LEASE-PURCHASE AGREEMENT

Dated as of December 1, 2026

by and between

CSDA FINANCE CORPORATION,
as Lessor

and the

MENDOCINO COAST HEALTH CARE DISTRICT,
as Lessee

For

$[_____]
Mendocino Coast Health Care District
Certificate of Participation
(2026 Seismic Improvements Project)

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LEASE-PURCHASE AGREEMENT

THIS LEASE-PURCHASE AGREEMENT (this "Agreement" or "Lease-Purchase Agreement"), dated as of December 1, 2026, by and between the CSDA FINANCE CORPORATION, a non-profit public benefit corporation organized and existing under and by virtue of the laws of the State of California (the "Corporation"), and the MENDOCINO COAST HEALTH CARE DISTRICT, a health care district organized and existing under the laws of the State of California, including the provisions of Chapter 1, Division 23 of the California Health & Safety Code, as Lessee (the "District");

W I T N E S S E T H:

WHEREAS, the District presently owns a hospital (the "Hospital") and related health care facilities within its service area, which Hospital is currently leased to and operated by Adventist Health Mendocino Coast, a California nonprofit public benefit corporation; and

WHEREAS, the District has undertaken the construction and installation of seismic improvements to the Hospital (the "Project") more particularly described in Exhibit A hereto; and

WHEREAS, in order to provide for the financing of the Project, the District and the Corporation desire to enter into a lease-purchase agreement dated as of the date hereof (the "Lease-Purchase Agreement"), under which the District will lease the Project to the Corporation, and the Corporation will simultaneously lease back the Project to the District in return for semi-annual lease payments (the "Lease Payments"); and

WHEREAS, for the purpose of obtaining the moneys required to finance the costs of the Project, the Corporation proposes to assign and transfer certain of its rights under the Lease-Purchase Agreement to the Trustee; and

WHEREAS, in consideration of such assignment and the execution of the Trust Agreement, the Trustee has agreed to execute and deliver a certificate of participation in the aggregate original initial principal amount of $[_____] (the "Certificate"), evidencing direct, undivided fractional interests in the Lease Payments to be made by the District; and

WHEREAS, the original purchaser and owner of the Certificate shall be Tri Counties Bank, a California state-chartered bank (the "Original Purchaser," also the "Bank"); and

WHEREAS, the Trustee shall apply the proceeds of the sale of the Certificate to pay the costs of the Project and costs incidental thereto;

NOW, THEREFORE, in consideration of the above recitals and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

GENERAL

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in Exhibit A attached to the Trust Agreement shall, for all purposes of this Lease-Purchase Agreement, have the meanings specified therein.

Section 1.02. Representations, Covenants and Warranties. The District represents, covenants and warrants for the benefit of the Corporation and the Bank on the date hereof as follows:

(a) The District is a political subdivision of the State within the meaning of Section 103(c) of the Tax Code, duly organized and existing under the constitution and laws of the State as a health care district, with full power and authority to enter into this Lease-Purchase Agreement and the transactions contemplated thereby and to perform all of its obligations thereunder.

(b) The District has duly authorized the execution and delivery of this Lease-Purchase Agreement by proper action of its governing body at a meeting duly called, regularly convened and attended throughout by the requisite quorum of the members thereof, or by other appropriate official approval, and all requirements have been met and procedures have occurred in order to ensure the validity and enforceability of this Lease-Purchase Agreement.

(c) No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an event of default exists at the date hereof.

(d) The District will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a health care district in the State.

(e) The District has complied with such procurement and public bidding requirements, open meeting laws and all other applicable State or federal laws as may be applicable to the authorization, approval, execution and delivery of this Lease-Purchase Agreement and the acquisition and installation by the District of the Project.

(f) During the Term of this Lease-Purchase Agreement, the Project will be used by the District only for the purpose of performing essential governmental or proprietary functions of the District or by Adventist in activities that are not unrelated trades or businesses of Adventist within the meaning of section 513(a) of the Tax Code. The District does not intend to sell or otherwise dispose of the Project prior to the last Lease Payment scheduled to be paid hereunder.

(g) The District has kept, and throughout the Lease Term shall keep, its books and records in accordance with generally accepted accounting principles and practices consistently applied, and shall deliver to the Bank (i) annual audited financial statements (including (1) a balance sheet, (2) statement of revenues, expenses and changes in fund balances for budget and actual, (3) statement of cash flows, and (4) footnotes, schedules and attachments to the financial statements) within 270 days after the end of its fiscal year, (ii) its annual budget within 45 days after adoption thereof by the Board, and (iii) such other financial statements and information as the Bank may reasonably request. The financial statements described in this

subsection (g)(i) shall be accompanied by an opinion of the District's independent auditor. Credit information relating to the District may be disseminated among the Bank and any of its affiliates and any of their respective successors and assigns.

(h) There is no pending, or to the District's best knowledge, threatened, litigation, tax claim, proceeding or dispute in any court or before any governmental authority or arbitration board or tribunal that may adversely affect District's financial condition, impair its ability to perform its obligations under this Lease-Purchase Agreement, or adversely affect the transactions contemplated by this Lease-Purchase Agreement or the security interest of the Bank. The District will, at its expense, maintain its legal existence and do any further act and execute, acknowledge, deliver, file, register and record any further documents the Bank may reasonably request in order to protect the Bank's security and rights and benefits under this Lease-Purchase Agreement.

(i) No lease, rental agreement, lease-purchase agreement, payment agreement or contract for purchase to which the District has been a party at any time has been terminated by the District as a result of insufficient funds being appropriated or abated in any fiscal year. No event has occurred which would constitute an event of default under any debt, revenue bond or obligation which the District has issued during the past ten (10) years.

(j) The District represents to the Corporation and the Bank that it has adopted a debt policy in compliance with SB 1029 and Government Code Section 8855 et seq. and covenants that it shall comply with Government Code Section 8855 et seq., as amended (the "CDIAC Act"), throughout the Lease Term, including (i) preparing, submitting and filing the report of the proposed debt issuance relating to this Lease-Purchase Agreement by the method required by the California Debt and Investment Advisory Commission ("CDIAC"), (ii) preparing, submitting and filing the report of final sale (and accompanying documents) relating to this Lease-Purchase Agreement by the method required by CDIAC, (iii) submitting an annual report relating to the report of final sale for this Lease-Purchase Agreement by the method required by CDIAC, and (iv) paying all fees charged by CDIAC or under the CDIAC Act relating to this Lease-Purchase Agreement.

(k) All financial statements and other information delivered to the Corporation or the Bank by the District are correct as of the date thereof. Since June 30, 2026, no material adverse change has occurred in the District's financial condition that would adversely affect the District's ability to perform its obligations hereunder.

