trust Services, or such other or additional offices as may be designated by the Trustee from time to time.

Purchase Date means, with respect to Bonds of any Series, (i) if the Interest Rate Mode is the Daily Mode or the Weekly Mode, any Business Day, and (ii) each day that such Bond is subject to mandatory purchase; provided, however, that the date of the stated maturity of such Bond will not be a Purchase Date.

Purchase Fund means a fund by that name created and established pursuant to the provisions of the Indenture.

Rate Adjustment Date for Bonds of each Series means the first day on which each Auction Rate, Daily Rate, Weekly Rate, Commercial Paper Rate, or Long Term Rate becomes effective with respect to such Series of Bonds.

Rate Period means any period during which a single interest rate is in effect for a Bond.

Rating Agency means, as and to the extent applicable, any nationally recognized securities rating service, including Fitch or Moody's or S&P, then maintain a rating on the Bonds at the request, or upon application, of the Corporation.

Rating Category means a generic securities rating category, without regard to any refinement or gradation of or within such rating category by a numerical modifier or otherwise.

Rebate Fund means the fund by that name established pursuant to the provisions of the Indenture.

Redemption Fund means the fund by that name established pursuant to the provisions of the Indenture.

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

Regular Record Date means (a) with respect to any Interest Period during which the Interest Rate Mode is the Daily Mode or the Weekly Mode, the close of business on the last Business Day of such Interest Period, (b) with respect to any Interest Period during which the Interest Rate Mode is the Auction Mode, one Business Day preceding an Interest Payment Date for such Interest Period, (c) with respect to any Interest Period during which the Interest Rate Mode is the Long Term Rate Mode, the first day (whether or not a Business Day) of the calendar month during which the Interest Payment Date for such Interest Period occurs, and (d) with respect to any Interest Period during which the Interest Rate Mode is the Commercial Paper Mode, the Interest Payment Date for such Interest Period.

Remarketing Agent means any entity appointed to serve as a remarketing agent for a Series of Bonds pursuant to the provisions of the Indenture, and its successors or assigns.

Remarketing Agreement means any remarketing agreement entered into between the Corporation and a Remarketing Agent, providing for the remarketing of any Series of Bonds tendered for purchase, as originally executed and as from time to time amended or supplemented in accordance with the terms thereof.

Remarketing Proceeds Account means an account by that name established in a Purchase Fund.

Repository means any Nationally Recognized Municipal Securities Information Repository for purposes of Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Representation Letter means the Blanket Issuer Letter of Representation delivered to DTC by the Authority and any supplements and amendments thereto or any replacement therefor.

Required Stated Amount means with respect to a Credit Facility or a Liquidity Facility provided for any Series of Bonds, at any time of calculation, an amount equal to the aggregate principal amount of all of such Series of Bonds then Outstanding together with interest accruing thereon (assuming an annual rate of interest equal to twelve percent (12%) per annum) for the period specified in a Certificate of the Corporation to be the minimum period specified by the Rating Agencies then rating such Series of Bonds as necessary to obtain (or maintain) a specified short-term rating for such Series of Bonds.

Revenues means all amounts received by the Authority or the Trustee for the account of the Authority under the Indenture pursuant or with respect to the Loan Agreement or Obligation No. 19, including, without limiting the generality of the foregoing, Loan Repayments (including both timely and delinquent payments, any late charges, and regardless of source), prepayments, insurance proceeds, condemnation proceeds, and all interest, profits

or other income derived from the investment of amounts in any fund or account established pursuant to the Indenture, but not including any Administrative Fees and Expenses, any moneys required to be deposited or on deposit in the Rebate Fund and any Purchase Fund or any amounts paid by the Corporation pursuant to the Loan Agreement.

S&P means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, a corporation organized and existing under the laws of the State of New York, its successors and their assigns, or, if such corporation dissolves or liquidates or no longer performs the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Corporation by notice to the Authority and the Trustee.

Securities Depository means DTC and its successors and assigns, or any other securities depository selected pursuant to the provisions of the Indenture, which agrees to follow the procedures required to be followed by such securities depository in connection with the Bonds.

Series or **Series of Bonds** means all bonds issued under the Indenture and designated as being of the same series, authenticated and delivered in a simultaneous transaction, regardless of variations in maturity, interest rate, redemption and other provisions, and any bonds thereafter authenticated and delivered upon transfer or exchange or in lieu of or in substitution for (but not to refund) such bonds as provided in the Indenture.

SIFMA Municipal Swap Index means, on any date, a rate determined on the basis of the seven-day high grade market index of tax-exempt variable rate demand obligations, as produced by Municipal Market Data and published or made available by the Securities Industry and Financial Markets Association (SIFMA), or any Person acting in cooperation with or under the sponsorship of SIFMA and acceptable to the Trustee, and effective from such date.

Sinking Account means each account by that name in the Principal Fund established pursuant to the provisions of the Indenture.

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

Special Redemption Account means the account by that name in the Redemption Fund established pursuant to the provisions of the Indenture.

Stanford University or **University** means The Board of Trustees of the Leland Stanford Junior University, a body having corporate powers under the Constitution and laws of the State.

State means the State of California.

Supplemental Indenture means any supplemental indenture duly authorized and entered into between the Authority and the Trustee, supplementing, modifying or amending the Indenture; but only if and to the extent that such Supplemental Indenture is specifically authorized under the Indenture.

Supplement or **Supplement No. 19** means that certain Supplemental Master Indenture for Obligation No. 19, dated as of June 1, 2008, between the Corporation and the Master Trustee.

Supplement No. 19 or **Supplement** means that certain Supplemental Master Indenture for Obligation No. 19, dated as of June 1, 2008, between the Corporation and the Master Trustee.

Tax Agreement means that certain Tax Certificate and Agreement, dated the Issue Date, between the Authority and the Corporation, as originally executed and as it may from time to time be supplemented, modified or amended in accordance with the terms of the Tax Agreement.

Tender Agent means the Trustee or any successor thereto, as Trustee under the provisions of the Indenture.

Trustee or **Bond Trustee** means Wells Fargo Bank, National Association, a national banking association organized and existing under the laws of the United States of America, or any successor to its duties under the Indenture.

Undelivered Bonds means any Bond which constitutes an Undelivered Bond under the provisions of the Indenture.

United States Government Obligations means obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest, including, but not limited to: (i) U.S. treasury obligations; (ii) all direct or fully guaranteed obligations; (iii) Farmers Home Administration; (iv) General Services Administration; (v) Guaranteed Title XI financing; (vi) Government National Mortgage Association (GNMA); and (vii) State and Local Government Series.

Weekly Mode means, with respect to a Series of Bonds, the period with respect to such Series of Bonds when Weekly Rates are in effect.

