

August 31, 2012

**\$38,145,000****West Virginia Hospital Finance Authority  
Hospital Refunding Bonds  
(West Virginia United Health System Obligated Group),  
2012 Series A****\$50,080,000****West Virginia Hospital Finance Authority  
Hospital Refunding Bonds  
(West Virginia United Health System Obligated Group),  
2012 Series B****\$23,770,000****West Virginia Hospital Finance Authority  
Hospital Refunding Bond  
(West Virginia United Health System Obligated Group),  
2012 Series C**

On August 1, 2012, the above referenced bonds (individually, the “2012 A Bonds,” the “2012 B Bonds” and the “2012 C Bond;” and collectively, the “2012 Bonds”) were issued by the West Virginia Hospital Finance Authority (the “Issuer”) in the aggregate principal amount of \$111,995,000. The proceeds of the Bonds were used to (i) currently refund the Issuer’s (x) Hospital Refunding Revenue Bonds (West Virginia United Health System Obligated Group) 2008 Series A, (y) Hospital Revenue Bonds (West Virginia United Health System Obligated Group) 2011 Series A and (z) Hospital Refunding Revenue Bonds (West Virginia United Health System Obligated Group) 2008 Series D and (ii) pay costs of issuing the 2012 Bonds. The 2012 A Bonds and the 2012 B Bonds were purchased by Wells Fargo Municipal Capital Strategies, LLC (“Wells Fargo”), and the 2012 C Bond was purchased by United Bank, Inc. (“United Bank” and together with Wells Fargo, the “Purchasers”). The 2012 A Bonds have been issued pursuant to the terms of a Bond Indenture between the Issuer and Wells Fargo (the “2012 A Bond Indenture”). The 2012 B Bonds have been issued pursuant to the terms of a Bond Indenture between the Issuer and Wells Fargo (the “2012 B Bond Indenture” and together with the 2012 A Bond Indenture, the “Bond Indentures”). The 2012 C Bond have been issued pursuant to a Bond Purchase and Loan Agreement by and among the Issuer, West Virginia University Hospital, Inc., as Obligated Group Agent (the “Obligated Group Agent”) and United Bank (the “Bond Purchase and Loan Agreement”). The 2012 Bonds are secured under the Amended and Restated Master Trust Indenture dated as of August 1, 2003, between the Obligated Group Agent and The Huntington National Bank, as Master Trustee (as amended and supplemented through the date hereof, the “Master Indenture”). The 2012 Bonds are tax-exempt.

Additional significant terms with regard to the 2012 A Bonds are as follows:

1. Issue price of \$38,145,000 with a final maturity date of June 1, 2041
2. The 2012 A Bonds will be issued in the Index Rate Mode and will bear interest at the LIBOR Index Rate (as defined in the 2012 A Bond Indenture), initially 1.02199%.
3. Interest on the 2012 A Bonds shall be payable on the first business day of each month, commencing on September 4, 2012, and principal payments on the 2012 A Bonds shall be as set forth on Schedule A. On June 1, 2041, all accrued interest, unpaid principal and other amounts due under the 2012 A Bonds shall be due and payable in full; provided, however, that the 2012 A Bonds are subject to mandatory tender on July 1, 2019 and optional redemption on any Interest Payment Date, as set forth in more detail on Schedule A.
4. The Covenants, the Events of Default and any applicable remedies relating to the 2012 A Bonds are as set forth on Schedule A.

Additional significant terms with regard to the 2012 B Bonds are as follows:

1. Issue price of \$50,080,000 with a final maturity date of March 1, 2041
2. The 2012 B Bonds will be issued in the Index Rate Mode and will bear interest at the LIBOR Index Rate (as defined in the 2012 B Bond Indenture), initially 1.02199%.
3. Interest on the 2012 B Bonds shall be payable on the first business day of each month, commencing on September 4, 2012, and principal payments on the 2012 B Bonds shall be as set forth on Schedule B. On March 1, 2041, all accrued interest, unpaid principal and other amounts due under the 2012 B Bonds shall be due and payable in full; provided, however, that the 2012 B Bonds are subject to mandatory tender on July 1, 2019 and optional redemption on any Interest Payment Date, as set forth in more detail on Schedule B.
4. The Covenants, the Events of Default and any applicable remedies relating to the 2012 B Bonds are as set forth on Schedule B.

Additional significant terms with regard to the 2012 C Bond are as follows:

1. Issue price of \$23,770,000 with a final maturity date of June 1, 2030
2. The 2012 C Bond will bear interest at the Adjusted LIBOR Rate (as defined in the Bond Purchase and Loan Agreement), initially 1.27%.
3. Interest on the 2012 C Bond shall be paid quarterly, commencing on the first day of September, 2012, and continuing quarterly thereafter on the first day of December, March, June and September until June 1, 2030. The principal payments on the 2012 C Bond shall be as set forth on Schedule C. On June 1, 2030, all accrued interest, unpaid principal and other amounts due under the 2012 C Bond shall be due and payable in full; provided, however, that the obligations of the Issuer and the Obligated Group Agent are subject to the optional tender provisions set forth on Schedule C.

4. The Covenants, the Events of Default and any applicable remedies relating to the 2012 C Bond are as set forth on Schedule C.

Inquires with respect to the 2012 Bonds may be directed to the Obligated Group as follows:

John Yeager  
Chief Financial Officer  
West Virginia United Health System  
1000 Technology Drive, Suite 2320  
Fairmont, West Virginia 26554  
(304) 368-2700

## **SCHEDULE A**

### **I. 2012 A BONDS PRINCIPAL PAYMENTS:**

Principal payments on the 2012 A Bonds shall be made as follows:

#### **2012 A Bonds Maturing June 1, 2041**

<b><u>(June 1)</u></b>	<b><u>Amount</u></b>
2013	\$ 2,995,000
2014	3,355,000
2015	2,065,000
2016	2,065,000
2016	1,465,000
2017	2,495,000
2018	2,320,000
2019	2,445,000
2020	455,000
2021	1,010,000
2022	530,000
2023	560,000
2024	560,000
2025	555,000
2026	610,000
2027	1,315,000
2028	710,000
2029	660,000
2030	710,000
2031	785,000
2032	1,640,000
2033	910,000
2034	940,000
2035	930,000
2036	1,030,000
2037	910,000
2038	2,440,000
2039	1,230,000
2040	1,205,000
2041*	1,310,000
	38,145,000

\*Denotes Maturity

### **II. REDEMPTION OF 2012 A BONDS:**

Capitalized terms used in Articles II and V and not otherwise defined herein shall have the definitions set forth in Article VI of this Schedule A.

(A) Optional Redemption of 2012 A Bonds. The 2012 A Bonds are subject to optional redemption by the Issuer, at the written direction of the Obligated Group Agent, in whole or in part (and, if in part, the Obligated Group Agent shall select the series and maturities of the 2012 A Bonds to be redeemed in such order of maturity as the Obligated Group Agent shall specify in writing the CUSIP Numbers, if any, and within the maturity by lot or by such other method as Wells Fargo Bank, National Association, as Bond Trustee (the “Bond Trustee”) determines in its sole discretion to be fair and reasonable and in Authorized Denominations) at the times set forth in Subsection (B) of Section 4.01 of the 2012 A Bond Indenture and at a price equal to the principal amount being redeemed plus accrued interest to the redemption date with such premium as set forth in Subsection (B) of Section 4.01 of the 2012 A Bond Indenture, collectively the “Redemption Price.”

(B) Terms of Redemption.

(1) Optional Redemption of 2012 A Bonds in the Index Rate Mode. Subject to any limitations set forth in the applicable Index Rate Agreement, the 2012 A Bonds in the Index Rate Mode are subject to redemption on any Interest Payment Date and Unremarketed Bonds are subject to redemption at any time, in each case at the direction of the Obligated Group Agent on behalf of the Issuer in whole or in part, at a redemption price equal to the principal amount of the Bonds to be redeemed plus accrued interest thereon to, but not including, the redemption date plus the applicable redemption premium, if any, as provided in the applicable Index Rate Agreement.

(2) Optional Redemption from Insurance and Condemnation Proceeds. The 2012 A Bonds are also subject to redemption prior to their respective stated maturity dates, upon the option of the Issuer, at the direction of the Obligated Group Agent, as a whole on any date or in part on any Interest Payment Date, from money required to be deposited in the Special Redemption Account pursuant to the 2012 A Bond Indenture, at a Redemption Price equal to the principal amount called for redemption, plus any accrued interest to the date fixed for redemption, without premium; provided, however, so long as the Credit Facility is in effect, the moneys deposited in the Special Redemption Account shall not constitute Eligible Moneys and shall not be used to pay the Holders directly.

(C) Purchase in Lieu of Redemption.

(i) Purchase of Bonds for Cancellation. In lieu of redeeming the 2012 A Bonds pursuant to Section 4.01 of the 2012 A Bond Indenture, the Bond Trustee may, at the request of the Obligated Group Agent, use such funds otherwise available for redemption of Bonds to purchase Bonds in the open market at a price not exceeding the Redemption Price then applicable, such Bonds to be delivered to the Bond Trustee for the purpose of cancellation. It is understood that in the case of any such redemption or purchase of Bonds, the Issuer shall receive credit against its required Mandatory Sinking Fund Payment in the same manner as would be applicable if such Bonds were optionally redeemed. Purchases pursuant to this paragraph shall be made first from Bank Bonds and thereafter from Bonds with Maturity Dates selected by the Obligated

Group Agent. Purchases made pursuant to this paragraph shall be made with Eligible Moneys unless the purchase is of a Bond then bearing interest at the Bank Rate, or a Fixed Rate.

### **III. COVENANTS RELATED TO 2012 A BONDS PURSUANT TO 2012 A CONTINUING COVENANT AGREEMENT:**

The Obligated Group Agent covenants and agrees with Wells Fargo that it will, and will cause each Member (capitalized terms used in this Article III and in Article IV and not otherwise defined herein shall have the definitions set forth in Article VI to this Schedule A) of the Obligated Group to, do the following during the term of the 2012 A Continuing Covenant Agreement, and thereafter, so long as any Obligations remain unpaid or unfilled, unless Wells Fargo shall otherwise consent in writing:

Section 6.01. Reporting Requirements. The Obligated Group will keep proper books of record and account in accordance with GAAP as the same are in effect on the date hereof and will deliver or cause to be delivered to Wells Fargo:

(i) As soon as available and in any event within sixty (60) days after the close of each quarter of each fiscal year of the Obligated Group:

(1) unaudited consolidated and consolidating financial statements of the Obligated Group, including a balance sheet, related statements of operations, changes in net assets and cash flows as of the end of such quarter and for such quarter and the current fiscal year to the end of such quarter, which shall be internally prepared and presented on a consistent basis, setting forth in each case in comparative form the figures for the corresponding period of the previous fiscal year of the Obligated Group; and

(2) a certificate signed by the Obligated Group Agent (i) stating that the unaudited financial statements referred to in subsection (i)(1) of Section 6.01 of the 2012 A Continuing Covenant Agreement have been prepared on substantially the same basis as the most recent financial statements delivered to Wells Fargo and the financial statements theretofore furnished to Wells Fargo pursuant to subsection (i)(1) of Section 6.01 of the 2012 A Continuing Covenant Agreement, and (ii) stating that no Event of Default or Default has occurred and is continuing, or if such Event of Default or Default has occurred and is continuing, specifying the nature of such Event of Default or Default, the period of its existence, the nature and status thereof and any remedial steps taken or proposed to correct such Event of Default or Default; such certificate shall also set forth the calculations supporting such statements in respect of Sections 7.01, 7.02 and 7.03 of the 2012 A Continuing Covenant Agreement.