(l) To the extent applicable, as determined by the District in its sole discretion, the District has complied with the requirements of Government Code Section 5852.1 et seq. in connection with this Lease-Purchase Agreement.

(m) The District and the Bank acknowledge that this transaction is not subject to SEC Rule 15c2-12 promulgated pursuant to the Securities Exchange Act of 1934, as amended; however, the District covenants and agrees to furnish the Bank notice of the occurrence of any "material event" (as described in Rule 15c2-12) with respect to any other debt of the District within 10 days of the occurrence of such event.

(n) The District is not and shall not at any time be listed on the Specially Designated Nationals and Blocked Persons List or other similar lists maintained by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), and any successor thereto, or the Secretary of the Treasury or included in any Executive Orders which prohibit or limit the Bank

from making any advance or extension of credit to the District or from otherwise conducting business with the District, and the District shall ensure that the proceeds of this Lease-Purchase Agreement shall not be used to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto.

(o) The District shall, promptly following a request by the Bank, provide all documentation and other information that the Bank reasonably requests in order to comply with its ongoing obligations under applicable law or regulation, including, without limitation, "know your customer" and anti-money laundering rules and regulations, including the Patriot Act (USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), as amended from time to time, and any successor statute), and shall comply with all applicable Bank Secrecy Act laws and regulations, as amended.

(p) The District does not enjoy any rights of immunity on the grounds of sovereign immunity in respect of its obligations under this Lease-Purchase Agreement or otherwise with respect to the Lease Payments. To the extent the District has or hereafter may acquire under any applicable law any rights to immunity from legal proceedings on the grounds of sovereignty, the District hereby waives, to the extent permitted by law, such rights to immunity for itself in respect of its obligations arising under or related to this Lease-Purchase Agreement or otherwise with respect to the Lease Payments.

(q) The District is in full compliance with all applicable laws and regulations, including applicable environmental laws, and the District shall remain in compliance with such laws and regulations, including applicable environmental laws, except to the extent noncompliance therewith would not reasonably be anticipated to be materially adverse to the Bank.

(r) The District shall not sell, lease (other than the Adventist Lease or as permitted by Section 8.01(b) hereof), transfer, dispose of or encumber the Hospital or any other of its real property or any material portion of its other assets without the prior written consent of the Bank.

(s) The District shall take all actions required to obtain take-out financing, grant funding, and/or other financing sources to refund the Certificate at or prior to final maturity.

(t) The District shall not merge or consolidate with, or acquire all or substantially all of the assets of, any other entity, or convey all or substantially all of its assets to any other entity, without the prior written consent of the Bank.

(u) So long as the Bank is the Owner of the Certificate, the District shall maintain its primary depository relationship with the Bank, including the Tax Revenue Account and the Reserve Fund.

(v) The District shall not amend its operative governing documents, or take any other action, that would adversely affect the payment obligations of the District hereunder or any of the rights, interests, security or remedies of the Bank, without the prior written consent of the Bank.

(w) The District shall execute and deliver the DSRF Administration Agreement and the Deposit Account Control Agreement on the Closing Date, shall maintain each in full force and effect so long as the Certificate is Outstanding, and shall perform all of its obligations thereunder.

Section 1.03. Written Certificates.

(a) Contents. Every certificate provided for in this Lease-Purchase Agreement with respect to compliance with any provision hereof shall include (i) a statement that the person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto; (ii) a brief statement as to the nature and scope of the examination or investigation upon which the certificate is based; (iii) a statement that, in the opinion of such person, he or she has made or caused to be made such examination or investigation as is necessary to enable him or her to express an informed opinion with respect to the subject matter referred to in the instrument to which his or her signature is affixed; (iv) a statement of the assumptions upon which such certificate is based, and that such assumptions are reasonable; and (v) a statement as to whether, in the opinion of such person, such provision has been complied with.

(b) Reliance. Any such certificate made or given by a District Representative may be based, insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation by counsel or an accountant, unless such District Representative knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel or an accountant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the District, as the case may be) upon a certificate or opinion of or representation by a District Representative, unless such counsel or accountant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such person's certificate or opinion or representation may be based is erroneous. The same District Representative, or the same counsel or accountant, as the case may be, need not certify to all of the matters required to be certified under any provision of this Lease-Purchase Agreement, but different officers, counsel or accountants may certify to different matters, respectively.

Section 1.04. Exhibits. The Exhibits that are attached to this Lease-Purchase Agreement are by this reference made a part hereof.

ARTICLE II

DEPOSITS

Section 2.01. Deposit of Moneys. On the Closing Date, the Corporation shall cause the proceeds of the sale of the Certificate ($[_____]) to be applied as set forth in Section 3.01(a) of the Trust Agreement, in consideration of the lease to the Corporation described in Article III.

ARTICLE III

PROJECT TITLE; LEASE PAYMENTS; PLEDGED REVENUES

Section 3.01. Lease. The District hereby leases the Project to the Corporation and the Corporation hereby leases the Project back to the District, upon the terms and conditions set forth in this Lease-Purchase Agreement.

Section 3.02. Title. The District and the Corporation agree that title to the land and improvements thereon on which the Project shall become a part of as of the date of this Lease-Purchase Agreement shall remain vested in the District, and that title to the Project financed by the Certificate shall vest in the District upon the completion of the acquisition, construction and installation thereof and payment of all the Lease Payments.

The Corporation and the Trustee acknowledge that the Hospital is currently leased to and operated by Adventist Health Mendocino Coast, a California nonprofit public benefit corporation ("Adventist") pursuant to a Lease between the District and Adventist dated May 5, 2020 (the "Adventist Lease"). So long as Adventist is not in default (beyond any period(s) given under the Adventist Lease to Adventist to cure such default) in (a) the payment of any monetary obligation under the Adventist Lease, or (b) the performance of any of the other terms, covenants or conditions with which Adventist is obligated to comply pursuant to the Adventist Lease, Adventist's possession under the Adventist Lease and Adventist's rights and privileges thereunder shall not be altered, terminated, diminished, or interfered with by Corporation or the Trustee, and accordingly, Adventist's occupancy shall not be disturbed by Corporation or the Trustee during the term of the Adventist Lease (including any applicable renewal term), except in accordance with the terms of the Adventist Lease.

Section 3.03. Assignment by the Corporation. The Corporation's right, title and interest in this Lease-Purchase Agreement, including the right to receive and enforce payment of the Lease Payments to be made by the District under this Lease-Purchase Agreement, have been assigned to the Trustee, subject to certain exceptions, pursuant to the Trust Agreement.

The District understands and agrees that the Corporation has assigned its right, title and interest (but not its duties or obligations) in this Lease-Purchase Agreement to the Trustee pursuant to the Trust Agreement for the benefit of the Owners and the District assents to such assignment. The Corporation hereby directs the District, and the District hereby agrees, to pay to the Trustee at the Trustee's principal corporate trust office or at such other place as the Trustee may direct in writing, all payments payable by the District pursuant to this Lease-Purchase Agreement.