Weekly Rate means, for each Interest Period within a Weekly Mode, the interest rate borne by a Series of Bonds which is established pursuant to the provisions of the Indenture.

Weekly Rate Period means, with respect to a Series of Bonds, each Interest Period with respect to such Series of Bonds when a Weekly Rate is in effect.

SUPPLEMENTAL MASTER INDENTURE FOR OBLIGATION NO. 19

General

Supplement No. 19 provides for the issuance of Obligation No. 19 pursuant to the Master Indenture and provides the terms and form thereof. Obligation No. 19 further secures the obligation of the Corporation arising under and pursuant to the Loan Agreement with respect to the Bonds.

Payments on Obligation No. 19; Credits

Principal of and interest and any applicable redemption premium on Obligation No. 19 are payable in any coin or currency of the United States of America that on the payment date is legal tender for the payment of public and private debts. Except as provided in the paragraph immediately following this paragraph with respect to credits, and as described under the caption "Prepayment of Obligation No. 19" below regarding prepayment, payments on the principal of and premium, if any, and interest on Obligation No. 19 will be made at the times and in the amounts specified in Obligation No. 19 by the Corporation (i) depositing the same with or to the account of the Trustee at or prior to the opening of business on the day such payments become due or payable (or on the next succeeding business day if such date is a Saturday, Sunday or bank holiday in the city in which the principal corporate trust office of the Trustee is located) and (ii) giving a notice to the Master Trustee and the Trustee of each payment of principal, interest or premium on Obligation No. 19, specifying the amount paid, and identifying such payment as a payment on Obligation No. 19.

The Corporation will receive credit for payment on Obligation No. 19, in addition to any credits resulting from payment or prepayment from other sources, as follows:

- (i) On installments of interest on Obligation No. 19 in an amount equal to moneys deposited in the Interest Fund created under the Indenture, to the extent such amounts have not previously been credited against payments on Obligation No. 19;
- (ii) On installments of principal of Obligation No. 19 in an amount equal to moneys deposited in the Principal Fund created under the Indenture, to the extent such amounts have not previously been credited on Obligation No. 19;

(iii) On installments of principal and interest, respectively, on Obligation No. 19 in an amount equal to the principal amount of Bonds for the payment or redemption of which sufficient amounts (as determined by the provisions of the Indenture described below under the caption “The Indenture - Discharge of Bonds and the Indenture”) in cash or United States Government Obligations are on deposit as provided pursuant to the discharge provisions of the Indenture, to the extent such amounts have not been previously credited against payments on Obligation No. 19, and the interest on such Bonds from and after the date fixed for payment at maturity or redemption thereof. Such credits will be made against the installments of principal of and interest on Obligation No. 19 that would have been used, but for such call for redemption, to pay principal of and interest on such Bonds when due at maturity or called for redemption; and

(iv) On installments of principal and interest, respectively, on Obligation No. 19 in an amount equal to the principal amount of Bonds acquired by the Corporation and delivered to the Trustee for cancellation or purchased by the Trustee and cancelled, and the interest on such Bonds from and after the date interest thereon has been paid prior to cancellation. Such credits will be made against the installments of principal of and interest on Obligation No. 19 that would have been used, but for such cancellation, to pay principal of and interest on such Bonds when due and, with respect to Bonds called for mandatory redemption, against principal installments that would have been used to pay Bonds of the same maturity.

Prepayment of Obligation

So long as all amounts that have become due under Obligation No. 19 have been paid, the Corporation will have the right, at any time and from time to time, to pay in advance and in any order of due dates all or part of the amounts to become due under Obligation No. 19. Prepayments may be made by payments of cash or surrender of Bonds as described above under the caption “Payments on Obligation No. 19; Credits”. All such prepayments (and the additional payment of any amount necessary to pay the applicable redemption premium, if any, payable upon the redemption of Bonds) will be deposited upon receipt in the Optional Redemption Account and, at the request of and as determined by the Corporation, credited against payments due under Obligation No. 19 or used for the redemption or purchase of Outstanding Bonds in the manner and subject to the terms and conditions set forth in the Indenture and in the Loan Agreement. Notwithstanding any such redemption or surrender of Bonds, as long as any Bond remains outstanding under the Indenture or any additional payments required to be made under Obligation No. 19 remain unpaid, the Corporation will not be relieved of its obligations under the Master Indenture, including Supplement No. 19.

Prepayments made under Supplement No. 19 will be credited against amounts to become due on Obligation No. 19 as described above, under the caption “Payments on Obligation No. 19; Credits” and as described in the Loan Agreement.

The Corporation may also prepay all of its indebtedness under Obligation No. 19 by providing for prepayment of the Bonds in accordance with the defeasance provisions of the Indenture.

Registration, Number, Negotiability and Transfer of Obligations

Except as described in the paragraph immediately following this paragraph, so long as any Bond remains outstanding, Obligation No. 19 consists of a single Obligation without coupons registered as to principal and interest in the name of the Trustee and no transfer of Obligation No. 19 will be registered under the Master Indenture except for transfers to a successor Trustee.

Upon the principal of all Obligations then Outstanding being declared immediately due and payable upon and during the continuance of an Event of Default, Obligation No. 19 may be transferred if and to the extent the Trustee requests that the restrictions described in the preceding paragraph on transfers be terminated.

Right to Redeem

Obligation No. 19 will be subject to redemption, in whole or in part, prior to the maturity at the times and in the amounts applicable to redemption of the Bonds as specified in the Indenture; provided that in no event will any portion of Obligation No. 19 be redeemed unless a corresponding amount of Bonds is also redeemed.

THE INDENTURE

The Indenture sets forth the terms of the Bonds, issued pursuant to the Indenture, the nature and extent of the security, various rights of the Bondholders, the rights, duties, and immunities of the Trustee and the rights and obligations of the Authority.

Pledge and Assignment; Revenue Fund

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, there are pledged to secure the payment of the principal of, premium, if any, and interest on the Bonds, in accordance with their terms and the provisions of the Indenture, all of the Revenues and any other amounts (including proceeds of the sale of the Bonds) held in any fund or account established pursuant to the Indenture (excluding moneys on deposit in the Rebate Fund, any Purchase Fund, Administrative Fees and Expenses and any amounts paid by the Corporation pursuant to the payment of expense and indemnification provisions of the Loan Agreement). Said pledge constitutes a lien on and security interest in such assets and will attach, be perfected and be valid and binding from and after delivery by the Trustee of the Bonds, without any physical delivery thereof or further act.