(ii) As soon as available and in any event within one hundred fifty (150) days after the close of each fiscal year of the Obligated Group:

(1) audited consolidated and consolidating statements of financial position of the Obligated Group complying with the requirements of Section 414(A) of the Master Indenture, together with unaudited consolidating financial statements of the Obligated Group for such fiscal year in form and substance satisfactory to Wells Fargo; and

(2) a certificate signed by the Obligated Group Agent (i) stating that the Obligated Group Agent has made a review of the activities during the preceding fiscal year for the purpose of determining whether or not each Member has complied with all of the terms, provisions and conditions of the 2012 A Continuing Covenant Agreement, the 2012 A Bond Indenture, the 2012 A Loan Agreement and the other Related Documents to which each such Member is a party, (ii) stating that to the best of his or her knowledge, each Member has kept, observed, performed and fulfilled each and every covenant, provision and condition of the 2012 A Continuing Covenant Agreement, the 2012 A Bond Indenture, the 2012 A Loan Agreement and the other Related Documents to which it is a party and (iii) stating that no Event of Default or Default has occurred, or if such Event of Default or Default has occurred, specifying the nature of such Event of Default or Default, the period of its existence, the nature and status thereof and any remedial steps taken or proposed to correct such Event of Default or Default; such certificate shall also set forth the calculations supporting such statements in respect of Sections 7.01, 7.02 and 7.03 of the 2012 A Continuing Covenant Agreement.

(iii) Within thirty (30) days following its receipt thereof, copies of any letter or report, including the annual management report, with respect to its management, operations or properties or those of the Obligated Group submitted to it or to another Member of the Obligated Group by its accountants in connection with any annual or interim audit of the Obligated Group's accounts; and

(iv) Such other information respecting the operations and properties, financial or otherwise, of the Obligated Group and its Members as Wells Fargo may from time to time reasonably request, excepting, however, any confidential patient care or donor information.

Section 6.02. Notice of Default. Promptly (but in no event later than five (5) Business Days) after the Obligated Group Agent or any other Member of the Obligated Group shall have obtained knowledge of the occurrence of an Event of Default or Default, provide to Wells Fargo the written statement of the Obligated Group Agent, on behalf of the Obligated Group, setting forth the details of each such Event of Default or Default and the action that the Obligated Group proposes to take with respect thereto.



Section 6.03. Conduct of Business. The Obligated Group Agent shall, and shall cause each Member of the Obligated Group to, conduct its business in an orderly, efficient and regular manner.

Section 6.04. Payment of Taxes and Other Obligations. Pay all taxes, assessments, and governmental charges or levies imposed upon it or upon or against the Obligated Group and all lawful claims which, if unpaid, might become a lien or charge upon any of its properties, *provided* that it shall not be required to pay any such tax, assessment, charge, levy, claim or monetary obligation which is being contested in good faith and by appropriate proceedings which shall operate to stay enforcement thereof or which is a Permitted Encumbrance.

Section 6.05. Insurance. The Obligated Group Agent shall maintain, and shall cause each Member of the Obligated Group to maintain, insurance coverage in accordance with the terms and conditions of the Master Indenture.

Section 6.06. Compliance with Laws, Etc. Comply with the requirements of all applicable laws, rules, regulations and orders of any governmental authority, except if the failure to comply would not reasonably be expected to have a Material Adverse Event on the Obligated Group's ability to perform its obligations hereunder or under the Related Documents unless the same shall be contested by it in good faith and by appropriate proceedings which shall operate to stay the enforcement thereof.

Section 6.07. Inspection Rights. At any reasonable time and from time to time during normal business hours and, upon reasonable written notice, permit Wells Fargo or any agents or representatives thereof, at Wells Fargo's expense, to examine and make copies of the records and books of account related to the Obligated Group (other than confidential patient and donor records) and the transactions contemplated by the 2012 A Continuing Covenant Agreement, to visit its properties and to discuss its affairs, finances and accounts with any of its officers and independent accountants.

Section 6.08. Maintenance of Approvals, Filings and Registrations. At all times maintain in effect, renew and comply with all the terms and conditions of all consents, licenses, approvals and authorizations as may be necessary or appropriate under any applicable law or regulation for the execution, delivery and performance of the 2012 A Continuing Covenant Agreement and the Related Documents to which any Member is a party (except such consents, licenses, approvals and authorizations as to which failure to so maintain, renew or comply could not reasonably be expected to cause a Material Adverse Event) and to make such agreements legal, valid, binding and enforceable.

Section 6.09. Maintenance of Properties. Maintain, at its own expense, its properties, improvements and every part thereof in good repair and operating condition.

Section 6.10. Bond Proceeds. Use the proceeds of the 2012 A Bonds for the purposes set forth in the 2012 A Bond Indenture and the 2012 A Loan Agreement.



Section 6.11. Further Assurance. Execute and deliver to Wells Fargo all such documents and instruments and do all such other acts and things as may be necessary or reasonably required by Wells Fargo to enable Wells Fargo to exercise and enforce its rights under the 2012 A Continuing Covenant Agreement and the Related Documents to which any Member is a party and to realize thereon, and record and file and re-record and re-file all such documents and instruments, at such time or times, in such manner and at such place or places, all as may be necessary or reasonably required and as directed by Wells Fargo to validate, preserve and protect the position of Wells Fargo under the 2012 A Continuing Covenant and the Related Documents.

Section 6.12. Disclosure to Participants. Permit Wells Fargo to disclose the information described in Section 6.01 of the 2012 A Continuing Covenant Agreement to any participants of Wells Fargo; *provided, however,* that any such participant shall not disclose any such information to any party without the prior written consent of the Obligated Group Agent (other than as required by law or to its independent certified public accountants).

Section 6.13. Certain Notices. The Obligated Group Agent, on behalf of the Obligated Group, shall furnish to Wells Fargo the following:

(i) A copy of any notice, certification, demand or other writing of material communication given by the Issuer to the Obligated Group or any Member relating to any action taken by the Issuer in connection with the 2012 A Bonds, in each case promptly after the receipt of the same.

(ii) Prompt notice of the institution of, or any final adverse determination in, any material litigation, arbitration, proceeding or proceedings by or before any Governmental Authority which, if adversely determined, would be reasonably likely to result in a Material Adverse Affect.

(iii) Prompt written notice to Wells Fargo of any matter or event which may result in a Material Adverse Event.

(iv) At the request of Wells Fargo, copies of each request made by and other information as and when provided to, the Bond Trustee and the Master Trustee.

(v) Within thirty (30) days of the issuance of any bonds or other obligations of the Obligated Group secured under the Master Indenture, copies of any disclosure documents distributed in connection therewith.

(vi) Promptly after the furnishing thereof, copies of any financial statement or report furnished to any trustee or other holder of the obligations of the Obligated Group or any Member therefor pursuant to the terms of the Master Indenture, any resolution, indenture, loan or credit or similar agreement and not otherwise required to be furnished to Wells Fargo pursuant to any other clause of Section 6.13 of the 2012 A Continuing Covenant Agreement.

(vii) Prompt written notice of (1) any change in the location of the Obligated Group Agent's executive offices, (2) any change in the location of the state of incorporation of any Member of the Obligated Group, (3) any change in the name of the Obligated Group, (4) any alteration in the nature of its business in any material respect, (5) any additions or withdrawals of Members to or from, as the case may be, the Obligated Group, and (6) any change in the Member designated as the Obligated Group Agent.

(viii) (1) Prompt notice of the failure by the Bond Trustee to perform any of its obligations under the 2012 A Bond Indenture, (2) forthwith, copies of any notification delivered to or received by it with respect to a downgrade, withdrawal or suspension of the rating assigned by S&P, Moody's or Fitch to the 2012 A Bonds or any other obligation of any Member, (3) forthwith, copies of any correspondence or other communications, delivered to or received by it or by or on behalf of any Member, from the Internal Revenue Service with respect to the 2012 A Bonds or any other obligation of any Member, (4) prompt notice of any proposed substitution of the 2012 A Continuing Covenant Agreement, (5) forthwith, copies of each notice required to be given to Wells Fargo pursuant to the 2012 A Bond Indenture, and (6) such further financial and other information (other than confidential, privileged or donor information) with respect to the Obligated Group and its Members as Wells Fargo may reasonably request from time to time.

(ix) If and when any member of the Obligated Group (1) gives or is required to give notice to the PBGC of any "reportable event" (as defined in Section 4043 of ERISA) with respect to any Plan which might constitute grounds for a termination of such Plan under Title IV of ERISA, or knows that the plan administrator of any Plan has given or is required to give notice of any such reportable event, a copy of the notice of such reportable event given or required to be given to the PBGC; (2) receives notice of complete or partial withdrawal liability under Title IV of ERISA of an intent to terminate or appoint a trustee to administrator any Plan, a copy of such notice.

Section 6.14. Existence. Each Member shall maintain its existence as a nonprofit corporation and its tax exempt status under Section 501(c)(3) of the Code.

Section 6.15. Related Document Covenants. (i) The Obligated Group Agent agrees that it will, and will cause each Member of the Obligated Group to, perform and comply with each and every covenant and agreement to be performed or observed by it in each of the Related Documents to which they are a party and each such covenant, together with the related definitions of terms contained therein, is hereby incorporated by reference herein with the same effect as if it were set forth herein in its entirety. No termination or amendment to such covenants and agreements or defined terms or release of the Obligated Group Agent or any Member with respect thereto as incorporated by reference herein are permitted without the prior written consent of Wells Fargo. Notwithstanding any termination or expiration of any such Related Document, the Obligated Group Agent and the Members shall continue to observe the covenants set forth therein for the benefit of Wells Fargo until the termination of the 2012 A Continuing Covenant Agreement and the payment of all obligations due and owing hereunder,

including without limitation the payment of the principal of and all accrued interest on all 2012 A Bonds. All such incorporated covenants shall be in addition to the express covenants contained herein and shall not be limited by the express covenants contained herein nor shall such incorporated covenants be a limitation on the express covenants contained herein.