Section 3.04. Term of the Lease-Purchase Agreement. The Term of the Lease-Purchase Agreement shall be as defined in Exhibit A to the Trust Agreement, unless sooner terminated.

Section 3.05. Lease Payments.

(a) Obligation to Pay. The District agrees to pay to the Corporation, its successors and assigns, as the lease of the Project, the Lease Payments, consisting of components of principal and interest, on the Lease Payment Dates and in the amounts specified in Exhibit B hereto, except such amounts shall be reduced by moneys on deposit in the Lease Payment Fund and credited to the payment of Lease Payments next due. The Lease Payments shall be payable solely from Pledged Revenues as hereinafter provided.

(b) Reduction Upon Partial Prepayment. If the District prepays less than all of the remaining principal components of the Lease Payments pursuant to Sections 4.02 and 4.03 hereof, the amount of such prepayment shall be applied (1) first to any interest owing but unpaid at the time of the prepayment, and (2) second to reduce the principal component of the subsequent remaining Lease Payments in inverse order of maturity and the interest component of each subsequent remaining Lease Payment shall be reduced by the aggregate corresponding amount of interest that would otherwise be payable with respect to the Certificate redeemed as a result of such prepayment.

(c) Rate on Overdue Payments. If the District should fail to make any of the payments required in this Section 3.05 so that there are insufficient moneys on hand in the Lease Payment Fund to pay any Lease Payment in full on a Lease Payment Date, the Lease Payment in default shall continue as an obligation of the District until the amount in default is fully paid. If any Lease Payment is not received by the Trustee on the applicable Lease Payment Date, the District agrees to pay interest on the delinquent amount, from such Lease Payment Date to the date of payment, at a rate per annum equal to the Default Rate, computed on the basis of a 360-day year consisting of twelve 30-day months, to the extent permitted by law.

Section 3.06. Special Obligation of the District.

(a) Limitations. The District's obligation to pay the Lease Payments shall be a special obligation limited solely to first, the Property Tax Revenues, and second, the Gross Revenues. Under no circumstances shall the District be required to advance any moneys derived from any source of income other than the Property Tax Revenues and the Gross Revenues for the payment of the Lease Payments, nor shall any other funds or property of the District be liable for the payment of the Lease Payments. No mortgage, deed of trust or other lien on or security interest in any real property of the District (including the Hospital and the Project) secures the Lease Payments or the Certificate, and no real property collateral secures the Certificate.

(b) Obligations Unconditional. The obligations of the District to make the Lease Payments from Pledged Revenues and to perform and observe the other agreements contained herein shall be absolute and unconditional and shall not be subject to any defense or any right of set-off, counterclaim or recoupment arising out of any breach by the Corporation or the Trustee of any obligation to the District or otherwise with respect to the Project, whether hereunder or otherwise, or out of

indebtedness or liability at any time owing to the District by the Corporation or the Trustee.

(c) Obligations Specified. Until such time as all of the Lease Payments are fully paid or prepaid, the District:

(i) will not suspend, abate, or discontinue any payments provided for in Section 3.05 hereof;

(ii) will perform and observe all other agreements contained in this Lease-Purchase Agreement; and

(iii) will not terminate the Term of the Lease-Purchase Agreement for any cause, including, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Project, the taking by eminent domain of title to or temporary use of any or all of the Project, 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 Corporation or the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Trust Agreement or this Lease-Purchase Agreement.

(d) Corporation Obligations. Nothing contained in this Section 3.06 shall be construed to release the Corporation from the performance of any of the agreements on its part herein contained, and if the Corporation fails to perform any such agreements on its part, the District may institute such action against the Corporation as the District may deem necessary to compel performance so long as such action does not abrogate the obligations of the District contained in Section 3.06(b) above. The District may, however, at the District's own cost and expense and in the District's own name or in the name of the Corporation prosecute or defend any action or proceeding or take any other action involving third persons which the District deems reasonably necessary in order to secure or protect the District's right of possession, occupancy and use hereunder, and in such event the Corporation hereby agrees to cooperate fully with the District and to take such action necessary to effect the substitution of the District for the Corporation in such action or proceeding if the District so requests.

Section 3.07. Pledge of Pledged Revenues; Transfer to Pay Lease Payments; Release from Lien.

(a) Pledge of Property Tax Revenues. The District hereby agrees that the payment of the Lease Payments shall be secured by a pledge, charge and lien upon Property Tax Revenues, and Property Tax Revenues sufficient to pay the Lease Payments as they become due and payable are hereby pledged, charged, assigned, transferred and set over by the District to the Corporation and its assigns for the purpose of securing payment of the Lease Payments. The Property Tax Revenues shall constitute a trust fund for the security and payment of the Lease Payments.

(b) Pledge of Gross Revenues. The District hereby agrees that the payment of the Lease Payments shall also be secured by a pledge, charge and lien upon Gross Revenues on a parity with the pledge which secures all Parity Obligations (if any are

issued in the future pursuant to Section 3.08 below), and Gross Revenues sufficient to pay the Lease Payments as they become due and payable are hereby pledged, charged, assigned, transferred and set over by the District to the Corporation and its assigns for the purpose of securing payment of the Lease Payments. The Gross Revenues shall constitute a trust fund for the security and payment of the Lease Payments.

(c) Transfer to Pay Lease Payments. (i) *Property Tax Revenues.* So long as this Agreement remains in effect, the District shall deposit, as collected, all Property Tax Revenues (other than any remitted directly by the County to the Trustee pursuant to the Irrevocable Request and Direction) into its tax revenue account maintained at the Bank (the "Tax Revenue Account"), and within two Business Days following each such deposit shall transfer to the Trustee, for deposit in the Property Tax Fund, the amount (if any) needed to cause the balance in the Property Tax Fund to equal the amount of the next two Lease Payments coming due following the date of the deposit, taking into account amounts then on deposit in the Property Tax Fund.

In the event the County adopts the use of automated clearing house ("ACH") transfers for the transfer of Property Tax Revenues to the District, and at such time as the transfers are available for use by the District, the District covenants to promptly irrevocably direct the County to transfer to the Trustee, as collected, all Property Tax Revenues pursuant to the Irrevocable Request and Direction, substantially in the form attached as Exhibit D to the Trust Agreement, for so long as this Agreement remains in effect. The District shall take no action to rescind, revoke, amend or modify the Irrevocable Request and Direction without the prior written consent of the Trustee and the Original Purchaser.