Pursuant to the provisions of the Indenture, the Authority transfers in trust, grants a security interest in and assigns to the Trustee, for the benefit of the Holders from time to time of the Bonds, all of the Revenues and other assets pledged as described in the immediately preceding paragraph and all of the right, title and interest of the Authority in the Loan Agreement (except for (i) the right to receive any Administrative Fees and Expenses and any other fees and expenses of the Authority to the extent payable to the Authority, (ii) any rights of the Authority or its officers, directors, members, agents or employees to reimbursement or indemnification, (iii) the obligation of the Corporation to make deposits to the Rebate Fund pursuant to the Tax Agreement and (iv) any rights of the Authority to receive notices and opinions, to give consents and to make inspections), and Obligation No. 19. The Trustee will be entitled to and will collect and receive all of the Revenues, and any Revenues collected or received by the Authority will be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and will forthwith be paid by the Authority to the Trustee. The Trustee also will be entitled to and, subject to the provisions of the Indenture, will take all steps, actions and proceedings reasonably necessary in its judgment to enforce all of the rights of the Authority which have been assigned to the Trustee, all of the obligations of the Corporation under the Loan Agreement, other than for those items excluded pursuant to the provisions of the Indenture described in this paragraph, and all of the obligations of the Corporation and the other Members of the Obligated Group under Obligation No. 19. All Revenues deposited with the Trustee will be held, disbursed, allocated and applied by the Trustee only as provided in the Indenture.

Establishment of Funds and Accounts

The Indenture creates an Interest Fund, a Revenue Fund, a Principal Fund, including the Sinking Accounts to be established therein, a Rebate Fund, and a Redemption Fund, including the Optional Redemption Account and the Special Redemption Account to be established therein. All such funds and accounts will be established, maintained and held in trust by the Trustee and applied in accordance with the provisions set forth in the Indenture.

Funding and Application of the Interest Fund. Moneys in the Interest Fund will be held, disbursed, allocated and applied by the Trustee only as provided in the Indenture. The Trustee will deposit the following Revenues in the Interest Fund when and as such Revenues are received: (1) the interest component of all Loan Repayments, including the interest component of all cash prepayments of Loan Repayments made pursuant to the provisions of the Loan Agreement; (2) the interest component of all payments made pursuant to Obligation No. 19; (3) all interest, profits and other income received from the investment of moneys in the Interest Fund; and (4) any other Revenues not required to be deposited in any other fund or account established pursuant to the Indenture. All

amounts in the Interest Fund will be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds, as the same becomes due and payable (including accrued interest with respect to any Bonds, purchased or redeemed prior to maturity pursuant to the Indenture) or to reimburse a Credit Facility Provider for drawings made under a Credit Facility for such purpose. In the event a Credit Facility in the form of a letter of credit is in effect with respect to a Series of Bonds and sufficient funds are not provided pursuant to a drawing on such Credit Facility to pay interest on any Interest Payment Date due to default, repudiation or dishonor by the Credit Facility Provider, the Trustee will notify the Corporation of the amount of the shortfall as soon as practicable and will apply amounts on deposit in the Interest Fund to pay interest to the Holders rather than to reimburse such Credit Facility Provider.

Funding and Application of the Principal Fund. Moneys in the Principal Fund will be held, disbursed, allocated and applied by the Trustee only as provided in the Indenture. The Trustee will deposit the following Revenues in the Principal Fund when and as such Revenues are received: (1) the principal component of all Loan Repayments, but excluding the principal component of all cash prepayments of Loan Repayments made pursuant to the provisions of the Loan Agreement, which will be deposited in the Redemption Fund; (2) the principal component of all payments made pursuant to Obligation No. 19, but excluding the principal component of all cash prepayments of Loan Repayments made pursuant to Obligation No. 19, which will be deposited in the Redemption Fund; and (3) all interest, profits and other income received from the investment of moneys in the Principal Fund. All amounts in the Principal Fund will be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds as the same becomes due and payable, except that all amounts in the Sinking Accounts will be used and withdrawn by the Trustee solely to purchase, redeem or pay on their stated maturity dates the Series and maturity of Bonds to which such Sinking Account relates, as provided in the Indenture or to reimburse a Credit Facility Provider for drawings made under a Credit Facility for such purpose. In the event a Credit Facility in the form of a letter of credit is in effect with respect to a Series of Bonds and sufficient funds are not provided pursuant to a drawing on such Credit Facility to pay principal on any Mandatory Sinking Account Payment date or any other date on which principal is payable due to default, repudiation or dishonor by the Credit Facility Provider, the Trustee will notify the Corporation of the amount of the shortfall as soon as practicable and will apply amounts on deposit in the Principal Fund to pay interest to the Holders rather than to reimburse such Credit Facility Provider.

The Trustee will establish and maintain within the Principal Fund a separate Sinking Account for each Series of Bonds. On each Mandatory Sinking Account Payment date (or, as and to the extent applicable, on the Interest Payment Date preceding such Mandatory Sinking Account Payment Date as provided in the Indenture), the Trustee will apply the Mandatory Sinking Account Payment required on that date to the redemption (or payment at maturity, as the case may be) of Bonds of the Series and maturity for which such Sinking Account was established, upon the notice and in the manner provided in the Indenture, provided that, at any time prior to giving notice of such redemption, the Trustee may apply moneys in such Sinking Account to the purchase of Bonds of such Series and maturity for which such Sinking Account was established at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Fund) as directed in writing by the Corporation, except that the purchase price (excluding accrued interest) will not exceed the par value of such Bonds. If, during the twelve-month period immediately preceding said Mandatory Sinking Account Payment date, the Trustee has purchased Bonds of such Series and maturity with moneys in such Sinking Account, or, during said period and prior to giving said notice of redemption, the Corporation has deposited Bonds of such Series and maturity with the Trustee (together with a Request of the Corporation to apply such Bonds so deposited to the Mandatory Sinking Account Payment due on said date with respect to Bonds of such Series and maturity), or Bonds of such Series and maturity were at any time purchased or redeemed by the Trustee from the Redemption Fund and allocable to said Mandatory Sinking Account Payment, such Bonds so purchased or deposited or redeemed will be applied, to the extent of the full principal amount thereof, to reduce said Mandatory Sinking Account Payment. All Bonds purchased or deposited pursuant to the provisions of the Indenture described herein, if any, will be cancelled and destroyed. Any amounts remaining in a Sinking Account when all of the Bonds for which such account was established are no longer Outstanding will be withdrawn by the Trustee and transferred to the Principal Fund. Bonds purchased from a Sinking Account, purchased or redeemed from the Redemption Fund, or deposited by the Corporation with the Trustee will be allocated first to the next succeeding Mandatory Sinking Account Payment for Bonds of such Series and maturity, then as a credit against such future Mandatory Sinking Account Payments for Bonds of such Series and maturity as the Corporation may specify.