(ii) To the extent that any provision of any of the Related Documents relating to the Obligations hereunder (including, without limitation, the Members' obligation to pay principal and interest on the 2012 A Bonds) incorporated by reference pursuant to paragraph (i) above permits any Person to waive compliance with such provision or requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to any Person, for purposes of the 2012 A Continuing Covenant Agreement, such provision shall not be complied with only if it is waived by Wells Fargo or such document, opinion or other instrument or event or condition, if material to Wells Fargo, shall be acceptable or satisfactory only if it is acceptable or satisfactory to Wells Fargo. No termination of or amendment or supplement to the covenants and agreements or definitions contained in the Related Documents relating to the Obligations hereunder (including, without limitation, the obligation to pay principal and interest on the 2012 A Bonds) shall be effective to terminate or amend such covenants and agreements or definitions as incorporated by reference herein without the prior written consent of Wells Fargo.

(iii) The Obligated Group Agent shall give prior written notice to Wells Fargo of any action referred to in Section 6.15 of the 2012 A Continuing Covenant Agreement.

Section 6.16. Environmental. Neither the Obligated Group Agent nor any other Member has received any notice to the effect that any Member's operations are not in material compliance with any of the requirements of applicable federal, state and local environmental, health and safety statutes and regulations or the subject of any federal or state investigation evaluation of whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment which could reasonably be expected to cause a Material Adverse Event.

Section 6.17. Negative Covenants. The Obligated Group Agent covenants and agrees with Wells Fargo during the term of the 2012 A Continuing Covenant Agreement or for so long as any Obligations remain outstanding or any Obligations remain unfulfilled or unpaid under the 2012 A Continuing Covenant Agreement, the Obligated Group Agent will not, and will not

permit any Member to, directly or indirectly, unless Wells Fargo shall otherwise consent in writing:

(a) Obligated Group. (i) Notwithstanding the provisions of the Master Indenture, allow any Person to become a Member of the Obligated Group without the prior written consent of Wells Fargo; and

(ii) Notwithstanding the provisions of the Master Indenture, allow any Member of the Obligation Group to cease to be a Member of the Obligated Group without the prior written consent of Wells Fargo;

(b) Mergers. Merge into or consolidate with any other corporation or to sell, lease or transfer all or substantially all of its Property to any Person, if after giving effect to any such merger, an Event of Default shall occur under the 2012 A Bond Indenture or under any Related Document;

(c) Amendments to the Related Documents. Amend or modify, or permit to be amended or modified in any manner whatsoever any Related Document in a manner which would have a Material Adverse Event upon the Obligated Group's ability to perform its obligations under this Agreement or to repay any of its Debt secured by the 2012-1 Note or the Obligated Group's ability to repay when due the Obligations or the rights, remedies or security of Wells Fargo under the Master Indenture or the other Related Documents or hereunder without the prior written consent of the Purchaser. Notwithstanding the foregoing, the Obligated Group Agent, on behalf of the Obligated Group, shall be entitled to enter into one or more supplements to the Master Indenture as permitted by the Master Indenture and to issue one or more obligations, in each case, so long as the Obligated Group Agent, on behalf of the Obligated Group, complies with the provisions of the Master Indenture and the other Related Documents and the issuance of such indebtedness would not otherwise result in a Default or an Event of Default;

(d) Indebtedness. Issue, incur, assume, create or have outstanding any Debt; provided, however, that the foregoing shall not operate to prevent (i) the debt of the Obligated Group under the Related Documents, the Obligations and other Debt owed by the Obligated Group to the Purchaser, and (ii) Debt, the incurrence of which would not cause the occurrence of a Default or an Event of Default hereunder, and which is in compliance with the Master Indenture;

(e) Investments, Acquisitions, Loans and Advances. Directly or indirectly, make, retain or have outstanding any investments (whether through purchase of stock or obligations or otherwise) in, or loans or advances to, any other Person, or acquire all or any substantial part of the assets or business of any other Person, or subordinate any claim or demand it may have to the claim or demand of any other Person; provided, however, that the foregoing shall not operate to prevent (i) investments permitted by the Investment Policy, and (ii) loans, investments and advances not prohibited by the terms of the Master Indenture;

(f) Sales of Asset. Sell, lease, assign, transfer or otherwise dispose of any of its now owned or hereafter acquired assets unless the conditions of Section 417 of the Master Indenture are satisfied and such sale, lease, assignment, transfer or disposition would not result in any Default or Event of Default hereunder or under any Related Document;

(g) No Changes in Fiscal Year. Change its fiscal year from its present basis; or

(h) Liens, Etc. Create or suffer to exist any lien upon or with respect to any of the funds or accounts created under the 2012 A Bond Indenture except those liens specifically permitted under the Master Indenture; or

(i) Plans. With regard to any Plan (i) engage in any “prohibited transaction” (as defined in Section 4975 of the Code), (ii) permit any Plan to incur any “accumulated funding deficiency” (as defined in Section 302 of ERISA) whether or not waived, (iii) either directly or indirectly, cause any Plan to terminate, either under Section 4041 or 4042 of ERISA, in a manner which could result in the imposition of a material lien or encumbrance on the assets of the Obligated Group or any Member pursuant to Section 4068 of ERISA, (iv) take or permit any action which could result in a withdrawal or partial withdrawal from a Plan and result in the assessment of any withdrawal liability against the Obligated Group or any Member, (v) allow a notice of intent to terminate a Plan or Plans having aggregate Unfunded Liabilities in excess of \$1,000,000 (collectively, “Restricted Plans”) or the PBGC to institute proceedings under Title IV of ERISA to terminate, to impose liability (other than for premiums under Section 4007 of ERISA) or to cause a trustee to be appointed to administer any Restricted Plan, (vi) allow a proceeding under ERISA instituted by a fiduciary of any Restricted Plan against any member of the ERISA Group to enforce Section 515 of ERISA, (vii) allow a condition to exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any Restricted Plan must be terminated, or any member of the ERISA Group to fail to pay when due withdrawal liability in excess of \$1,000,000 that it shall have become liable to pay to a “multiemployer” plan as such term is defined in Section 3(37) of ERISA, or (viii) allow, in the case of any event described in clauses (v), (vi), (vii) or (viii) of this Section, the aggregate amount of liability of the members of the ERISA Group to the PBGC under Section 4062, 4063 or 4064 of ERISA or to a multiemployer plan, as the case may be, to exceed \$1,000,000.

Section 6.18. Accreditation. The Obligated Group Agent will, and will cause each Member to, maintain (i) full or provisional accreditation of the hospital facilities owned by the Obligated Group Agent, any Member or the Obligated Group by each applicable accrediting body (ii) licenses and other approvals from appropriate regulatory authorities to operate its facilities requiring such licensure and approvals and (iii) the status of the hospital facilities as providers of health care services eligible for reimbursement under Blue Cross and Blue Shield, Medicaid or Medicare or equivalent insurance or contractual third-party payment programs including future federal programs, so long as such participation in the programs listed under this Section is deemed by the Obligated Group Agent or such Member to be in its best interest.

Section 6.19. Required Rating. The Obligated Group shall at all times maintain a rating on its long-term unenhanced Parity Debt of at least “BBB-” (or its equivalent) and “Baa3” (or its equivalent) by S&P and Moody’s, respectively.

Section 6.20. Other Agreements. In the event that any Member shall, directly or indirectly, enter into or otherwise consent to any credit agreement, bond purchase agreement, liquidity agreement or other agreement or instrument (or any amendment, supplement or modification thereto) under which, directly or indirectly, any Person or Persons undertakes to make payment of, or to purchase or provide credit enhancement for bonds or notes, which are secured by a Master Obligation, and such agreement (or amendment thereto) provides such Person with different or more restrictive covenants, different or more restrictive events of default and/or, greater rights and remedies than are provided to Wells Fargo in the 2012 A Continuing Covenant Agreement or the Master Indenture, the Obligated Group Agent shall provide Wells Fargo with a copy of each such agreement (or amendment thereto) and such different or more restrictive covenants, different or more restrictive events of default and/or, greater rights and remedies shall automatically be deemed to be incorporated into the 2012 A Continuing Covenant Agreement and Wells Fargo shall have the benefits of such different or more restrictive covenants, different or more restrictive events of default and/or, such greater rights and remedies as if specifically set forth herein. The Obligated Group Agent, on behalf of the Obligated Group, shall promptly enter into an amendment to 2012 A Continuing Covenant Agreement to include such different or more restrictive covenants, different or more restrictive events of default and/or, greater rights or remedies; *provided that* Wells Fargo shall have and maintain the benefit of such different or more restrictive covenants, different or more restrictive events of default and/or, greater rights and remedies even if the Obligated Group Agent fails to provide such amendment.

Section 7.01. Days Cash on Hand. The Obligated Group shall maintain on a consolidated basis, tested as of each June 30 and December 31, in each case, for the 12-month period then ended, Days Cash on Hand equal to at least 90 as of each such semi-annual test date.

Section 7.02. Debt Service Coverage Ratio. The Obligated Group shall maintain on a consolidated basis, tested as of each March 31, June 30, September 30 and December 31, in each case for the 12-month period then ended, a Debt Service Coverage Ratio of not less than 1.10 to 1.00 as of each such quarterly test date.

Section 7.03. Debt to Capitalization Ratio. The Obligated Group shall not permit the Debt to Capitalization Ratio of the Obligated Group on a consolidated basis, tested as of each March 31, June 30, September 30 and December 31, to exceed 67% as of each such quarterly test date.

#### **IV. EVENTS OF DEFAULT AND REMEDIES OF 2012 A BONDHOLDERS PURSUANT TO 2012 A CONTINUING COVENANT AGREEMENT:**

Section 8.01. Events of Default. The occurrence of any of the following events (whatever the reason for such event and whether voluntary, involuntary or effected by operation of law) shall be an “Event of Default” hereunder, unless waived in writing by Wells Fargo:

(a) the Obligated Group Agent, on behalf of the Obligated Group, shall fail to pay (i) the principal of or interest on any 2012 A Bond when due or (ii) any Obligation (other than the Obligation to pay the principal of or interest on the Bonds) and such failure shall continue for five (5) Business Days;

(b) the Obligated Group Agent or any member shall fail to observe or perform any term, covenant, condition or provision of Sections 6.01, 6.02, 6.04, 6.05, 6.06, 6.08, 6.10, 6.14, 6.15 (subject to any applicable grace periods), 6.17, 6.18, 6.19, 6.21, 7.01, 7.02, or 7.03 of the 2012 A Continuing Covenant Agreement;

(c) any representation or warranty made by or on behalf of the Obligated Group Agent or any Member under or in connection with this Agreement or any of the Related Documents (including, but not limited to, any such representation or warranty incorporated by reference pursuant to Section 5.09 of the 2012 A Continuing Covenant Agreement) or in any certificate or statement delivered hereunder or thereunder shall prove to be untrue in any material respect on the date as of which it was made or deemed to have been made;

(d) the breach by the Obligated Group Agent or any Member of any of the other terms or provisions of the 2012 A Continuing Covenant Agreement (other than as set forth in (a), (b) or (c) above), which are not remedied within fifteen (15) days after (i) the Obligated Group Agent or any other Member shall have become aware of such breach, or (ii) written notice thereof shall have been given by Wells Fargo to the Obligated Group Agent, on behalf of the Obligated Group;