As further security for the payment of the Lease Payments, on the Closing Date the District shall execute and deliver the Deposit Account Control Agreement with respect to the Tax Revenue Account and shall maintain the Deposit Account Control Agreement in full force and effect until the earlier of (A) the Direct Remittance Date (as defined in Section 5.06(a)(iii) of the Trust Agreement) and (B) the date on which the Owner directs the termination thereof. The District shall not, prior to the Direct Remittance Date, close the Tax Revenue Account or direct the deposit of Property Tax Revenues to any other account without the prior written consent of the Bank.

(ii) *Transfer From Gross Revenues*. The District has previously established a "Gross Revenue Fund", which it will continue to hold and maintain for the purposes and uses set forth herein. The District shall deposit all Gross Revenues other than the Property Tax Revenues in the Gross Revenue Fund promptly upon the receipt thereof.

In addition to withdrawals required to pay principal of and interest on the Parity Obligations, the District shall, not later than the seventh Business Day prior to each Lease Payment Date, to the extent that the Property Tax Revenues available therefor (including amounts drawn from the Tax Revenue Account) are insufficient to pay the Lease Payment then due, as notified by the Trustee pursuant to Section 5.06(c) of the Trust Agreement, withdraw Gross Revenues on deposit in the Gross Revenue Fund and transfer to the Trustee for deposit into the Lease Payment Fund the amount of such insufficiency, not to exceed the amount indicated in Exhibit B attached hereto as required for the next occurring Lease Payment Date. Notwithstanding Exhibit B attached hereto,

the District shall be obligated to make Lease Payments sufficient to pay all principal and interest due with respect to the Certificate.

(d) Release from Lien. (i) *Property Tax Revenues.* Following the transfer described in paragraph (c)(i) of this Section 3.07, all Property Tax Revenues then on deposit in the Property Tax Fund in excess of the amount needed to pay the next two Lease Payments coming due shall no longer be subject to the pledge hereunder and shall be transferred by the Trustee to the District, as provided in Section 5.06(d) of the Trust Agreement, free and clear of such pledge and lien.

(ii) *Gross Revenues.* Gross Revenues withdrawn from the Gross Revenue Fund in accordance with paragraph (e) of this Section 3.07 shall be released from the lien of this Lease-Purchase Agreement upon such withdrawal and shall be available for any lawful purpose of the District, free and clear of such lien in the hands of the recipient thereof. The pledge of Gross Revenues under paragraph (b) of this Section 3.07 shall continue to attach to Gross Revenues remaining on deposit in the Gross Revenue Fund.

(e) Use of Gross Revenue Fund in Ordinary Course. Notwithstanding anything in this Lease-Purchase Agreement or the Trust Agreement to the contrary, the District may at any time withdraw moneys on deposit in the Gross Revenue Fund and apply them to pay operating expenses and other payments in the ordinary course of the District's business (including payments to employees, officers and vendors), and no consent of the Corporation, the Trustee or the Bank shall be required therefor; provided that the District shall transfer Gross Revenues as and when required by paragraph (c)(ii) of this Section 3.07 and shall replenish the Reserve Fund as and when required by Section 6.05 of the Trust Agreement.

(f) Statutory Lien. The pledges of Property Tax Revenues and Gross Revenues made in this Section 3.07 are statutory liens pursuant to Section 5451 of the California Government Code. Accordingly, such pledges are valid and binding from the time they are made; the Property Tax Revenues and Gross Revenues so pledged and thereafter received by the District shall immediately be subject to the lien of such pledges without any physical delivery thereof, further act or filing; and such liens shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the District, irrespective of whether such parties have notice thereof.

Section 3.08. Limitations on Future Obligations Secured by Pledged Revenues.

(a) No Obligations Superior to Lease Payments. In order to protect further the availability of the Gross Revenues and the security for the Lease Payments, the District hereby agrees that the District shall not, so long as the Certificate is Outstanding, issue or incur any obligations payable from Gross Revenues or Property Tax Revenues superior to the Lease Payments.

(b) Other Obligations. The District further covenants that, except for obligations issued or incurred to prepay the Lease Payments in full pursuant to Section 4.02 hereof, the District shall not issue or incur any obligations payable from or secured by Gross Revenues or Property Tax Revenues, whether on a parity with or subordinate to the Lease Payments, without the prior written consent of the Bank.

Section 3.09. Additional Payments. In addition to the Lease Payments, the District shall pay, from Gross Revenues, when due all costs and expenses incurred by the Corporation to comply with the provisions of the Trust Agreement and this Lease-Purchase Agreement, including, without limitation all Delivery Costs, compensation due to the Trustee for its fees, costs and expenses incurred under the Trust Agreement, all Bank Fees and other amounts payable by the District under the DSRF Administration Agreement and the Deposit Account Control Agreement, and all costs and expenses of attorneys, auditors, engineers and accountants.

Section 3.10. Annual Reporting Requirements. The District shall supply the information and annual report to the California Debt and Investment Advisory Commission required under California Government Code Section 8855(k), as it may be amended, through the period following the final maturity of the Certificate. However, failure by the District to comply with this section shall not constitute a default hereunder and the District shall not be liable to any person or entity for any error in any such information.

Section 3.11. Reserve Fund. The District shall maintain the Reserve Fund at the Bank in an amount equal to the Reserve Requirement for so long as the Certificate is Outstanding, in accordance with Article VI of the Trust Agreement and the DSRF Administration Agreement. If amounts on deposit in the Reserve Fund are less than the Reserve Requirement as a result of a transfer therefrom, the District shall replenish the Reserve Fund from the first available Pledged Revenues as provided in Section 6.05 of the Trust Agreement. The District shall timely deliver any disbursement request required under Section 6.04 of the Trust Agreement and the DSRF Administration Agreement, and hereby authorizes the Bank and the Trustee to cause amounts in the Reserve Fund to be transferred to the Lease Payment Fund to cure any deficiency therein.

ARTICLE IV

PREPAYMENT OF LEASE PAYMENTS

Section 4.01. Prepayment. The District shall have the right to prepay the Lease Payments, but only in the manner, at the times and in all respects in accordance with the provisions of this Article IV.

Section 4.02. Optional Prepayment. Subject to the terms and conditions of this Section 4.02, the Corporation hereby grants an option to the District to prepay all or part of the Lease Payments in accordance with the prepayment provisions for the Certificate contained in Section 4.01(c) of the Trust Agreement, including payment of the prepayment premium set forth therein.

The District may exercise this option on any date following written notice by the District to the Corporation and the Trustee of the exercise of such option at least 45 days prior to the date designated for prepayment (or such shorter period as is acceptable to the Trustee). So long as the Bank is the sole owner of the Certificate, written notice shall also be given to the Bank at least 45 days prior to the date designated for prepayment (or such shorter period as is acceptable to the Bank).