Funding and Application of the Redemption Fund. Moneys in the Redemption Fund will be held, disbursed, allocated and applied by the Trustee only as provided in the Indenture. The Trustee will establish and maintain within the Redemption Fund a separate Optional Redemption Account and a separate Special Redemption Account. The Trustee will deposit the following Revenues in the Optional Redemption Account when and as such Revenues are received: (1) except as provided in the provisions of the Indenture described in the following paragraph, the principal component of all cash prepayments of Loan Repayments made pursuant to the provisions of the Loan Agreement; (2) except as provided in the provisions of the Indenture described in the following paragraph, the principal component of all cash prepayments made pursuant to Obligation No. 19; and (3) all interest, profits and other income received from the investment of moneys in the Optional Redemption Account.

The Trustee will deposit the following Revenues in the Special Redemption Account when and as such Revenues are received: (1) the principal component of all cash prepayments of Loan Repayments made pursuant to the provisions of the Loan Agreement which are specified in a Certificate of the Corporation to have been derived from insurance or condemnation proceeds received with respect to the health care facilities of the Corporation or proceeds of a sale, lease or other disposition of all or a portion of the facilities refinanced by the proceeds of the Bonds; (2) the principal component of all cash prepayments made pursuant to Obligation No. 19 which are specified in a Certificate of the Corporation to have been derived from insurance or condemnation proceeds received with respect to the health care facilities of the Corporation or proceeds of a sale, lease or other disposition of all or a portion of the facilities refinanced by the proceeds of the Bonds; and (3) all interest, profits and other income received from the investment of moneys in the Special Redemption Account.

All amounts deposited in the Optional Redemption Account and in the Special Redemption Account will be used and withdrawn by the Trustee solely for the purpose of redeeming Bonds, in the manner and upon the terms and conditions specified in the Indenture, at the next succeeding date of redemption for which notice has not been given and at the Redemption Prices then applicable to redemptions from the Optional Redemption Account and the Special Redemption Account, respectively, or to reimburse a Credit Facility Provider with respect to drawings made under a Credit Facility; provided that, at any time prior to the selection of Bonds, for such redemption, the Trustee will, upon written direction of the Corporation, apply such amounts to the purchase of Bonds, at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Fund) as the Corporation may direct in writing, except that the purchase price (exclusive of accrued interest) may not exceed the Redemption Price then applicable to such Bonds (or, if such Bonds, are not then subject to redemption, the par value of such Bonds); and provided further that in the case of the Optional Redemption Account in lieu of redemption at such next succeeding date of redemption, or in combination therewith, amounts in such Optional Redemption Account may be transferred to the Revenue Fund and credited against Loan Repayments in order of their due date as set forth in a Request of the Corporation. All Bonds purchased or redeemed from the Redemption Fund will be allocated to the Mandatory Sinking Account Payments specified by the Corporation in writing.

Funding and Application of the Rebate Fund. The Trustee will establish and maintain a fund separate from any other fund established and maintained under the Indenture designated as the Rebate Fund. Within the Rebate Fund, the Trustee will maintain such accounts as will be necessary in order to comply with the Tax Agreement. Subject to the transfer provisions provided in the Indenture, all money at any time deposited in the Rebate Fund will be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Agreement), for payment to the federal government of the United States of America. Neither the Authority, the Corporation, nor any Credit Facility Provider, nor any Liquidity Provider nor the Holder of any Bonds, will have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund will be governed by the provisions of the Indenture and by the Tax Agreement. The Trustee will be deemed conclusively to have complied with such provisions if it follows the directions of the Corporation and will have no liability or responsibility to enforce compliance by the Corporation or the Authority with the terms of the Tax Agreement.

Investment of Moneys in Funds and Accounts

Subject to the limitations set forth in the Indenture, all moneys in any of the funds and accounts established pursuant to the Indenture (other than any Purchase Fund and any Credit Facility Fund) will be invested by the Trustee solely at the written direction of the Corporation and solely in Investment Securities. Investment Securities

will be purchased at such prices as the Corporation may direct. All Investment Securities will be acquired subject to the limitations as to maturities and other matters as are set forth in the Indenture and such additional limitations or requirements consistent with the foregoing as may be established by Request of the Corporation. In the absence of any other written direction from the Corporation, the Trustee will invest solely in Investment Securities specified in clause (6) of the definition thereof. Unless otherwise specifically provided in the Indenture, ratings and credit criteria specified with respect to any Investment Security will refer to the ratings assigned and the credit of the issuing or guaranteeing organization at the time such Investment Security is acquired. Moneys in any Purchase Fund and any Credit Facility Fund will be held uninvested. Moneys in all other funds and accounts will be invested in Investment Securities maturing not later than the date on which it is estimated that such moneys will be required for the purposes specified in the Indenture. Investment Securities purchased under a repurchase agreement may be deemed to mature on the date or dates on which the Trustee may deliver such Investment Securities for repurchase under such agreement.

All interest, profits and other income received from the investment of moneys in the Interest Fund and the Rebate Fund will be deposited when received in each such fund or account. All interest, profits and other income received from the investment of moneys in any other fund or account established pursuant to the Indenture will be deposited when received in such fund or account. Notwithstanding any other provision of the Indenture to the contrary, an amount of interest received with respect to any Investment Security equal to the amount of accrued interest, if any, paid as part of the purchase price of such Investment Security will be credited to the fund or account for the credit of which such Investment Security was acquired.

Investment Securities acquired as an investment of moneys in any fund or account established under the Indenture will be credited to such fund or account. Subject to the provisions of the Indenture, the Trustee may commingle any of the funds or accounts established pursuant to the Indenture (other than any Purchase Fund, any Credit Facility Fund and Rebate Fund) into a separate fund or funds for investment purposes only, provided that all funds or accounts held by the Trustee under the Indenture will be accounted for separately as required by the Indenture. The Trustee or its affiliates may act as principal or agent in the making or disposing of any investment and may also act as sponsor, advisor or manager in connection with any investments. The Trustee may sell or present for prepayment or redemption, any Investment Securities so purchased whenever it will be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such Investment Security is credited, and, subject to the provisions of the Indenture, the Trustee will not be liable or responsible for any loss resulting from any investment made in accordance with provisions of the Indenture. The Trustee will not be responsible for any tax, fee or other charge in connection with any investment, reinvestment or the liquidation thereof.