(e) the Obligated Group Agent or any other Member shall (i) default on the payment of the principal of or interest on any Parity Debt, beyond the period of grace, if any, provided in the instrument or agreement under which such Parity Debt was created or incurred; or (ii) default in the observance or performance of any agreement or condition relating to any Parity Debt or contained in any instrument or agreement evidencing, securing or relating thereto, or any other default, event of default or similar event shall occur or condition exist, the effect of which default, event of default or similar event or condition is to cause (determined without regard to whether any notice is required) any such Parity Debt to become immediately due and payable in full as the result of the acceleration, mandatory redemption or mandatory tender of such Parity Debt;

(f) the Obligated Group Agent or any other Member shall (i) default on the payment of the principal of or interest on any Debt (other than Parity Debt) aggregating in excess of \$10,000,000, beyond the period of grace, if any, provided in the instrument or agreement under which Parity Debt was created or incurred; or (ii) default in the observance or performance of any agreement or condition relating to any Debt (other than Parity Debt) aggregating in excess of \$10,000,000, or contained in any instrument or agreement evidencing, securing or relating thereto, or any other default, event of default or similar event shall occur or condition exist, the effect of which default, event of default or similar event or condition is to permit (determined without regard to whether any



notice is required) any such Debt to become immediately due and payable in full as the result of the acceleration, mandatory redemption or mandatory tender of such Debt;

(g) (i) any provision of the 2012 A Continuing Covenant Agreement or any Related Document related to (A) payment of principal of or interest on the Bonds or any Parity Debt or (B) the validity or enforceability of the pledge or security interest created by the Master Indenture to secure the 2012-1 Note or the 2012-1 Wells Note shall at any time for any reason cease to be valid and binding on the Obligated Group as a result of a finding or ruling by a court or Governmental Authority with competent jurisdiction, or shall be declared, in a final nonappealable judgment by any court of competent jurisdiction, to be null and void, invalid or unenforceable; or

(ii) the validity or enforceability of any material provision of this Agreement or any Related Document related to (A) payment of principal of or interest on the 2012 A Bonds or any Parity Debt, or (B) the validity or enforceability of the pledge or security interest created by the Master Indenture to secure the 2012-1 Note or the 2012-1 Wells Note shall be publicly contested by any Member of the Obligated Group; or

(iii) any other material provision of the 2012 A Continuing Covenant Agreement or any other Related Document, other than a provision described in clause (i) above, shall at any time for any reason cease to be valid and binding on the Obligated Group as a result of a ruling or finding by a court or a Governmental Authority with competent jurisdiction or shall be declared in a final non-appealable judgment by any court with competent jurisdiction to be null and void, invalid, or unenforceable, or the validity or enforceability thereof shall be publicly contested by any Member of the Obligated Group;

(h) a final judgment or order for the payment of money in an amount in excess of \$5,000,000 shall have been rendered against the Obligated Group Agent or any Member and such judgment or order shall not have been satisfied, stayed or bonded pending appeal within a period of thirty (30) days from the date on which it was first so rendered;

(i) (i) the Obligated Group Agent or any Member shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or the Obligated Group Agent or any Member shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the Obligated Group Agent or any Member any case, proceeding or other action of a nature referred to in clause (i) above which (x) results in an order for such relief or in the appointment of a receiver or similar official or (y) remains

undismissed, undischarged or unbonded for a period of sixty (60) days; or (iii) there shall be commenced against the Obligated Group Agent or any Member, any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets, which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within sixty (60) days from the entry thereof; or (iv) the Obligated Group Agent or any Member shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) the Obligated Group Agent or any Member shall generally not, or shall be unable to, or so admit in writing its inability to, pay its debts;

(j) any of Moody's, Fitch or S&P shall downgrade their respective ratings of the Obligated Group's long-term unenhanced Parity Debt to below Investment Grade, or suspend or withdraw such rating for credit-related reasons; or

(k) the occurrence of any "event of default" as defined in the 2012 A Bond Indenture or any "event of default" which is not cured within any applicable cure period under any of the Related Documents and which, if not cured, would give rise to remedies available thereunder (regardless of any waiver thereof by any Person other than Wells Fargo).

Section 8.02. Consequences of an Event of Default. Upon the occurrence of an Event of Default set forth in Section 8.01 of the 2012 A Continuing Covenant Agreement, Wells Fargo may take one or more of the following actions at any time and from time to time (regardless of whether the actions are taken at the same or different times):

(a) (i) by written notice to the Bond Trustee and the Obligated Group Agent, on behalf of the Obligated Group, declare the outstanding amount of the Obligations under the 2012 A Continuing Covenant Agreement to be immediately due and payable without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived, and an action therefor shall immediately accrue;

(ii) deliver a written notice to the Bond Trustee and the Obligated Group Agent, on behalf of the Obligated Group, that an Event of Default has occurred and is continuing and direct the Bond Trustee and the Obligated Group Agent, on behalf of the Obligated Group, as applicable, to cause a mandatory tender or acceleration of the 2012 A Bonds or take such other remedial action as is provided for in the 2012 A Bond Indenture;

(iii) either personally or by attorney or agent without bringing any action or proceeding, or by a receiver to be appointed by a court in any appropriate action or proceeding, take whatever action at law or in equity may appear necessary or desirable to collect the amounts due and payable under the Related Documents or to enforce performance or observance of any obligation, agreement or covenant of the Obligated Group Agent, on behalf of the Obligated Group, under the Related Documents, whether for specific performance of any

agreement or covenant of the Obligated Group Agent, on behalf of the Obligated Group, or in aid of the execution of any power granted to Wells Fargo in the Related Documents;

(iv) cure any Default, Event of Default or event of nonperformance hereunder or under any Related Document; *provided, however*, that Wells Fargo shall have no obligation to effect such a cure; and

(v) exercise, or cause to be exercised, any and all remedies as it may have under the Related Documents (other than as provided for in clause (ii) of Section 8.02(a) of the 2012 A Continuing Covenant Agreement) and as otherwise available at law and at equity.

(b) Notwithstanding the provisions of Section 8.02(a)(i) or 8.02(a)(ii) of the 2012 A Continuing Covenant Agreement, (x) Wells Fargo shall not cause a mandatory tender or acceleration of the 2012 A Bonds as described in Section 8.02(a)(i) or 8.02(a)(ii) of the 2012 A Continuing Covenant Agreement until seven (7) days after the occurrence of an Event of Default specified in Section 8.01(a)(i), 8.01(e), 8.01(g)(i), 8.01(g)(ii) or 8.01(i) of the 2012 A Continuing Covenant Agreement and (y) the Purchaser shall notify the Obligated Group Agent, on behalf of the Obligated Group, of a mandatory tender or acceleration at least thirty (30) days prior thereto in the case of any Event of Default not specified in the immediately preceding clause (x). Notwithstanding the foregoing, if any other holder or credit enhancer of Debt or any counterparty under any Interest Rate Agreement related thereto causes any such Debt or other obligations of the Obligated Group to become immediately due and payable, Wells Fargo may immediately, without notice, avail itself of the remedies set forth in Section 8.02(a)(i) or 8.02(a)(ii) of the 2012 A Continuing Covenant Agreement and/or declare or cause to be declared the unpaid principal amount of all outstanding 2012 A Bonds, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder to be immediately due and payable.

For the avoidance of doubt, the imposition of the Default Rate as a result of the occurrence of an Event of Default shall be in addition to all other rights and remedies of Wells Fargo related thereto, at law or in equity, or under the 2012 A Continuing Covenant Agreement or any of the Related Documents.

#### **V. EVENTS OF DEFAULT AND REMEDIES OF 2012 A BONDHOLDERS PURSUANT TO 2012 A BOND INDENTURE:**

Section 7.01. Events of Default. Any one or more of the following events shall be Events of Default:

(A) default in the due and punctual payment of the principal or Redemption Price of any 2012 A Bond when and as the same shall become due and payable;

(B) default in the due and punctual payment of any installment of interest on any 2012 A Bond when and as the same shall become due and payable;

(C) default by the Issuer in the observance of any of the other covenants, agreements or conditions on its part in the 2012 A Bond Indenture or in the 2012 A Bonds contained, if such default shall have continued for a period of sixty (60) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the Issuer by the Bond Trustee, or to the Issuer and the Bond Trustee by the Credit Facility Provider, if any, or the Holders of not less than 25% in aggregate principal amount of the 2012 A Bonds at the time Outstanding;

(D) a Loan Default Event;

(E) receipt by the Bond Trustee of written notice from the Liquidity Facility Provider, if any, that an Event of Default (as defined in the Liquidity Facility Agreement) has occurred under a Liquidity Facility Agreement and requesting acceleration of the 2012 A Bonds pursuant to Section 7.02 of the 2012 A Bond Indenture;

(F) receipt by the Bond Trustee of written notice from the Credit Facility Provider, if any, that an Event of Default (as defined in the Credit Facility) has occurred under a Credit Facility and requesting acceleration of the 2012 A Bonds pursuant to Section 7.02 of the 2012 A Bond Indenture;

(G) an “event of default” as defined in Section 5.02 of the Master Indenture;

(H) a default by the Issuer with respect to any payment obligations relating to the 2012 A Bonds or in the observance of any of the other covenants, agreements or conditions relating to the 2012 A Bonds;

(I) receipt by the Bond Trustee of a written notice from the Credit Facility Provider, if any, or the Liquidity Facility Provider, if any, pursuant to a Credit Facility or Liquidity Facility Agreement, respectively, that amounts available to pay interest under the Credit Facility or Liquidity Facility Agreement, respectively, will not be reinstated following a drawing thereunder to pay interest;

(J) receipt by the Bond Trustee of a written notice from the Liquidity Facility Provider, if any, stating that an event of default has occurred under the Liquidity Facility Agreement and directing that all of the 2012 A Bonds are required to be tendered for purchase in lieu of acceleration; or

(K) receipt by the Bond Trustee of a written notice from the Credit Facility Provider, if any, stating that an event of default has occurred under the Credit Facility and directing that all of the 2012 A Bonds are required to be tendered for purchase in lieu of acceleration; or

(L) receipt by the Bond Trustee of a written notice from Wells Fargo, if any, stating that that an event of default has occurred under the Index Rate Agreement, which notice may include a direction to the Bond Trustee to accelerate the 2012 A Bonds.

Section 7.02. Acceleration of Maturities. Upon the occurrence of an Event of Default, the Bond Trustee may, with the prior consent of the Credit Facility Provider to the extent it has not dishonored a draw request under the Credit Facility or the Purchaser, as applicable (except that no such consent shall be required in the case of an Event of Default under Section 7.01(E) or 7.01(I) or 7.01(L) of the 2012 A Bond Indenture and upon the written direction of the Credit Facility Provider, if any, or Wells Fargo (or in the event there is no Credit Facility Provider or Wells Fargo is not the Bond holder, the Holders of not less than a majority in aggregate principal amount of the 2012 A Bonds at the time Outstanding with the consent of the Credit Facility Provider, if any), the Bond Trustee shall, promptly upon such occurrence, by notice in writing to the Issuer, the Obligated Group Agent, the Liquidity Facility Provider, the Credit Facility Provider, if any, and Wells Fargo, if any, declare the principal of all the 2012 A Bonds then Outstanding and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable and interest shall cease to accrue, anything in the 2012 A Bond Indenture or in the 2012 A Bonds contained to the contrary notwithstanding. At such time, the Bond Trustee shall draw on the Credit Facility to the extent thereof to make the payments required hereunder to the Holders.