In order to prepay the Lease Payments in full, the District shall deposit with the Trustee, no later than the applicable prepayment date, (i) cash in an amount sufficient to pay the total unpaid principal component of such Lease Payments as set forth in Exhibit B, (ii) any Lease Payments then due but unpaid, (iii) accrued interest to the prepayment date, and (iv) the applicable prepayment premium, if any, under Section 4.01(c) of the Trust Agreement.

In order to prepay the Lease Payments in part, the District shall deposit with the Trustee, no later than the applicable prepayment date, (i) an amount equal to the amount desired to be prepaid, (ii) any Lease Payments then due but unpaid, (iii) accrued interest on the amount to be prepaid to the prepayment date, and (iv) the applicable prepayment premium, if any, under Section 4.01(c) of the Trust Agreement.

Any partial prepayment shall be applied by the Corporation or its assignee against Lease Payments in inverse order of maturity, or in such other order as may be approved in writing by the Bank so long as the Bank is the Owner of the Certificate, consistent with Section 4.02 of the Trust Agreement, and the District shall prepare (or cause to be prepared) and provide to the Trustee a revised schedule of Lease Payments reflecting such partial prepayment; provided, however, that so long as the Bank is the sole owner of the Certificate, a revised schedule of Lease Payments need not be prepared.

Section 4.03. Mandatory Prepayment From Net Proceeds of Insurance or Condemnation. The District shall be obligated to prepay the Lease Payments in whole or in part on any Lease Payment Date from and to the extent of any Net Proceeds of any insurance or condemnation award theretofore deposited in the Lease Payment Fund for such purpose pursuant to Section 5.07 hereof or pursuant to Section 7.02 of the Trust Agreement.

The District and the Corporation hereby agree that such Net Proceeds shall be credited towards the District's obligations under this Section 4.03. Except in the case of such prepayment of the Lease Payments in full, such payment shall be in addition to the Lease Payment required

to be paid by the District on such date. Prepayment of Certificate pursuant to this Section shall be made on an inverse basis of maturity of the Certificate.

Section 4.04. Credit for Amounts on Deposit. If the District elects or is required to prepay the Lease Payments in full under this Article IV, such that the Trust Agreement will be discharged by its terms as a result of such prepayment, all amounts then on deposit in the Lease Payment Fund and the Reserve Fund shall be credited towards the amounts required to be so prepaid.

Section 4.05. Discharge. Notwithstanding any other provision of this Lease-Purchase Agreement, but subject to Section 14.01(f) of the Trust Agreement, the District may, on any date, satisfy and discharge the obligation to pay Lease Payments by a deposit with the Trustee of an amount which, together with amounts on deposit in the Lease Payment Fund and the Reserve Fund, is sufficient to pay all unpaid Lease Payments, including the principal and interest components thereof, in accordance with the Lease Payment schedule set forth in Exhibit B attached hereto, together with any applicable prepayment premium.

ARTICLE V

MAINTENANCE; TAXES; INSURANCE; AND OTHER MATTERS

Section 5.01. Maintenance, Taxes and Assessments, Contests.

(a) Operation. The District covenants to operate, or cause to be operated by Adventist or another reputable operator, the Hospital in an efficient and economical manner and operate, maintain and preserve, or cause to be operated, maintained and preserved, the Hospital in good repair and working order in accordance with customary standards and practices applicable to similar facilities.

(b) Taxes and Assessments. The District shall also pay or cause to be paid all taxes and assessments of any type or nature charged to the Corporation or the District or levied, assessed or charged against the Hospital; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the District shall be obligated to pay only such installments as are required to be paid during the Term of the Lease-Purchase Agreement as and when the same become due. The District shall not be required to pay any federal, state or local income, inheritance, estate, succession, transfer, gift, franchise, gross receipts, profit, excess profit, capital stock, corporate, or other similar tax payable by the Corporation, its successors or assigns, unless such tax is made in lieu of or as a substitute for any real estate or other tax upon property.

(c) Contest. The District may, at the District's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless Corporation notifies the District that, in the opinion of Independent Counsel, by nonpayment of any such items, the Project or any part thereof will be subject to loss or forfeiture, in which event the District shall promptly pay such taxes, assessments or charges or provide the Corporation with full security against any loss which may result from nonpayment, in form satisfactory to the Corporation.

Section 5.02. Modification of Project. The District may, at its own expense, remodel the Hospital or make additions, modifications and improvements thereto. All such additions, modifications and improvements shall not impair construction of the Project or the provisions of this Lease-Purchase Agreement.

Section 5.03. Installation of District's Equipment. The District may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed other items of equipment or other personal property in or upon the Hospital. All such items shall remain the sole property of the District, in which neither the Corporation nor the Trustee shall have any interest, and may be modified or removed by the District at any time provided that the District shall repair and restore any and all damage to the Hospital resulting from the installation, modification or removal of any such items. Nothing in this Lease-Purchase Agreement shall prevent the District from purchasing items to be installed pursuant to this Section 5.03 under a conditional sale or lease purchase contract, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof.

Section 5.04. Public Liability and Property Damage Insurance.

(a) Insurance Policies. The District shall maintain or cause to be maintained, throughout the Term of this Lease-Purchase Agreement, a standard comprehensive general insurance policy or policies in protection of the District and its officers, agents, employees and assigns. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the District. Said policy or policies shall provide coverage in such amounts as the District reasonably determines to be adequate. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District, and such liability insurance may be maintained, in whole or in part, in the form of self-insurance by the District, or by the participation by the District in a joint powers agency or other program providing pooled insurance. The proceeds of such liability insurance shall be applied by the District toward extinguishment or satisfaction of the liability with respect to which paid.

(b) Self-Insurance. If the District maintains self-insurance, it shall supply to the Trustee a statement of sufficiency by an independent insurance consultant or the District's risk manager.

(c) Application of Net Proceeds. The Net Proceeds of such liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the insurance proceeds shall have been paid or applied as provided in Section 5.07 hereof, as applicable.

Section 5.05. Fire and Extended Coverage Insurance.

(a) Insurance Policies. The District shall procure and maintain, or cause to be procured and maintained, throughout the Term of this Lease-Purchase Agreement, insurance against loss or damage to any structures constituting any part of the Hospital, including the Project, by fire and lightning, with extended coverage insurance but not including earthquake insurance. Such insurance shall be in an amount equal to the greater of 100% of the replacement cost of the Hospital or the then Outstanding principal amount of the Certificate. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District (or by Adventist under the Adventist Lease), and such insurance may be maintained, in whole or in part, in the form of self-insurance by the District, or by the participation by the District in a joint powers agency or other program providing pooled insurance.

(b) Self-Insurance. If the District maintains self-insurance, it will supply to the Trustee a statement of sufficiency by an independent insurance consultant or the District's risk manager on an annual basis as described in Section 5.06 hereof.