Credit Facilities; Credit Facility Funds

The Trustee will hold and maintain each Credit Facility, if any, for the benefit of the Holders of the Series of Bonds to which such Credit Facility relates until such Credit Facility expires in accordance with its terms. Subject to the provisions of the Indenture, the Trustee will enforce all terms, covenants and conditions of each Credit Facility, including payment when due of any draws on such Credit Facility, and the provisions relating to the payment of draws on, and reinstatement of amounts that may be drawn under, such Credit Facility, and will not consent to, agree to or permit any amendment or modification of such Credit Facility which would materially adversely affect the rights or security of the Holders. If at any time during the term of a Credit Facility any successor Trustee will be appointed and qualified under the Indenture, the resigning or removed Trustee will request that the Credit Facility Provider transfer such Credit Facility to the successor Trustee. If the resigning or removed Trustee fails to make this request, the successor Trustee will do so before accepting appointment. When a Credit Facility expires in accordance with its terms or is replaced by an Alternate Credit Facility, the Trustee will immediately surrender such Credit Facility to the then-existing Credit Facility Provider; provided, however that the Trustee will not surrender such Credit Facility until all draws under such Credit Facility will have been honored. All provisions in the Indenture relating to the rights of a Credit Facility Provider will be of no force and effect if there is no Credit Facility or Alternate Credit Facility in effect and, if a Credit Facility Provider and a Liquidity Facility Provider are the same entity, there are no Liquidity Facility Bonds and all amounts owing to such Credit Facility Provider and, if a Credit Facility Provider and a Liquidity Facility Provider are the same entity, such Liquidity Facility Provider hereunder and under the agreement then in effect with respect to such Credit Facility have been paid.

Unless a Credit Facility Provider Failure has occurred and is continuing, the principal and Redemption Price of, and interest on, a Series of Bonds secured by a Credit Facility will be paid solely with Available Moneys. While a Credit Facility in the form of a letter of credit is in effect with respect to any Series of Bonds, the Trustee will, on the Business Day preceding each Interest Payment Date and Principal Payment Date (or other date upon which principal of such Bonds is due), draw on the applicable Credit Facility in accordance with the terms thereof so as to receive thereunder by 3:00 p.m., New York City time, on said Interest Payment Date and Principal Payment Date (or other date upon which principal of such bonds is due), an amount, in immediately available funds, equal to the amount of interest and principal payable on such Series of Bonds on such Interest Payment Date and Principal Payment Date (or other date upon which principal of such Bonds is due). The proceeds of such draws will be deposited in the applicable Credit Facility Fund pursuant to the provisions of the Indenture and will be applied to pay principal of and interest on the applicable Series of Bonds prior to the application of any other funds held by the Trustee therefor. Amounts held in a Credit Facility Fund will be held uninvested and separate and apart from all other funds and accounts. Notwithstanding the foregoing, if a Credit Facility Provider and a Liquidity Facility Provider for a Series of Bonds are the same entity, the Trustee will not draw on the Credit Facility with respect to any payments due or made in connection with Liquidity Facility Bonds. In no event will the Trustee draw on a Credit Facility with respect to any payments made in connection with Bonds not covered by such Credit Facility or Bonds owned by the Corporation or any Member.

If a Credit Facility in the form of a letter of credit is provided in connection with any Series of Bonds, the Trustee will establish, maintain and hold in trust a special fund designated as a "Credit Facility Fund." The Trustee will deposit in such Credit Facility Fund all moneys derived from a drawing under a Credit Facility for the purpose of paying the principal of and interest on the Series of Bonds secured by such Credit Facility when due. Moneys held in a Credit Facility Fund will be held uninvested and will not be commingled with any other moneys. Moneys in a Credit Facility Fund will be withdrawn by the Trustee from such Credit Facility Fund and applied to the payment of the principal of and interest on the Series of Bonds secured by such Credit Facility on each Principal Payment Date for such Bonds (or other date upon which principal of such Bonds is due) and Interest Payment Date for such Bonds, provided that such moneys will not be used to pay the principal of or interest on any Bonds not secured by the Credit Facility to which such Credit Facility Fund relates or Bonds owned by the Corporation or any Member.

Events of Default and Remedies

Events of Default. The following events will be Events of Default:

- (a) default in the due and punctual payment of the principal or Redemption Price of any Bond, when and as the same becomes due and payable, whether at maturity, by proceedings for redemption, including redemption from Mandatory Sinking Account Payments, by declaration of acceleration or otherwise;
- (b) default in the due and punctual payment of any installment of interest on any Bond, when and as such interest installment becomes due and payable;
- (c) failure to pay the Purchase Price of any Bond tendered or subject to mandatory tender;
- (d) default by the Authority in the observance of any of the other covenants, agreements or conditions on its part in the Indenture or in the Bonds, contained, if such default will have continued for a period of 60 days after written notice thereof, specifying such default and requiring the same to be remedied, will have been given to the Authority and the Corporation by the Trustee or to the Authority, the Corporation and the Trustee by a Credit Provider, if any, or the Holders of not less than 25% in aggregate principal amount of the Bonds at the time Outstanding;
- (e) a Loan Default Event;
- (f) receipt by the Trustee of notice from a Credit Facility Provider (if any) that an Event of Default (as defined in the agreement entered into by the Corporation with such Credit Facility Provider) has occurred under

such agreement and which notice directs the Trustee to accelerate the Bonds of the Series to which such Credit Facility relates; or

(g) receipt by the Trustee of notice from a Credit Facility Provider that the amount of an interest drawing under the Credit Facility provided by such Credit Facility Provider will not be reinstated as provided in such Credit Facility.

Cancellation of conversion of a Series of Bonds from one Mode to another, including cancellation of conversion due to a failure to remarket, will not constitute an “Event of Default” under the Indenture.

Acceleration of Maturities. Subject to the rights of a Credit Facility Provider providing a Credit Facility for a Series of Bonds set forth in the provisions of the Indenture, if an Event of Default will occur, then, and in each and every such case during the continuance of such Event of Default, the Trustee may, and upon the written direction of the Holders of a majority in aggregate principal amount of the Bonds then Outstanding, the Trustee will, notify the Master Trustee of such Event of Default, may make a demand for payment under Obligation No. 19 and may request the Master Trustee in writing to give notice pursuant to the Master Indenture to the Members of the Obligated Group declaring the principal of all obligations issued under the Master Indenture then outstanding to be due and immediately payable. Upon such declaration by the Master Trustee and upon notice in writing to the Authority and the Corporation, the Trustee will declare the principal of the Bonds, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same will become and will be immediately due and payable, anything in the Indenture or in the Bonds contained to the contrary notwithstanding. In addition, the Trustee may take whatever action at law or in equity is necessary or desirable to collect the payments due under Obligation No. 19. Notwithstanding the foregoing or any other provision of the Indenture to the contrary, upon the occurrence of an Event of Default under the provisions of the Indenture described in (f) or (g) under the heading “Events of Default” above, upon receipt of notice of an Event of Default described in (f) or (g) above from a Credit Facility Provider directing acceleration of a Series of Bonds, the Trustee will declare the principal of the Bonds of the applicable Series, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same will become and will be immediately due and payable.