The preceding paragraph, however, is subject to the condition that if, at any time after the principal of the 2012 A Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided, there shall have been deposited with the Bond Trustee a sum sufficient to pay all the principal of the 2012 A Bonds matured prior to such declaration and all matured installments of interest upon all the Bonds, with interest on such overdue installments of principal as provided in the Loan Agreement, and the reasonable fees and expenses of the Bond Trustee, including reasonable fees and expenses of its attorneys, all amounts due the Credit Facility Provider, Wells Fargo and any and all other defaults known to the Bond Trustee (other than in the payment of principal of and interest on the 2012 A Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Bond Trustee, the Credit Facility Provider and Wells Fargo, or provision deemed by the Bond Trustee, the Credit Facility Provider and Wells Fargo to be adequate shall have been made therefor, then, and in every such case, the Credit Facility Provider, Wells Fargo or the Holders of at least a majority in aggregate principal amount of the 2012 A Bonds then Outstanding, with the written consent of the Credit Facility Provider or Wells Fargo, as applicable, by written notice to the Issuer and to the Bond Trustee, may, on behalf of the Holders of all the 2012 A Bonds, rescind and annul such declaration and its consequences and waive such default; but no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon. Notwithstanding anything herein to the contrary, while a Credit Facility is in effect, no declaration of acceleration of the 2012 A Bonds shall be annulled unless the Credit Facility Provider shall have rescinded in writing to the Bond Trustee its default notice and the Credit Facility Provider shall have confirmed in writing to the Bond Trustee that the Credit Facility shall have been reinstated in full.

When the Bond Trustee incurs expenses or renders services after the occurrence of an act of bankruptcy with respect to the Issuer or any member of the Obligated Group, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.



Section 7.03. Institution of Legal Proceedings by Bond Trustee. Subject to the provisions of Section 7.06 of the 2012 A Bond Indenture, if an Event of Default shall occur and be continuing, the Bond Trustee in its discretion may, and upon the written request of the Credit Facility Provider, if any, or Wells Fargo, as applicable, and upon being indemnified to its satisfaction therefor shall proceed to protect or enforce its rights or the rights of the Holders of Bonds under the 2012 A Bond Indenture and the Loan Agreement by any means permitted by law.

Notwithstanding the foregoing or any other provision of the 2012 A Bond Indenture, during any Index Interest Rate Period or during any time the 2012 A Bonds bear interest at the Purchaser Rate, Wells Fargo shall be entitled to exercise all of the powers, consents, rights and remedies to which the Holders of a majority in aggregate principal amount of 2012 A Bonds then Outstanding is entitled hereunder, including the right, at any time, by an instrument in writing executed and delivered to the Bond Trustee, to direct the time, method and place of conducting all remedial proceedings on behalf of the Holders available to the Bond Trustee under the 2012 A Bond Indenture to be taken in connection with the enforcement of the terms of the 2012 A Bond Indenture or exercising any trust or power conferred on the Bond Trustee by the 2012 A Bond Indenture.

Section 7.09. Right of Sole Holder to Require Assignment by Bond Trustee.

At any time that the 2012 A Bonds bear interest at an Index Interest Rate, or any bonds constitute Unremarked Bonds, upon the occurrence and during the continuance of an Event of Default, Wells Fargo, if it is then the sole Holder of all of the Bonds then Outstanding, shall have the right, at its option, exercised by delivery of a written instrument to the Bond Trustee with a copy to the Obligated Group Agent, to require the Bond Trustee to assign to such Holder all of the rights, powers, and prerogatives of the Bond Trustee except for indemnification rights under the 2012 A Bond Indenture and Loan Agreement to enforce the provisions of the 2012 A Bond Indenture, exercise any remedies and otherwise take actions and institute proceedings for the benefit of and on behalf of the Holders, and the Bond Trustee covenants and agrees that upon its release and indemnification with respect to any action or failure to act of such Holder subsequent to the aforesaid assignment, it shall execute and deliver all such documents as are necessary to accomplish the foregoing and vest such rights, remedies and title in such Holder.

Section 7.10. Limitation on Bondholders' Right to Sue. Subject to the provisions of Section 7.09 hereof, no Holder of any 2012 A Bond shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under the 2012 A Bond Indenture, the 2012 A Loan Agreement or any other applicable law with respect to such Bond, unless (1) such Holder shall have given to the Bond 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 shall have made written request upon the Bond Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (3) such Holder or said Holders shall have tendered to the Bond Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (4) the Bond Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said

tender of indemnity shall have been made to, the Bond Trustee. The above provisions shall not apply as long as the Credit Facility Provider, if any, is not in default under the Credit Facility.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Holder of Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the 2012 A Bond Indenture or the rights of any other Holders of Bonds, or to enforce any right under the 2012 A Bond Indenture, the 2012 A Loan Agreement or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Holders of the Outstanding Bonds, subject to the provisions of the 2012 A Bond Indenture.

Section 7.13. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Bond Trustee, the Holders of the Bonds or any Credit Facility Provider the Liquidity Facility Provider or Wells Fargo is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

Section 7.15. Notice to Bondholders of Default. The Bond Trustee shall promptly give written notice by first class mail to the Bondholders, and any Credit Facility Provider, Liquidity Facility Provider or Wells Fargo of the occurrence of an Event of Default, if the Bond Trustee has actual knowledge of such Event of Default.

## **VI. SELECTED DEFINITIONS RELATING TO 2012 A BONDS:**

“Credit Facility” means a letter of credit, including, if applicable, a confirming letter of credit, insurance policy or similar credit facility (other than one issued by the Obligated Group or any Affiliate of a Member of the Obligated Group) issued by a Credit Facility Provider, the senior unsecured debt securities or securities secured by guarantees of the Credit Facility Provider of which are rated at least “AA” (or the equivalent) by one or more of the Rating Agencies, including a Substitute Credit Facility.

“Credit Facility Provider” means any commercial bank, savings institution or other financial institution issuing a Credit Facility or a Substitute Credit Facility.

“Index Interest Rate” means the LIBOR Index Rate or the SIFMA Index Rate, as applicable.

“Index Interest Rate Period” means the Initial Period and any other period during which the Bonds bear interest at an Index Interest Rate.

“Index Rate Agreement” means, during the Initial Period, the 2012 A Continuing Covenant Agreement, and during any Index Interest Rate Period other than the Initial Period, means any agreement between the Obligated Group Agent and the Purchaser which may be designated as the Index Rate Agreement.



“Index Rate Mode” means the Mode during which the 2012 A Bonds bear interest at the Index Interest Rate.

“Initial Index Interest Rate Termination Date” means July 1, 2019.

“Initial Period” means the initial Index Interest Rate Period commencing on August 1, 2012, and ending on the first to occur of (i) the Initial Index Interest Rate Termination Date, (ii) the Conversion Date (provided that the Purchaser shall have consented thereto in writing), (iii) the third Business Day after the Bond Trustee receives written direction from the Purchaser to call the Bonds for mandatory purchase following the occurrence of an event of default under the Index Rate Agreement and (iv) the Maturity Date.

“Interest Payment Date” means with respect to Bonds in an Index Rate Mode, the first Business Day of each month.

“Issuer” means the West Virginia Hospital Finance Authority.

“Liquidity Facility” means, a standby bond purchase agreement, letter or line of credit or similar liquidity facility and issued by a Liquidity Facility Provider that, by its terms, provides for the payment of the Purchase Price of Bonds tendered and not remarketed, delivered to the Bond Trustee pursuant to Section 5.12 of the 2012 A Loan Agreement, including a Substitute Liquidity Facility. The Obligated Group Agent is not required by the Loan Agreement to provide a Liquidity Facility for Bonds in the Term Rate Mode, Index Rate Mode or Fixed Rate Mode.

“Liquidity Facility Provider” means, any commercial bank, savings institution, insurer or other financial institution issuing a Liquidity Facility or the Obligated Group Agent or any company or group of companies with which the Obligated Group Agent is affiliated issuing a Liquidity Facility.

“Loan Default Event” means any of the events specified in Section 6.1 of that certain Loan Agreement, dated as of August 1, 2012 between the Issuer and the Obligated Group Agent, as originally executed and as supplemented, modified or amended from time to time in accordance with the terms thereof and of the 2012 A Bond Indenture.

“Mandatory Sinking Account Payment” means the amount required by Section 4.01(c) of the 2012 A Bond Indenture to be paid by the Bond Trustee on any single date for the retirement of the 2012 A Bonds.

“Material Adverse Event” means any one or more events, occurrences or circumstances which, considered separately or together with one or more other events, occurrences or circumstances, proximately results in or would reasonably be expected to result in (i) any material impairment of the ability of a Member or the Obligated Group to carry on the material operations of such Member or the Obligated Group, as the case may be, as conducted as of the date hereof, (ii) any material impairment of the ability of the Members to pay and perform their obligations under the Related Documents, (iii) any material impairment of the ability of the Obligated Group to pay the Master Obligations or to otherwise perform the Obligated Group’s agreements under the Master Indenture, (iv) any invalidity of the Master Indenture, this

Agreement or any of the other Related Documents to which any Member is a party or any material impairment of the enforceability of the Master Indenture or any of such Related Documents, or (v) any other material and adverse change in the business, financial condition or operations of a Member (other than a Non-Material Obligated Group Member) or of the Obligated Group (considered as a whole).

“Maturity Date” means June 1, 2041, or, upon conversion to the Fixed Rate Mode, such maturities determined pursuant to Section 2.08 of the 2012 A Bond Indenture.

“Member” means, individually, the Obligated Group Agent, United Hospital Center, Inc., City Hospital, Inc., City Hospital Foundation, Inc., The Charles Town General Hospital d/b/a Jefferson Memorial Hospital and Camden-Clark Memorial Hospital Corporation.

“Obligated Group” means, collectively, the Obligated Group Agent, United Hospital Center, Inc., City Hospital, Inc., City Hospital Foundation, Inc., The Charles Town General Hospital d/b/a Jefferson Memorial Hospital and Camden-Clark Memorial Hospital Corporation.

“Parity Debt” means any bonds, notes or other evidence of indebtedness issued by the Obligated Group and secured on a parity with the 2012 A Bonds and other Master Obligations pursuant to the Master Indenture.

“Redemption Price” means, with respect to any 2012 A Bond (or portion thereof), the price to be paid upon redemption as set forth in Article IV of the 2012 A Bond Indenture.