(c) Application of Net Proceeds. Net Proceeds of such insurance shall be applied as provided in Section 5.07 hereof.

Section 5.06. Insurance Net Proceeds; Form of Policies. The insurance required by Section 5.05 above shall provide that all proceeds thereunder shall be payable to the Trustee for the benefit of the Certificate Owners. The District shall pay or cause to be paid when due the

premiums for all insurance policies required by this Lease-Purchase Agreement. All such policies shall provide that the Corporation, the Trustee and, so long as the Bank is the Owner of the Certificate, the Bank are named as additional insureds and that the Trustee and the Bank shall be given 30 days' notice of each expiration, any intended cancellation thereof or reduction of the coverage provided thereby. The Trustee shall not be responsible for the sufficiency of any insurance herein required or for the obtaining of such insurance and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the District. The District shall cause to be delivered to the Trustee and the Bank annually, no later than the end of each Fiscal Year, a Written Certificate signed by a District Representative stating that the District is in compliance with Sections 5.04 and 5.05 of this Agreement. The Trustee may conclusively rely on such certificate.

Section 5.07. Application of Net Proceeds.

(a) From Insurance Award. The Net Proceeds of any insurance award resulting from any damage to or destruction of the Hospital by fire or other casualty shall be deposited in the Insurance and Condemnation Fund by the Trustee promptly upon receipt thereof and, if the District Representative notifies the Trustee in writing of the District's determination that the replacement, repair, restoration, modification or improvement of the Hospital is not economically feasible or in the best interest of the District, then such Net Proceeds shall be promptly transferred by the Trustee to the Lease Payment Fund to be applied as provided in Section 4.03 hereof.

All Net Proceeds deposited in the Insurance and Condemnation Fund and not so transferred shall be applied to the prompt replacement, repair, restoration, modification or improvement of the Hospital by the District, upon receipt of a requisition, signed by the District Representative and, so long as the Bank is the Owner of the Certificate, approved in writing by the Bank, that states the following with respect to each payment to be made:

(i) the requisition number,

(ii) the name and address of the person, firm or corporation to whom payment is due,

(iii) the amount to be paid and

(iv) that each obligation mentioned therein has been properly incurred, is a proper charge against the Insurance and Condemnation Fund, has not been the basis of any previous withdrawal, and specifying in reasonable detail the nature of the obligation.

Any balance of the Net Proceeds remaining after such work has been completed shall be transferred to the Lease Payment Fund. The District covenants that it will commence such replacement, repair, restoration, modification or improvement or indicate that such replacement, repair, restoration, modification or improvement is not economically feasible within 180 days of receipt of such Net Proceeds.

(b) From Eminent Domain Award. The Net Proceeds of any eminent domain award shall be deposited in the Insurance and Condemnation Fund to be held and applied by the Trustee pursuant to Section 7.02 of the Trust Agreement.

Section 5.08. Advances. If the District fails to perform any of its obligations under this Article V, the Corporation may, but shall not be obligated to, take such action as may be necessary to cure such failure, including the advancement of money, and the District shall be obligated to repay all such advances as soon as possible, with interest at the rate of interest with respect to the Certificate from the date of the advance to the date of repayment.

ARTICLE VI

DISCLAIMER OF WARRANTIES; ACCESS; INDEMNITY

Section 6.01. Disclaimer of Warranties. The Corporation makes no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for any particular purpose or fitness for the use contemplated by the District for the Project or any item thereof, or any other representation or warranty with respect to the Project or any item thereof. In no event shall the Corporation be liable for incidental, indirect, special or consequential damages, in connection with or arising out of this Lease-Purchase Agreement or the Trust Agreement for the existence, furnishing, functioning or the District's use of the Project.

Section 6.02. Access to the Project and Records. To the extent permitted by law, the District agrees that the Corporation, any Corporation Representative, the Bank, and the Corporation's successors or assigns shall have the right at all reasonable times to enter upon and to examine and inspect the Project. The District further agrees that the Corporation, any Corporation Representative, and the Corporation's successors or assigns shall have such rights of access to the Project as may be reasonably necessary to cause the proper maintenance of the Project in the event of failure by the District to perform its obligations hereunder. In addition, the District agrees that the Corporation, any Corporation Representative, the Bank, and the Corporation's successors or assigns shall have the right at all reasonable times to inspect and examine all books, papers and records of the Corporation and the District pertaining to the Project and the Certificate, to make copies thereof and to take non-privileged memoranda therefrom or with respect thereto as may be desired.

Section 6.03. Indemnity. The District shall and hereby agrees to indemnify and save the Corporation, the Trustee and the Bank and their respective successors and assigns harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of:

(a) the use, maintenance, condition or management of, or from any work or thing done on the Project by the District;

(b) any breach or default on the part of the District in the performance of any of its obligations under this Lease-Purchase Agreement;

(c) any act or negligence of the District or of any of its agents, contractors, servants, employees or licensees with respect to the Project;

(d) any act or negligence of any assignee or sublessee of the District with respect to the Project; or

(e) the construction of the Project.

No indemnification is made under this Section 6.03, or elsewhere in this Lease-Purchase Agreement, for willful misconduct, negligence, or breach of duty under this Lease-Purchase Agreement by the Corporation, its officers, agents, employees, successors or assigns.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.01. Events of Default Defined. The following shall be "events of default" under this Lease-Purchase Agreement and the terms "events of default" and "default" shall mean, whenever they are used in this Lease-Purchase Agreement, any one or more of the following events:

(a) Failure by the District to pay any Lease Payment by the Lease Payment Date or failure to make any other payment required to be paid hereunder at the time specified herein; or

(b) Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed in this Lease-Purchase Agreement or the Trust Agreement, other than as referred to in clause (a) of this Section 7.01, for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the District by the Corporation, the Trustee or the Owners of not less than 25% in aggregate principal amount of the Certificate then Outstanding; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Corporation, the Trustee or such Owners, as applicable, shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the District within the applicable period and diligently pursued until the default is corrected; or

(c) The filing by the District of a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or the approval by a court of competent jurisdiction of a petition filed with or without the consent of the District seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction assumes custody or control of the District or of the whole or any substantial part of its property; or

(d) An event of default occurs and is continuing with respect to any Parity Obligations; or

(e) Any representation or warranty made by the District in this Lease-Purchase Agreement or in any certificate delivered in connection herewith shall prove to have been false or misleading in any material respect when made and, if capable of being cured, is not cured within 30 days after written notice to the District; or

(f) Failure by the District to replenish the Reserve Fund as required by Section 6.05 of the Trust Agreement, or the occurrence of a default by the District under the DSRF Administration Agreement or the Deposit Account Control Agreement that continues for 30 days after written notice to the District, or either such agreement (other than the Deposit Account Control Agreement upon its termination in accordance with its terms or Section 5.06(a)(iii) of the Trust Agreement) or the pledge of Pledged Revenues hereunder shall cease to be in full force and effect or shall be contested by the District.