Notice of such declaration having been given as aforesaid, anything to the contrary contained in the Indenture or in the Bonds to the contrary notwithstanding, interest will cease to accrue on such Bonds from and after the date of such notice of acceleration. Upon a declaration of acceleration pursuant to the Indenture applicable to any Series of Bonds then secured by Credit Facility in the form of a letter of credit, the Trustee will immediately draw on such Credit Facility then in effect in accordance with its terms, as provided in the Indenture, in an amount sufficient to pay principal and interest on the Bonds secured by such Credit Facility, and will immediately apply the proceeds of such draw to the payment of such Bonds.

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 will have been obtained or entered, there will be deposited with the Trustee a sum sufficient to pay all the principal or Redemption Price of and installments of interest on the Bonds payment of which is overdue, with interest on such overdue principal at the rates borne by the respective Bonds, and the reasonable fees, charges and expenses of the Trustee, and if the Trustee has received notification from the Master Trustee that the declaration of acceleration of Obligation No. 19 has been annulled pursuant to the Master Indenture and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) will have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate will have been made therefor, (provided that if a Credit Facility was drawn upon in connection with such Event of Default, such Credit Facility has been reinstated and in the case of an Event of Default described in the Indenture, the notice provided by such Credit Facility Provider will have been rescinded by such Credit Facility Provider), then, and in every such case, the Holders of not less than a majority in aggregate principal amount of the Bonds Outstanding, by written notice to the Authority, the Corporation and the Trustee, or the Trustee may, on behalf of the Holders of all the Bonds, rescind and annul such declaration and its consequences and waive such default; provided that no such rescission and annulment will extend to or will affect any subsequent default or will impair or exhaust any right or power consequent thereon. The Trustee will give written notice to each Credit Facility Provider, if any, and each Liquidity Facility Provider, if any, of such rescission and annulment. In the case of any such rescission and

annulment, the Authority, the Corporation, the Trustee and the Holders will be restored to their former positions and rights under the Indenture.

Trustee to Represent Bondholders. Subject to the provisions of the Indenture relating to the rights of the Credit Facility Providers to direct remedies with respect to the applicable Series of Bonds, upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Bondholders, the Trustee in its discretion may, and upon the written request of the Holders of not less than 25% in aggregate principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, will, proceed to protect or enforce its rights or the rights of such Holders by such appropriate action, suit, mandamus or other proceedings as it will 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 the Indenture, or in aid of the execution of any power in the Indenture granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee, or in such Holders under the Indenture, the Loan Agreement, Obligation No. 19, the Act or any other law; and upon instituting such proceeding, the Trustee will be entitled, as a matter of right, to the appointment of a receiver of the Revenues and other assets pledged under the Indenture, pending such proceedings. If more than one such request is received by the Trustee from the Holders, the Trustee will follow the written request executed by the Holders of the greater percentage of Bonds then Outstanding in excess of twenty-five percent (25%). All rights of action under the 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 will be brought in the name of the Trustee for the benefit and protection of all the Holders of such Bonds, subject to the provisions of the Indenture.

Bondholders' Direction of Proceedings. Subject to the provisions of the Indenture relating to the rights of the Credit Facility Providers to direct remedies with respect to the applicable Series of Bonds, the Holders of a majority in aggregate principal amount of the Bonds then Outstanding will have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, and upon indemnifying the Trustee to its satisfaction therefor, to direct the method of conducting all remedial proceedings taken by the Trustee under the Indenture, provided that such direction will not be otherwise than in accordance with law and the provisions of the Indenture, and that the Trustee will have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

Limitation on Bondholders' Right to Sue. Subject to the provisions of the Indenture relating to the rights of the Credit Facility Providers to direct remedies with respect to the applicable Series of Bonds, no Holder of any Bond will have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under the Indenture, the Loan Agreement, Obligation No. 19, the Act or any other applicable law with respect to such Bond, unless: (1) such Holder will have given to the Trustee written notice of the occurrence of an Event of Default; (2) the Holders of not less than 25% in aggregate principal amount of the Bonds then Outstanding will have made written request upon the Trustee to exercise the powers granted in the Indenture or to institute such suit, action or proceeding in its own name; provided, however, that if more than one such request is received by the Trustee from the Holders, the Trustee will follow the written request executed by the Holders of the greater percentage of Bonds then Outstanding in excess of 25%; (3) such Holder or said Holders will have tendered to the Trustee indemnity satisfactory to it against the costs, expenses and liabilities to be incurred in compliance with such request; and (4) the Trustee will have refused or omitted to comply with such request for a period of 60 days after such written request will have been received by, and said tender of indemnity will have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are, in every case, to be conditions precedent to the exercise by any Holder of Bonds of any remedy under the Indenture or under law; it being understood and intended that no one or more Holders of Bonds will have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Indenture or the rights of any other Holders of Bonds, or to enforce any right under the Indenture, the Loan Agreement, Obligation No. 19, the Act or other applicable law with respect to the Bonds, except in the manner in the Indenture provided, and that all proceedings at law or in equity to enforce any such right will be instituted, had and maintained in the manner in the Indenture provided and for the benefit and protection of all Holders of the Outstanding Bonds, subject to the provisions of the Indenture.

Rights of Credit Facility Providers to Direct Remedies, Grant Waivers and Consents

Upon the occurrence and continuance of an Event of Default, the Credit Facility Provider for a Series of Bonds will be entitled to control and direct the enforcement of all rights and remedies granted (i) to the Trustee for the benefit of the Holders of the Bonds of such Series or (ii) to the Holders of the Bonds of such Series under the provisions of the Indenture, including, without limitation, acceleration of the principal of the Bonds of such Series as is described herein and the right to annul any declaration of acceleration. The Credit Facility Provider for a Series of Bonds will also be entitled: (i) to approve all waivers of events of default with respect to the applicable Series of Bonds and no remedial action with respect to the Bonds of the applicable Series may be taken without the consent of the Credit Facility Provider for such Series of Bonds; and (ii) to grant consents with respect to the applicable Series of Bonds.

Amendment of the Indenture

Amendments Permitted. The Indenture and the rights and obligations of the Authority and of the Holders of the Bonds and of the Trustee may be modified or amended from time to time and at any time by an indenture or indentures supplemental to the Indenture, which the Authority and the Trustee may enter into when the written consent of the Holders of a majority in aggregate principal amount of the Bonds then Outstanding will have been filed with the Trustee (which written consent may be provided by the Credit Facility Provider then providing a Credit Facility for a Series of Bonds); provided however, that if such amendment is only applicable with respect to one Series of Bonds, such amendment will become binding when the written consent of the Holders of a majority in aggregate principal amount of the Bonds of such Series then Outstanding is filed with the Trustee; and provided further, however, that if such amendment will, by its terms, not take effect so long as Bonds of any particular Series or maturity remain Outstanding, the consent of the Holders of Bonds of such Series or maturity, as applicable, will not be required and such Bonds will not be deemed to be Outstanding for the purpose of any calculation of Bonds Outstanding under the provisions of the Indenture described herein. No such modification or amendment will (1) extend the fixed maturity of any Bond, or reduce the amount of principal thereof, or extend the time of payment or reduce the amount of any Mandatory Sinking Account Payment, or reduce the rate of interest thereon, or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the consent of the Holder of each Bond so affected, or (2) reduce the aforesaid percentage of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under the Indenture prior to or on a parity with the lien created by the Indenture, or deprive the Holders of the Bonds of the lien created by the Indenture on such Revenues and other assets (except as expressly provided in the Indenture), without the consent of the Holders of all Bonds then Outstanding.