“Related Documents” means the 2012 A Continuing Covenant Agreement, the 2012 A Bond Indenture, the 2012 A Bonds, the 2012-1 Note, the 2012-1 Wells Note, the Master Indenture, the Supplemental Indenture 2012-1, the 2012 A Loan Agreement, the Bond Purchase Agreement dated August 1, 2012 among the Issuer, Wells Fargo and the Obligated Group Agent and any other documents related to any of the foregoing or executed in connection therewith, and any and all future renewals and extensions or restatements of, or amendments or supplements to, any of the foregoing.

“Special Redemption Account” means the account by that name within the Redemption Fund established pursuant to Section 5.04 of the 2012 A Bond Indenture.

“2012 A Continuing Covenant Agreement” means the Continuing Covenant Agreement dated as of August 1, 2012, relating to the 2012 A Bonds between the Obligated Group Agent and Wells Fargo, as the same may be amended from time to time.

“2012 A Loan Agreement” means that certain Loan Agreement, dated as of August 1, 2012 between the Issuer and the Obligated Group Agent, as originally executed and as supplemented, modified or amended from time to time in accordance with the terms thereof and of the 2012 A Bond Indenture.

“2012-1 Note” means the 2012-1 Note issued by the Obligated Group in a principal amount equal to the principal amount of the 2012 A Bonds pursuant to Supplemental Indenture 2012-1, which Note evidences and secures the obligations of the Obligated Group with respect to the 2012 A Bonds under the 2012 A Loan Agreement.

“2012-1 Note Wells Note” means that certain 2012-1 Wells Note issued pursuant to the Master Indenture by the Obligated Group Agent, on behalf of the Obligated Group, in favor of the Purchaser as security for its obligations with respect to the 2012 A Bonds under the 2012 A Continuing Covenant Agreement.

All terms used in this Schedule A and not otherwise defined shall have the meanings set forth in the 2012 A Bond Indenture and the 2012 A Continuing Covenant Agreement, as applicable.

## **SCHEDULE B**

### **I. 2012 B BONDS PRINCIPAL PAYMENTS:**

Principal payments on the 2012 B Bonds shall be made as follows:

#### **2012 Series B Bonds Maturing March 1, 2041**

<b><u>(March 1)</u></b>	<b><u>Amount</u></b>
2037	\$ 8,820,000
2038	9,145,000
2039	7,965,000
2040	6,620,000
2041*	17,530,000

\*Denotes Maturity

### **II. REDEMPTION OF 2012 B BONDS:**

Capitalized terms used in Articles II and V and not otherwise defined herein shall have the definitions set forth in Article VI.

(A) Optional Redemption of 2012 B Bonds. The 2012 B Bonds are subject to optional redemption by the Issuer, at the written direction of the Obligated Group Agent, in whole or in part (and, if in part, the Obligated Group Agent shall select the series and maturities of the 2012 B Bonds to be redeemed in such order of maturity as the Obligated Group Agent shall specify in writing the CUSIP Numbers, if any, and within the maturity by lot or by such other method as Wells Fargo Bank, National Association, as Bond Trustee (the "Bond Trustee") determines in its sole discretion to be fair and reasonable and in Authorized Denominations) at the times set forth in Subsection (B) of Section 4.01 of the 2012 B Bond Indenture and at a price equal to the principal amount being redeemed plus accrued interest to the redemption date with such premium as set forth in Subsection (B) of Section 4.01 of the 2012 B Bond Indenture, collectively the "Redemption Price."

#### **(B) Terms of Redemption.**

(1) Optional Redemption of 2012 B Bonds in the Index Rate Mode. Subject to any limitations set forth in the applicable Index Rate Agreement, the 2012 B Bonds in the Index Rate Mode are subject to redemption on any Interest Payment Date and Unremarketed Bonds are subject to redemption at any time, in each case at the direction of the Obligated Group Agent on behalf of the Issuer in whole or in part, at a redemption price equal to the principal amount of the Bonds to be redeemed plus accrued interest thereon to, but not including, the redemption date plus the applicable redemption premium, if any, as provided in the applicable Index Rate Agreement.

(2) Optional Redemption from Insurance and Condemnation Proceeds. The 2012 B Bonds are also subject to redemption prior to their respective stated maturity dates, upon the option of the Issuer, at the direction of the Obligated Group Agent, as a whole on any date or in part on any Interest Payment Date, from money required to be deposited in the Special Redemption Account pursuant to the 2012 B Bond Indenture, at a Redemption Price equal to the principal amount called for redemption, plus any accrued interest to the date fixed for redemption, without premium; provided, however, so long as the Credit Facility is in effect, the moneys deposited in the Special Redemption Account shall not constitute Eligible Moneys and shall not be used to pay the Holders directly.

(C) Purchase in Lieu of Redemption.

(i) Purchase of Bonds for Cancellation. In lieu of redeeming the 2012 B Bonds pursuant to Section 4.01 of the 2012 B Bond Indenture, the Bond Trustee may, at the request of the Obligated Group Agent, use such funds otherwise available for redemption of Bonds to purchase Bonds in the open market at a price not exceeding the Redemption Price then applicable, such Bonds to be delivered to the Bond Trustee for the purpose of cancellation. It is understood that in the case of any such redemption or purchase of Bonds, the Issuer shall receive credit against its required Mandatory Sinking Fund Payment in the same manner as would be applicable if such Bonds were optionally redeemed. Purchases pursuant to this paragraph shall be made first from Bank Bonds and thereafter from Bonds with Maturity Dates selected by the Obligated Group Agent. Purchases made pursuant to this paragraph shall be made with Eligible Moneys unless the purchase is of a Bond then bearing interest at the Bank Rate, or a Fixed Rate.

**III. COVENANTS RELATED TO 2012 B BONDS PURSUANT TO 2012 B CONTINUING COVENANT AGREEMENT:**

The Obligated Group Agent covenants and agrees with Wells Fargo that it will, and will cause each Member (capitalized terms used in this Article III and in Article IV and not otherwise defined herein shall have the definitions set forth in Article VI to this Schedule B) of the Obligated Group to, do the following during the term of the 2012 B Continuing Covenant Agreement, and thereafter, so long as any Obligations remain unpaid or unfilled, unless Wells Fargo shall otherwise consent in writing:

Section 6.01. Reporting Requirements. The Obligated Group will keep proper books of record and account in accordance with GAAP as the same are in effect on the date hereof and will deliver or cause to be delivered to Wells Fargo:

(i) As soon as available and in any event within sixty (60) days after the close of each quarter of each fiscal year of the Obligated Group:

(1) unaudited consolidated and consolidating financial statements of the Obligated Group, including a balance sheet, related statements of operations, changes in net assets and cash flows as of the end of such quarter and for such



quarter and the current fiscal year to the end of such quarter, which shall be internally prepared and presented on a consistent basis, setting forth in each case in comparative form the figures for the corresponding period of the previous fiscal year of the Obligated Group; and

(2) a certificate signed by the Obligated Group Agent (i) stating that the unaudited financial statements referred to in subsection (i)(1) of Section 6.01 of the 2012 B Continuing Covenant Agreement have been prepared on substantially the same basis as the most recent financial statements delivered to Wells Fargo and the financial statements theretofore furnished to Wells Fargo pursuant to subsection (i)(1) of Section 6.01 of the 2012 B Continuing Covenant Agreement, and (ii) stating that no Event of Default or Default has occurred and is continuing, or if such Event of Default or Default has occurred and is continuing, specifying the nature of such Event of Default or Default, the period of its existence, the nature and status thereof and any remedial steps taken or proposed to correct such Event of Default or Default; such certificate shall also set forth the calculations supporting such statements in respect of Sections 7.01, 7.02 and 7.03 of the 2012 B Continuing Covenant Agreement.

(ii) As soon as available and in any event within one hundred fifty (150) days after the close of each fiscal year of the Obligated Group:

(1) audited consolidated and consolidating statements of financial position of the Obligated Group complying with the requirements of Section 414(A) of the Master Indenture, together with unaudited consolidating financial statements of the Obligated Group for such fiscal year in form and substance satisfactory to Wells Fargo; and

(2) a certificate signed by the Obligated Group Agent (i) stating that the Obligated Group Agent has made a review of the activities during the preceding fiscal year for the purpose of determining whether or not each Member has complied with all of the terms, provisions and conditions of the 2012 B Continuing Covenant Agreement, the 2012 B Bond Indenture, the 2012 B Loan Agreement and the other Related Documents to which each such Member is a party, (ii) stating that to the best of his or her knowledge, each Member has kept, observed, performed and fulfilled each and every covenant, provision and condition of the 2012 B Continuing Covenant Agreement, the 2012 B Bond Indenture, the 2012 B Loan Agreement and the other Related Documents to which it is a party and (iii) stating that no Event of Default or Default has occurred, or if such Event of Default or Default has occurred, specifying the nature of such Event of Default or Default, the period of its existence, the nature and status thereof and any remedial steps taken or proposed to correct such Event of Default or Default; such certificate shall also set forth the calculations supporting such statements in respect of Sections 7.01, 7.02 and 7.03 of the 2012 B Continuing Covenant Agreement.

(iii) Within thirty (30) days following its receipt thereof, copies of any letter or report, including the annual management report, with respect to its management, operations or properties or those of the Obligated Group submitted to it or to another Member of the Obligated Group by its accountants in connection with any annual or interim audit of the Obligated Group's accounts; and

(iv) Such other information respecting the operations and properties, financial or otherwise, of the Obligated Group and its Members as Wells Fargo may from time to time reasonably request, excepting, however, any confidential patient care or donor information.

Section 6.02. Notice of Default. Promptly (but in no event later than five (5) Business Days) after the Obligated Group Agent or any other Member of the Obligated Group shall have obtained knowledge of the occurrence of an Event of Default or Default, provide to Wells Fargo the written statement of the Obligated Group Agent, on behalf of the Obligated Group, setting forth the details of each such Event of Default or Default and the action that the Obligated Group proposes to take with respect thereto.

Section 6.03. Conduct of Business. The Obligated Group Agent shall, and shall cause each Member of the Obligated Group to, conduct its business in an orderly, efficient and regular manner.

Section 6.04. Payment of Taxes and Other Obligations. Pay all taxes, assessments, and governmental charges or levies imposed upon it or upon or against the Obligated Group and all lawful claims which, if unpaid, might become a lien or charge upon any of its properties, *provided* that it shall not be required to pay any such tax, assessment, charge, levy, claim or monetary obligation which is being contested in good faith and by appropriate proceedings which shall operate to stay enforcement thereof or which is a Permitted Encumbrance.

Section 6.05. Insurance. The Obligated Group Agent shall maintain, and shall cause each Member of the Obligated Group to maintain, insurance coverage in accordance with the terms and conditions of the Master Indenture.

Section 6.06. Compliance with Laws, Etc. Comply with the requirements of all applicable laws, rules, regulations and orders of any governmental authority, except if the failure to comply would not reasonably be expected to have a Material Adverse Event on the Obligated Group's ability to perform its obligations hereunder or under the Related Documents unless the same shall be contested by it in good faith and by appropriate proceedings which shall operate to stay the enforcement thereof.