Section 7.02. Remedies on Default. Whenever any event of default has happened and is continuing, the Corporation may take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce any other of its rights hereunder. Notwithstanding anything herein or in the Trust Agreement to the contrary, neither the Corporation nor the Trustee may accelerate the Lease Payments or otherwise declare any Lease Payments not then in default to be immediately due and payable. Each covenant hereof to be kept and performed by the District is expressly made a condition and upon the breach thereof the Corporation may exercise any and all rights granted hereunder; except that no termination of this Lease-Purchase Agreement may be effected either by operation of law or acts of the parties hereto, except only in the manner herein expressly provided.

Notwithstanding the foregoing or anything contained in this Lease-Purchase Agreement, no remedy herein conferred upon or reserved to the Corporation (and the Trustee, as assignee) shall have an adverse effect on the rights and privileges of Adventist under the Adventist Lease (including Adventist's right of possession of the Hospital under the Adventist Lease), which lease shall continue in full force and effect and shall not be altered, terminated, diminished, or interfered with by Corporation.

Section 7.03. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Corporation is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease-Purchase Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Corporation to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice, other than such notice as may be required in this Article or by law.

Section 7.04. Prosecution and Defense of Suits. The District shall promptly, upon request of the Corporation or its assignee, from time to time take or cause to be taken such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to the Project whether now existing or hereafter developing and shall prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and, to the extent permitted by law, shall indemnify or cause to be indemnified the Corporation and its assignee for all loss, cost, damage and expense, including attorneys' fees, which they or any of them may incur by reason of any such defect, cloud, suit, action or proceedings.

To the extent permitted by law, the District shall defend, or cause to be defended, against every suit, action or proceeding at any time brought against the Corporation or its assignee upon any claim arising out of the receipt, application or disbursement of any of the Property Tax Revenues or Gross Revenues or involving the rights or duties of the Corporation or its assignee under this Lease-Purchase Agreement or the Trust Agreement; provided, that the Corporation and its assignee at their election may appear in and defend any such suit, action or proceeding. The District shall indemnify or cause to be indemnified the Corporation and its assignee against any and all liability claimed or asserted by any person, arising out of such receipt, application or disbursement. Notwithstanding any contrary provision hereof, this covenant shall remain in full force and effect, even though all Lease Payments have been fully paid and satisfied, until a date which is three years following the payment of the last of the Lease Payments.

Section 7.05. No Additional Waiver Implied by One Waiver. If any agreement contained in this Lease-Purchase Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 7.06. Application of the Proceeds. The Trustee, as assignee of the Corporation, shall apply all amounts received under this Article VII as set forth in Section 13.03 of the Trust Agreement.

Section 7.07. Liability Limited to Pledged Revenues. Notwithstanding any provision of this Lease-Purchase Agreement, the District's liability to pay the Lease Payments and other amounts hereunder shall be limited solely to Pledged Revenues as provided in Sections 3.06 and 3.07 hereof. If Pledged Revenues are insufficient at any time to pay a Lease Payment in full, the District shall not be liable to pay or prepay such Lease Payment other than from Pledged Revenues.

Section 7.08. Trustee and Certificate Owners to Exercise Rights. Such rights and remedies as are given to the Corporation under this Article VII have been assigned by the Corporation to the Trustee under the Trust Agreement, to which assignment the District hereby consents. Such rights and remedies shall be exercised by the Trustee and the Owners of the Certificate as provided in the Trust Agreement.

Section 7.09. Pro Rata Application of Pledged Revenues. If, at any time, there is a deficiency in Pledged Revenues available to pay the Lease Payments, any amounts due with respect to Parity Obligations secured thereby, amounts required to replenish the Reserve Fund, or amounts required to replenish any reserve fund established for Parity Obligations, available Pledged Revenues shall be applied on a pro rata basis to the payment of such Lease Payments, to the payment of amounts due with respect to Parity Obligations, to the replenishment of the Reserve Fund, and to the replenishment of any reserve fund established for Parity Obligations.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Assignment, Sale or Lease by the District.

(a) Assignment or Sale. This Lease-Purchase Agreement may not be assigned by the District, and the Hospital may not be sold by the District during the Term of this Lease-Purchase Agreement, except as provided in the Adventist Lease and then only with the prior written consent of the Bank or upon prepayment of the Lease Payments in full in accordance with Article IV hereof.

(b) Lease. The District may lease the Hospital, or any portion thereof, with the consent of the Owner of the Certificate, and subject to all of the following conditions:

(i) This Lease-Purchase Agreement and the obligation of the District to make Lease Payments hereunder shall remain obligations of the District;

(ii) The District shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Corporation and the Trustee a true and complete copy of the documents accomplishing such lease;

(iii) No such lease by the District shall cause the Project to be used for a purpose other than a governmental or proprietary function authorized under the provisions of the Constitution and laws of the State; and

(iv) No such lease shall cause the interest component of the Lease Payments to become subject to federal or State personal income taxes.

Section 8.02. Amendment of Lease-Purchase Agreement. The District will not alter, modify or cancel or agree or consent to alter, modify or cancel this Lease-Purchase Agreement, except as permitted by Article X of the Trust Agreement, without the written consent of the Trustee, the Corporation, and the Bank.

Section 8.03. Binding Effect. This Lease-Purchase Agreement shall inure to the benefit of and shall be binding upon the Corporation and the District and their respective successors and assigns.

Section 8.04. Applicable Law. This Lease-Purchase Agreement shall be governed by and construed in accordance with the laws of the State and federal law as applicable.

Section 8.05. Severability. If any provision of this Lease-Purchase Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 8.06. Captions. The captions or headings in this Lease-Purchase Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provision, Article or Section of this Lease-Purchase Agreement.

Section 8.07. Net Contract. This Lease-Purchase Agreement shall be deemed and construed to be a "net contract" and the District hereby agrees that the Lease Payments shall be an absolute net return to the Corporation, free and clear of any expenses, charges or set-offs whatsoever.

Section 8.08. Further Assurances and Corrective Instruments. The Corporation and the District agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Project hereby leased or intended so to be or for carrying out the expressed intention of this Lease-Purchase Agreement.

Section 8.09. Corporation and District Representatives. Whenever under the provisions of this Lease-Purchase Agreement the approval of the Corporation or the District is required, or the Corporation or the District is required to take some action at the request of the other, such approval or such request shall be given for the Corporation by a Corporation Representative and for the District by a District Representative, and any party hereto shall be authorized to rely upon any such approval or request.