The Indenture and the rights and obligations of the Authority, of the Trustee and of the Holders of the Bonds may also be modified or amended from time to time and at any time by an indenture or indentures supplemental to the Indenture, which the Authority and the Trustee may enter into without the consent of any Holders, but only to the extent permitted by law and only for any one or more of the following purposes:

(1) to add to the covenants and agreements of the Authority contained in the Indenture other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power in the Indenture reserved to or conferred upon the Authority, provided, that no such covenant, agreement, pledge, assignment or surrender will materially adversely affect the interests of the Holders of the Bonds;

(2) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in the Indenture, or in regard to matters or questions arising under the Indenture, as the Authority or the Trustee may deem necessary or desirable and not inconsistent with the Indenture, and which will not materially adversely affect the interests of the Holders of the Bonds;

(3) to modify, amend or supplement the Indenture in such manner as to permit the qualification 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 will not materially adversely affect the interests of the Holders of the Bonds;

(4) to provide any additional procedures, covenants or agreements to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds;

(5) to make any changes required by a Rating Agency in order to obtain or maintain a rating for the Bonds;

(6) to make any amendments appropriate or necessary to accommodate conversion from one Interest Rate Mode to another Interest Rate Mode;

(7) to make any modification or amendment to the Indenture which would be effective upon the remarketing of a Series of Bonds following the mandatory tender of such Series of Bonds pursuant to the provisions of the Indenture;

(8) to make amendments appropriate or necessary to provide for any Credit Facility or Liquidity Facility;

(9) to effect a change in the redemption schedule for a Series of Bonds upon conversion to the Long Term Rate Mode;

(10) to make any changes in the definition of Maximum Interest Rate set forth in the Indenture to conform to current market practice at the time of conversion of a Series of Bonds to an Auction Mode;

(11) to make any changes pursuant to the provisions of the Indenture to the SIFMA provisions then in effect upon the conversion of a Series of Bonds to an Auction Mode; or

(12) to modify, alter, amend or supplement the Indenture in any other respect which is not materially adverse to the Bondholders.

Defeasance

Discharge of Bonds and Indenture. The Bonds may be paid by the Authority or the Trustee on behalf of the Authority in any of the following ways:

(1) by paying or causing to be paid (with Available Moneys at any time a Credit Facility in the form of a letter of credit is in effect with respect to a Series of Bonds) the principal or Redemption Price of and interest on all Bonds Outstanding, as and when the same become due and payable;

(2) by depositing with the Trustee, in trust, at or before maturity, moneys (which will be Available Moneys at any time a Credit Facility in the form of a letter of credit is then in effect) or securities (purchased with Available Moneys if a Credit Facility in the form of a letter of credit is then in effect with respect to a Series of Bonds) in the necessary amount (as provided pursuant to the provisions of the Indenture) to pay when due or redeem all Bonds then Outstanding; or

(3) by delivering to the Trustee, for cancellation by it, all Bonds then Outstanding.

If the Authority will also pay or cause to be paid all other sums payable under the Indenture by the Authority and the Corporation will have paid all Administrative Fees and Expenses and any other fees and expenses payable to the Authority pursuant to the Loan Agreement, then and in that case at the election of the Authority (evidenced by a Certificate of the Authority filed with the Trustee signifying the intention of the Authority to discharge all such indebtedness and the Indenture and upon receipt by the Trustee and the Authority of an Opinion of Counsel to the effect that the obligations under the Indenture and the Bonds have been discharged), and notwithstanding that any Bonds will not have been surrendered for payment, the Indenture and the pledge of Revenues and other assets made under the Indenture and all covenants, agreements and other obligations of the Authority under the Indenture (except as otherwise provided in the Indenture) will cease, terminate, become void and be completely discharged and satisfied.

THE LOAN AGREEMENT

The Loan Agreement provides the terms of the loan of the proceeds of the Bonds, to the Corporation and the repayment of and security for the loan provided by the Corporation.

Issuance of Obligation No. 19

In consideration of the issuance of the Bonds by the Authority and the application of the proceeds thereof as provided in the Indenture, the Corporation agrees to issue, or cause to be issued, and to cause to be authenticated and delivered to the Authority or its designee, pursuant to the Master Indenture and Supplement No. 19, concurrently with the issuance and delivery of the Bonds, Obligation No. 19. The Authority agrees that Obligation No. 19 will be registered in the name of the Trustee.

Payment of Loan

Loan Repayments. Pursuant to the Loan Agreement, the Authority lends and advances to the Corporation, and the Corporation borrows and accepts from the Authority (solely from the proceeds of the sale of the Bonds), the net proceeds received from the sale of the Bonds, such proceeds to be applied under the terms and conditions of the Loan Agreement and the Indenture. In consideration of the loan of such proceeds to the Corporation, the Corporation agrees to pay, or cause to be paid, Loan Repayments as follows: (i) on or before the Business Day next preceding each Interest Payment Date, the full amount of the interest becoming due and payable on such Interest Payment Date on all Bonds then Outstanding (less any amounts on deposit in the Interest Fund available for the payment of such interest) and (ii) on or before the Business Day next preceding each Principal Payment Date, the aggregate amount of principal becoming due and payable on the Outstanding Bonds, plus the aggregate amount of Mandatory Sinking Account Payments required to be paid into the Sinking Accounts for Outstanding Bonds, in each case on such Principal Payment Date (less any amounts on deposit in the Principal Fund available for the payment of such principal or Mandatory Sinking Account Payments). Notwithstanding the foregoing schedule of payments, the Corporation agrees to make payments, or cause payments to be made, at the times and in the amounts required to be paid as principal or redemption price of and interest on the Bonds from time to time Outstanding under the Indenture and other amounts required to be paid under the Indenture, as the same will become due whether at maturity, upon redemption, by declaration of acceleration or otherwise.

Except as otherwise expressly provided in the Loan Agreement, all amounts payable by the Corporation to the Authority under the Loan Agreement or with respect to Obligation No. 19 will be paid to the Trustee, as assignee of the Authority, and the Loan Agreement and all right, title and interest of the Authority in any such payments will be assigned and pledged to the Trustee so long as any Bonds remain Outstanding.