Section 6.07. Inspection Rights. At any reasonable time and from time to time during normal business hours and, upon reasonable written notice, permit Wells Fargo or any agents or representatives thereof, at Wells Fargo's expense, to examine and make copies of the records and books of account related to the Obligated Group (other than confidential patient and donor records) and the transactions contemplated by the 2012 B Continuing Covenant Agreement, to



visit its properties and to discuss its affairs, finances and accounts with any of its officers and independent accountants.

Section 6.08. Maintenance of Approvals, Filings and Registrations. At all times maintain in effect, renew and comply with all the terms and conditions of all consents, licenses, approvals and authorizations as may be necessary or appropriate under any applicable law or regulation for the execution, delivery and performance of the 2012 B Continuing Covenant Agreement and the Related Documents to which any Member is a party (except such consents, licenses, approvals and authorizations as to which failure to so maintain, renew or comply could not reasonably be expected to cause a Material Adverse Event) and to make such agreements legal, valid, binding and enforceable.

Section 6.09. Maintenance of Properties. Maintain, at its own expense, its properties, improvements and every part thereof in good repair and operating condition.

Section 6.10. Bond Proceeds. Use the proceeds of the Bonds for the purposes set forth in the 2012 B Bond Indenture and the 2012 B Loan Agreement.

Section 6.11. Further Assurance. Execute and deliver to Wells Fargo all such documents and instruments and do all such other acts and things as may be necessary or reasonably required by Wells Fargo to enable Wells Fargo to exercise and enforce its rights under the 2012 B Continuing Covenant Agreement and the Related Documents to which any Member is a party and to realize thereon, and record and file and re-record and re-file all such documents and instruments, at such time or times, in such manner and at such place or places, all as may be necessary or reasonably required and as directed by Wells Fargo to validate, preserve and protect the position of Wells Fargo under the 2012 B Continuing Covenant and the Related Documents.

Section 6.12. Disclosure to Participants. Permit Wells Fargo to disclose the information described in Section 6.01 of the 2012 B Continuing Covenant Agreement to any participants of Wells Fargo; *provided, however*, that any such participant shall not disclose any such information to any party without the prior written consent of the Obligated Group Agent (other than as required by law or to its independent certified public accountants).

Section 6.13. Certain Notices. The Obligated Group Agent, on behalf of the Obligated Group, shall furnish to Wells Fargo the following:

(i) A copy of any notice, certification, demand or other writing of material communication given by the Issuer to the Obligated Group or any Member relating to any action taken by the Issuer in connection with the 2012 B Bonds, in each case promptly after the receipt of the same.

(ii) Prompt notice of the institution of, or any final adverse determination in, any material litigation, arbitration, proceeding or proceedings by or before any Governmental Authority which, if adversely determined, would be reasonably likely to result in a Material Adverse Affect.

(iii) Prompt written notice to Wells Fargo of any matter or event which may result in a Material Adverse Event.

(iv) At the request of Wells Fargo, copies of each request made by and other information as and when provided to, the Bond Trustee and the Master Trustee.

(v) Within thirty (30) days of the issuance of any bonds or other obligations of the Obligated Group secured under the Master Indenture, copies of any disclosure documents distributed in connection therewith.

(vi) Promptly after the furnishing thereof, copies of any financial statement or report furnished to any trustee or other holder of the obligations of the Obligated Group or any Member therefor pursuant to the terms of the Master Indenture, any resolution, indenture, loan or credit or similar agreement and not otherwise required to be furnished to Wells Fargo pursuant to any other clause of Section 6.13 of the 2012 B Continuing Covenant Agreement.

(vii) Prompt written notice of (1) any change in the location of the Obligated Group Agent's executive offices, (2) any change in the location of the state of incorporation of any Member of the Obligated Group, (3) any change in the name of the Obligated Group, (4) any alteration in the nature of its business in any material respect, (5) any additions or withdrawals of Members to or from, as the case may be, the Obligated Group, and (6) any change in the Member designated as the Obligated Group Agent.

(viii) (1) Prompt notice of the failure by the Bond Trustee to perform any of its obligations under the 2012 B Bond Indenture, (2) forthwith, copies of any notification delivered to or received by it with respect to a downgrade, withdrawal or suspension of the rating assigned by S&P, Moody's or Fitch to the 2012 B Bonds or any other obligation of any Member, (3) forthwith, copies of any correspondence or other communications, delivered to or received by it or by or on behalf of any Member, from the Internal Revenue Service with respect to the 2012 B Bonds or any other obligation of any Member, (4) prompt notice of any proposed substitution of the 2012 B Continuing Covenant Agreement, (5) forthwith, copies of each notice required to be given to Wells Fargo pursuant to the 2012 B Bond Indenture, and (6) such further financial and other information (other than confidential, privileged or donor information) with respect to the Obligated Group and its Members as Wells Fargo may reasonably request from time to time.

(ix) If and when any member of the Obligated Group (1) gives or is required to give notice to the PBGC of any "reportable event" (as defined in Section 4043 of ERISA) with respect to any Plan which might constitute grounds for a termination of such Plan under Title IV of ERISA, or knows that the plan administrator of any Plan has given or is required to give notice of any such reportable event, a copy of the notice of such reportable event given or required to be given to the PBGC; (2) receives notice of

complete or partial withdrawal liability under Title IV of ERISA of an intent to terminate or appoint a trustee to administrator any Plan, a copy of such notice.

Section 6.14. Existence. Each Member shall maintain its existence as a nonprofit corporation and its tax exempt status under Section 501(c)(3) of the Code.

Section 6.15. Related Document Covenants. (i) The Obligated Group Agent agrees that it will, and will cause each Member of the Obligated Group to, perform and comply with each and every covenant and agreement to be performed or observed by it in each of the Related Documents to which they are a party and each such covenant, together with the related definitions of terms contained therein, is hereby incorporated by reference herein with the same effect as if it were set forth herein in its entirety. No termination or amendment to such covenants and agreements or defined terms or release of the Obligated Group Agent or any Member with respect thereto as incorporated by reference herein are permitted without the prior written consent of Wells Fargo. Notwithstanding any termination or expiration of any such Related Document, the Obligated Group Agent and the Members shall continue to observe the covenants set forth therein for the benefit of Wells Fargo until the termination of the 2012 B Continuing Covenant Agreement and the payment of all obligations due and owing hereunder, including without limitation the payment of the principal of and all accrued interest on all 2012 B Bonds. All such incorporated covenants shall be in addition to the express covenants contained herein and shall not be limited by the express covenants contained herein nor shall such incorporated covenants be a limitation on the express covenants contained herein.

(ii) To the extent that any provision of any of the Related Documents relating to the Obligations hereunder (including, without limitation, the Members' obligation to pay principal and interest on the 2012 B Bonds) incorporated by reference pursuant to paragraph (i) above permits any Person to waive compliance with such provision or requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to any Person, for purposes of the 2012 B Continuing Covenant Agreement, such provision shall not be complied with only if it is waived by Wells Fargo or such document, opinion or other instrument or event or condition, if material to Wells Fargo, shall be acceptable or satisfactory only if it is acceptable or satisfactory to Wells Fargo. No termination of or amendment or supplement to the covenants and agreements or definitions contained in the Related Documents relating to the Obligations hereunder (including, without limitation, the obligation to pay principal and interest on the 2012 B Bonds) shall be effective to terminate or amend such covenants and agreements or definitions as incorporated by reference herein without the prior written consent of Wells Fargo.

(iii) The Obligated Group Agent shall give prior written notice to Wells Fargo of any action referred to in Section 6.15 of the 2012 B Continuing Covenant Agreement.

Section 6.16. Environmental. Neither the Obligated Group Agent nor any other Member has received any notice to the effect that any Member's operations are not in material compliance with any of the requirements of applicable federal, state and local environmental, health and safety statutes and regulations or the subject of any federal or state investigation evaluation of whether any remedial action is needed to respond to a release of any toxic or

hazardous waste or substance into the environment which could reasonably be expected to cause a Material Adverse Event.

Section 6.17. Negative Covenants. The Obligated Group Agent covenants and agrees with Wells Fargo during the term of the 2012 B Continuing Covenant Agreement or for so long as any Obligations remain outstanding or any Obligations remain unfulfilled or unpaid under the 2012 B Continuing Covenant Agreement, the Obligated Group Agent will not, and will not permit any Member to, directly or indirectly, unless Wells Fargo shall otherwise consent in writing:

(a) Obligated Group. (i) Notwithstanding the provisions of the Master Indenture, allow any Person to become a Member of the Obligated Group without the prior written consent of Wells Fargo; and

(ii) Notwithstanding the provisions of the Master Indenture, allow any Member of the Obligation Group to cease to be a Member of the Obligated Group without the prior written consent of Wells Fargo;

(b) Mergers. Merge into or consolidate with any other corporation or to sell, lease or transfer all or substantially all of its Property to any Person, if after giving effect to any such merger, an Event of Default shall occur hereunder or under any Related Document;

(c) Amendments to the Related Documents. Amend or modify, or permit to be amended or modified in any manner whatsoever any Related Document in a manner which would have a Material Adverse Event upon the Obligated Group's ability to perform its obligations under this Agreement or to repay any of its Debt secured by the 2012-1 Note or the Obligated Group's ability to repay when due the Obligations or the rights, remedies or security of Wells Fargo under the Master Indenture or the other Related Documents or hereunder without the prior written consent of the Purchaser. Notwithstanding the foregoing, the Obligated Group Agent, on behalf of the Obligated Group, shall be entitled to enter into one or more supplements to the Master Indenture as permitted by the Master Indenture and to issue one or more obligations, in each case, so long as the Obligated Group Agent, on behalf of the Obligated Group, complies with the provisions of the Master Indenture and the other Related Documents and the issuance of such indebtedness would not otherwise result in a Default or an Event of Default;

(d) Indebtedness. Issue, incur, assume, create or have outstanding any Debt; provided, however, that the foregoing shall not operate to prevent (i) the debt of the Obligated Group under the Related Documents, the Obligations and other Debt owed by the Obligated Group to the Purchaser, and (ii) Debt, the incurrence of which would not cause the occurrence of a Default or an Event of Default under the 2012 B Bond Indenture, and which is in compliance with the Master Indenture;

(e) Investments, Acquisitions, Loans and Advances. Directly or indirectly, make, retain or have outstanding any investments (whether through purchase of stock or

obligations or otherwise) in, or loans or advances to, any other Person, or acquire all or any substantial part of the assets or business of any other Person, or subordinate any claim or demand it may have to the claim or demand of any other Person; provided, however, that the foregoing shall not operate to prevent (i) investments permitted by the Investment Policy, and (ii) loans, investments and advances not prohibited by the terms of the Master Indenture;

(f) Sales of Asset. Sell, lease, assign, transfer or otherwise dispose of any of its now owned or hereafter acquired assets unless the conditions of Section 417 of the Master Indenture are satisfied and such sale, lease, assignment, transfer or disposition would not result in any Default or Event of Default hereunder or under any Related Document;