Section 8.10. Notices. Any notice, request, complaint, demand or other communication hereunder shall be given by first class mail, personal delivery or email or other form of electronic communication, to the party entitled thereto, at its respective address set forth below. Notice shall be effective (a) 48 hours after deposit in the United States mail, postage prepaid, (b) in the case of personal delivery to any person, upon actual receipt, and (c) upon transmission by email or other form of electronic communication.

If to the District:	Mendocino Coast Health Care District 775 River Drive Fort Bragg, California 95437 Attn: Chief Financial Officer Email: wallen@mendocinochcd.gov
If to the Corporation:	CSDA Finance Corporation 1112 "I" Street, Suite 200 Sacramento, California 95814 Attention: Chief Executive Officer
If to the Trustee:	U.S. Bank Trust Company, National Association U.S. Bank Global Corporate Trust 633 West Fifth Street, 24th Floor LM-CA-T24T Los Angeles, CA 90071 Attention: Global Corporate Trust Email: angie.gonzalez@usbank.com
If to the Bank:	Tri Counties Bank

3700 Douglas Blvd.
Roseville, California 95661
Phone: (916) 865-2690
Attn: Vanessa Ryan, Senior Vice President (or her successor)
Email: vanessaryan@tcbk.com

The parties listed above may, by notice given hereunder, designate different addresses to which subsequent notices, certificates or other communications will be sent hereunder.

Section 8.11. Execution in Counterparts. This Lease-Purchase Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 8.12. Waiver of Jury Trial; Judicial Reference.

(a) Waiver of Jury Trial. THE UNDERSIGNED ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED UNDER CERTAIN CIRCUMSTANCES. TO THE EXTENT PERMITTED BY LAW, THE PARTIES, AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF ITS, HIS OR HER CHOICE, KNOWINGLY AND VOLUNTARILY, AND FOR THE MUTUAL BENEFIT OF ALL PARTIES, WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION ARISING OUT OF OR RELATED TO THIS AGREEMENT OR ANY OTHER DOCUMENT, INSTRUMENT OR AGREEMENT BETWEEN THE UNDERSIGNED PARTIES AND/OR BANK RELATED THERETO.

(b) Judicial Reference. If the waiver in paragraph (a) is not enforceable, then at the written request of any party any dispute arising out of or related to this Lease-Purchase Agreement, the Trust Agreement or any other document, instrument or agreement between the undersigned parties and/or bank related thereto (a "Claim"), including all questions of law and fact, shall be determined by a general reference under Section 638 et seq. of the California Code of Civil Procedure, as amended from time to time.

(c) Referee. The parties shall select by mutual written agreement a single neutral referee who is a retired state or federal judge or justice with at least five years of civil trial experience. If the parties do not agree on a referee within 10 days after a written request by any party, the referee shall be appointed by the presiding judge of the Superior Court of California, County of Mendocino, or a judge designated by the presiding judge. The parties shall share equally the fees and expenses of the referee unless the referee otherwise provides in the statement of decision.

(d) Timing. Time is of the essence in the reference proceeding. The referee shall be requested to set a status and trial-setting conference within 15 days after appointment, to try all issues, if practicable, within 120 days after that conference, and to report a statement of decision within 20 days after the matter is submitted.

(e) Conduct of Reference. Except as provided in this Section, the reference shall be conducted under California law. The referee shall determine all issues relating to the applicability, interpretation, legality and enforceability of this Section and the manner in which the proceeding is conducted, including the time and place of hearings and the order of

presentation of evidence. The referee may award equitable as well as legal relief and may rule on any motion that would be authorized in a court proceeding. The referee's decision shall be entered as a judgment or order in the same manner as if the Claim had been tried by the court, shall be appealable as provided by law, and shall be subject to the parties' rights to findings of fact, conclusions of law, a written statement of decision, and a motion for a new trial or a different judgment, which, if granted, shall also be a reference proceeding.

(f) Bank. The Bank, as Owner of the Certificate, is entitled to enforce, and by its acceptance of the Certificate agrees to be bound by, this Section.

[Signature Page Follows]

IN WITNESS, the Corporation has caused this Lease-Purchase Agreement to be duly executed in its name by its duly authorized officer; and the District has caused this Lease-Purchase Agreement to be duly executed in its name by its duly authorized officers, as of the date first above written.

CSDA FINANCE CORPORATION,
as Lessor

By _____
Neil McCormick
Chief Executive Officer

MENDOCINO COAST HEALTH CARE DISTRICT, *as Lessee*

By _____
Katharine Wylie
Agency Administrator

EXHIBIT A

DESCRIPTION OF THE PROJECT

The Project consists of seismic improvements and related capital improvements to the existing hospital facilities owned by the Mendocino Coast Health Care District (the "District") and currently operated by Adventist Health Mendocino Coast, located in Fort Bragg, California (collectively, the "Project").

The Project generally consists of improvements to enhance the structural and nonstructural seismic safety, reliability, functionality and continued operation of the hospital facilities in the event of an earthquake or other emergency. The Project is expected to include, but is not limited to, structural evaluation, repair, reinforcement, strengthening, modification and seismic retrofitting of existing hospital buildings and related structures; seismic bracing, anchorage, reinforcement, replacement and other improvements to nonstructural building components, equipment, fixtures, mechanical, electrical, plumbing, fire protection and other building systems; and improvements to water supply, wastewater collection, storage, pumping, distribution and other utility infrastructure necessary to support continued hospital operations during and following an emergency.

The Project may also include the construction, installation, replacement, rehabilitation and improvement of emergency water storage and wastewater facilities, tanks, pumps, controls, enclosures, piping, connections and related site improvements; improvements to building foundations, structural framing, walls, roofs and other building components; and the acquisition and installation of equipment and other tangible personal property associated with the foregoing improvements.

The Project further includes all related site preparation, excavation, grading, demolition, utility relocation and connection work, paving and restoration, architectural and engineering services, design, construction management, project management, testing, inspection, permitting, regulatory compliance, furnishings, fixtures and equipment, and other incidental and ancillary work and costs necessary or convenient for the completion and placing in service of the Project.

The Project is intended to improve the hospital facilities' compliance with applicable California hospital seismic safety requirements and to support the continued provision of essential health care services to residents of the District's service area.

EXHIBIT B
SCHEDULE OF LEASE PAYMENTS

(Interest Rate is 4.85% per annum)
(assuming no Event of Default of Event of Taxability)

Payment Date	Interest Component	Principal Component	Total Lease Payment
February 1, 2027	$	$	$
August 1, 2027			
February 1, 2028			
August 1, 2028			
February 1, 2029			
August 1, 2029			
February 1, 2030			
August 1, 2030			
February 1, 2031			
August 1, 2031			
February 1, 2032			
August 1, 2032			
February 1, 2033			
August 1, 2033			
Totals	**$**	**$**	**$**