Additional Payments. In addition to Loan Repayments and payments on Obligation No. 19, the Corporation will also pay to the Authority or the Trustee, as the case may be, Additional Payments, as follows:

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

(b) All reasonable fees, charges, and expenses of the Trustee for services rendered under the Loan Agreement and under the Indenture, as and when the same become due and payable;

(c) The reasonable fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Authority or the Trustee to prepare audits, financial statements, reports, opinions or provide such other services required under the Loan Agreement, Supplement No. 19, Obligation No. 19 or the Indenture; and

(d) The annual fee of the Authority and reasonable fees and expenses of the Authority or any agent or counsel selected by the Authority to act on its behalf in connection with the Loan Agreement, the Master Indenture, Supplement No. 19, Obligation No. 19, the Bonds or the Indenture, including, without limitation, any and all reasonable expenses incurred in connection with the authorization, issuance, sale and delivery of any such Bonds in connection with any litigation which may at any time be instituted involving the Loan Agreement, the Master Indenture, Supplement No. 19, Obligation No. 19, the Bonds or the Indenture or any of the other documents contemplated thereby, or in connection with the supervision or inspection of the Corporation, its properties, assets or operations or otherwise in connection with the administration of the Loan Agreement, the Indenture, Supplement No. 19 and Obligation No. 19.

Obligations Unconditional. The obligations of the Corporation under the Loan Agreement and pursuant to Obligation No. 19, including the obligation of the Corporation to pay the principal of and interest on Obligation No. 19, are absolute and unconditional, notwithstanding any other provision of the Loan Agreement, Supplement No. 19, the Master Indenture or the Indenture. Until the Loan Agreement is terminated and all payments under the Loan Agreement are made, the Corporation:

(a) Will pay all amounts required under the Loan Agreement and under Obligation No. 19 without abatement, deduction or set-off except as otherwise expressly provided in the Loan Agreement;

(b) Will not suspend or discontinue any payments due under the Loan Agreement or under Obligation No. 19 for any reason whatsoever, including, without limitation, any right of set-off or counterclaim;

(c) Will perform and observe all its other agreements contained in the Loan Agreement; and

(d) Except as provided in the Loan Agreement, will not terminate the Loan Agreement for any cause including, without limiting the generality of the foregoing, damage, destruction or condemnation of the Corporation's facilities or any part thereof, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State, or any political subdivision of either thereof or any failure of the Authority to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Loan Agreement.

Loan Default Events and Remedies

Loan Default Events. Each of the following events will constitute a Loan Default Event under the Loan Agreement:

(a) Failure by the Corporation to pay in full any payment required under the Loan Agreement or under Obligation No. 19 when due;

(b) If any material representation or warranty made by the Corporation in the Loan Agreement or in any document, instrument or certificate furnished to the Trustee or the Authority in connection with the issuance of Obligation No. 19 or the Bonds will at any time prove to have been incorrect in any respect as of the time made;

(c) If the Corporation will fail to observe or perform any covenant, condition, agreement or provision in the Loan Agreement on its part to be observed or performed, other than as referred to in subsection (a) or (b) above, or will breach any warranty by the Corporation contained in the Loan Agreement, for a period of 60 days after written notice, specifying such failure or breach and requesting that it be remedied, has been given to the Corporation by the Authority or the Trustee, or the Credit Facility Provider; except that, if such failure or breach can be remedied but not within such 60 day period and if the Corporation will have taken all action reasonably possible to remedy such failure or breach within such 60 day period, such failure or breach will not become a Loan Default Event for so long as the Corporation will diligently proceed to remedy such failure or breach in accordance with and

subject to any directions or limitations of time established by the Authority, the Trustee or the Credit Facility Provider;

(d) If the Corporation files a petition in voluntary bankruptcy, for the composition of its affairs or for its corporate reorganization under any state or federal bankruptcy or insolvency law, or makes an assignment for the benefit of creditors, or admits in writing to its insolvency or inability to pay debts as they mature, or consents in writing to the appointment of a trustee or receiver for itself or for the whole or any substantial part of the Corporation's facilities;

(e) If a court of competent jurisdiction will enter an order, judgment or decree declaring the Corporation an insolvent, or adjudging it bankrupt, or appointing a trustee or receiver of the Corporation or of the whole or any substantial part of the Corporation's facilities, or approving a petition filed against the Corporation seeking reorganization of the Corporation under any applicable law or statute of the United States of America or any state thereof, and such order, judgment or decree will not be vacated or set aside or stayed within 60 days from the date of the entry thereof;

(f) If, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction will assume custody or control of the Corporation's facilities, and such custody or control will not be terminated within 60 days from the date of assumption of such custody or control;

(g) Any Event of Default as defined in and under the Indenture; or

(h) Any Event of Default as defined in and under the Master Indenture.

Remedies on Default. If a Loan Default Event will occur, then, and in each and every such case during the continuance of such Loan Default Event, the Trustee on behalf of the Authority, subject to the limitations in the Indenture as to the enforcement of remedies, may take such action as it deems necessary or appropriate to collect amounts due under the Loan Agreement, to enforce performance and observance of any obligation or agreement of the Corporation under the Loan Agreement or to protect the interests securing the same, and may, without limiting the generality of the foregoing:

(a) Exercise any or all rights and remedies given by the Loan Agreement or available under the Loan Agreement or given by or available under any other instrument of any kind securing the Corporation's performance under the Loan Agreement (including, without limitation, Obligation No. 19 and the Master Indenture);

(b) By written notice to the Corporation declare an amount equal to all amounts then due and payable on the Bonds, whether by acceleration of maturity or otherwise, to be immediately due and payable under the Loan Agreement, whereupon the same will become immediately due and payable; and

(c) Take any action at law or in equity to collect the payment required under the Loan Agreement then due, whether on the stated due date or by declaration of acceleration or otherwise, for damages or for specific performance or otherwise to enforce performance and observance of any obligation, agreement or covenant of the Corporation under the Loan Agreement.

Notwithstanding the foregoing, if a Credit Facility is in full force and effect with respect to a Series of Bonds and if the Credit Facility Provider providing such Credit Facility has not failed to make a payment required in connection therewith, which failure has not been cured, such Credit Facility Provider will have the right to direct the remedies with respect to such Series of Bonds upon any Loan Default Event and the written consent of the Credit Facility Provider will be required prior to remedial action being taken under the Loan Agreement with respect to such Series of Bonds.

Notwithstanding any other provision of the Loan Agreement or any right, power or remedy existing at law or in equity or by statute, the Trustee will not under any circumstances declare the entire unpaid aggregate amount of the payment due under the Loan Agreement to be immediately due and payable except in accordance with the directions of the Master Trustee if the Master Trustee will have declared the aggregate principal amount of Obligation No. 19 and all interest thereon immediately due and payable in accordance with the provisions of the Master Indenture.

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