(g) No Changes in Fiscal Year. Change its fiscal year from its present basis; or

(h) Liens, Etc. Create or suffer to exist any lien upon or with respect to any of the funds or accounts created under the 2012 B Bond Indenture except those liens specifically permitted under the Master Indenture; or

(i) Plans. With regard to any Plan (i) engage in any “prohibited transaction” (as defined in Section 4975 of the Code), (ii) permit any Plan to incur any “accumulated funding deficiency” (as defined in Section 302 of ERISA) whether or not waived, (iii) either directly or indirectly, cause any Plan to terminate, either under Section 4041 or 4042 of ERISA, in a manner which could result in the imposition of a material lien or encumbrance on the assets of the Obligated Group or any Member pursuant to Section 4068 of ERISA, (iv) take or permit any action which could result in a withdrawal or partial withdrawal from a Plan and result in the assessment of any withdrawal liability against the Obligated Group or any Member, (v) allow a notice of intent to terminate a Plan or Plans having aggregate Unfunded Liabilities in excess of \$1,000,000 (collectively, “Restricted Plans”) or the PBGC to institute proceedings under Title IV of ERISA to terminate, to impose liability (other than for premiums under Section 4007 of ERISA) or to cause a trustee to be appointed to administer any Restricted Plan, (vi) allow a proceeding under ERISA instituted by a fiduciary of any Restricted Plan against any member of the ERISA Group to enforce Section 515 of ERISA, (vii) allow a condition to exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any Restricted Plan must be terminated, or any member of the ERISA Group to fail to pay when due withdrawal liability in excess of \$1,000,000 that it shall have become liable to pay to a “multiemployer” plan as such term is defined in Section 3(37) of ERISA, or (viii) allow, in the case of any event described in clauses (v), (vi), (vii) or (viii) of this Section, the aggregate amount of liability of the members of the ERISA Group to the PBGC under Section 4062, 4063 or 4064 of ERISA or to a multiemployer plan, as the case may be, to exceed \$1,000,000.

Section 6.18. Accreditation. The Obligated Group Agent will, and will cause each Member to, maintain (i) full or provisional accreditation of the hospital facilities owned by the

Obligated Group Agent, any Member or the Obligated Group by each applicable accrediting body (ii) licenses and other approvals from appropriate regulatory authorities to operate its facilities requiring such licensure and approvals and (iii) the status of the hospital facilities as providers of health care services eligible for reimbursement under Blue Cross and Blue Shield, Medicaid or Medicare or equivalent insurance or contractual third-party payment programs including future federal programs, so long as such participation in the programs listed under this Section is deemed by the Obligated Group Agent or such Member to be in its best interest.

Section 6.19. Required Rating. The Obligated Group shall at all times maintain a rating on its long-term unenhanced Parity Debt of at least “BBB-” (or its equivalent) and “Baa3” (or its equivalent) by S&P and Moody’s, respectively.

Section 6.20. Other Agreements. In the event that any Member shall, directly or indirectly, enter into or otherwise consent to any credit agreement, bond purchase agreement, liquidity agreement or other agreement or instrument (or any amendment, supplement or modification thereto) under which, directly or indirectly, any Person or Persons undertakes to make payment of, or to purchase or provide credit enhancement for bonds or notes, which are secured by a Master Obligation, and such agreement (or amendment thereto) provides such Person with different or more restrictive covenants, different or more restrictive events of default and/or, greater rights and remedies than are provided to Wells Fargo in the 2012 B Continuing Covenant Agreement or the Master Indenture, the Obligated Group Agent shall provide Wells Fargo with a copy of each such agreement (or amendment thereto) and such different or more restrictive covenants, different or more restrictive events of default and/or, greater rights and remedies shall automatically be deemed to be incorporated into the 2012 B Continuing Covenant Agreement and Wells Fargo shall have the benefits of such different or more restrictive covenants, different or more restrictive events of default and/or, such greater rights and remedies as if specifically set forth herein. The Obligated Group Agent, on behalf of the Obligated Group, shall promptly enter into an amendment to 2012 B Continuing Covenant Agreement to include such different or more restrictive covenants, different or more restrictive events of default and/or, greater rights or remedies; *provided* that Wells Fargo shall have and maintain the benefit of such different or more restrictive covenants, different or more restrictive events of default and/or, greater rights and remedies even if the Obligated Group Agent fails to provide such amendment.

Section 7.01. Days Cash on Hand. The Obligated Group shall maintain on a consolidated basis, tested as of each June 30 and December 31, in each case, for the 12-month period then ended, Days Cash on Hand equal to at least 90 as of each such semi-annual test date.

Section 7.02. Debt Service Coverage Ratio. The Obligated Group shall maintain on a consolidated basis, tested as of each March 31, June 30, September 30 and December 31, in each case for the 12-month period then ended, a Debt Service Coverage Ratio of not less than 1.10 to 1.00 as of each such quarterly test date.

Section 7.03. Debt to Capitalization Ratio. The Obligated Group shall not permit the Debt to Capitalization Ratio of the Obligated Group on a consolidated basis, tested as of each March 31, June 30, September 30 and December 31, to exceed 67% as of each such quarterly test date.

**IV. EVENTS OF DEFAULT AND REMEDIES OF 2012 B BONDHOLDERS  
PURSUANT TO 2012 B CONTINUING COVENANT AGREEMENT:**

Section 8.01. Events of Default. The occurrence of any of the following events (whatever the reason for such event and whether voluntary, involuntary or effected by operation of law) shall be an “Event of Default” hereunder, unless waived in writing by Wells Fargo:

(a) the Obligated Group Agent, on behalf of the Obligated Group, shall fail to pay (i) the principal of or interest on any 2012 B Bond when due or (ii) any Obligation (other than the Obligation to pay the principal of or interest on the Bonds) and such failure shall continue for five (5) Business Days;

(b) the Obligated Group Agent or any member shall fail to observe or perform any term, covenant, condition or provision of Sections 6.01, 6.02, 6.04, 6.05, 6.06, 6.08, 6.10, 6.14, 6.15 (subject to any applicable grace periods), 6.17, 6.18, 6.19, 6.21, 7.01, 7.02, or 7.03 of the 2012 B Continuing Covenant Agreement;

(c) any representation or warranty made by or on behalf of the Obligated Group Agent or any Member under or in connection with this Agreement or any of the Related Documents (including, but not limited to, any such representation or warranty incorporated by reference pursuant to Section 5.09 of the 2012 B Continuing Covenant Agreement) or in any certificate or statement delivered hereunder or thereunder shall prove to be untrue in any material respect on the date as of which it was made or deemed to have been made;

(d) the breach by the Obligated Group Agent or any Member of any of the other terms or provisions of the 2012 B Continuing Covenant Agreement (other than as set forth in (a), (b) or (c) above), which are not remedied within fifteen (15) days after (i) the Obligated Group Agent or any other Member shall have become aware of such breach, or (ii) written notice thereof shall have been given by Wells Fargo to the Obligated Group Agent, on behalf of the Obligated Group;

(e) the Obligated Group Agent or any other Member shall (i) default on the payment of the principal of or interest on any Parity Debt, beyond the period of grace, if any, provided in the instrument or agreement under which such Parity Debt was created or incurred; or (ii) default in the observance or performance of any agreement or condition relating to any Parity Debt or contained in any instrument or agreement evidencing, securing or relating thereto, or any other default, event of default or similar event shall occur or condition exist, the effect of which default, event of default or similar event or condition is to cause (determined without regard to whether any notice is required) any such Parity Debt to become immediately due and payable in full as the result of the acceleration, mandatory redemption or mandatory tender of such Parity Debt;



(f) the Obligated Group Agent or any other Member shall (i) default on the payment of the principal of or interest on any Debt (other than Parity Debt) aggregating in excess of \$10,000,000, beyond the period of grace, if any, provided in the instrument or agreement under which Parity Debt was created or incurred; or (ii) default in the observance or performance of any agreement or condition relating to any Debt (other than Parity Debt) aggregating in excess of \$10,000,000, or contained in any instrument or agreement evidencing, securing or relating thereto, or any other default, event of default or similar event shall occur or condition exist, the effect of which default, event of default or similar event or condition is to permit (determined without regard to whether any notice is required) any such Debt to become immediately due and payable in full as the result of the acceleration, mandatory redemption or mandatory tender of such Debt;

(g) (i) any provision of the 2012 B Continuing Covenant Agreement or any Related Document related to (A) payment of principal of or interest on the Bonds or any Parity Debt or (B) the validity or enforceability of the pledge or security interest created by the Master Indenture to secure the 2012-1 Note or the 2012-1 Wells Note shall at any time for any reason cease to be valid and binding on the Obligated Group as a result of a finding or ruling by a court or Governmental Authority with competent jurisdiction, or shall be declared, in a final nonappealable judgment by any court of competent jurisdiction, to be null and void, invalid or unenforceable; or

(ii) the validity or enforceability of any material provision of this Agreement or any Related Document related to (A) payment of principal of or interest on the 2012 B Bonds or any Parity Debt, or (B) the validity or enforceability of the pledge or security interest created by the Master Indenture to secure the 2012-1 Note or the 2012-1 Wells Note shall be publicly contested by any Member of the Obligated Group; or

(iii) any other material provision of the 2012 B Continuing Covenant Agreement or any other Related Document, other than a provision described in clause (i) above, shall at any time for any reason cease to be valid and binding on the Obligated Group as a result of a ruling or finding by a court or a Governmental Authority with competent jurisdiction or shall be declared in a final non-appealable judgment by any court with competent jurisdiction to be null and void, invalid, or unenforceable, or the validity or enforceability thereof shall be publicly contested by any Member of the Obligated Group;

(h) a final judgment or order for the payment of money in an amount in excess of \$5,000,000 shall have been rendered against the Obligated Group Agent or any Member and such judgment or order shall not have been satisfied, stayed or bonded pending appeal within a period of thirty (30) days from the date on which it was first so rendered;

(i) (i) the Obligated Group Agent or any Member shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of

debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or the Obligated Group Agent or any Member shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the Obligated Group Agent or any Member any case, proceeding or other action of a nature referred to in clause (i) above which (x) results in an order for such relief or in the appointment of a receiver or similar official or (y) remains undismissed, undischarged or unbonded for a period of sixty (60) days; or (iii) there shall be commenced against the Obligated Group Agent or any Member, any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets, which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within sixty (60) days from the entry thereof; or (iv) the Obligated Group Agent or any Member shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) the Obligated Group Agent or any Member shall generally not, or shall be unable to, or so admit in writing its inability to, pay its debts;

(j) any of Moody's, Fitch or S&P shall downgrade their respective ratings of the Obligated Group's long-term unenhanced Parity Debt to below Investment Grade, or suspend or withdraw such rating for credit-related reasons; or

(k) the occurrence of any "event of default" as defined in the 2012 B Bond Indenture or any "event of default" which is not cured within any applicable cure period under any of the Related Documents and which, if not cured, would give rise to remedies available thereunder (regardless of any waiver thereof by any Person other than Wells Fargo).

Section 8.02. Consequences of an Event of Default. Upon the occurrence of an Event of Default set forth in Section 8.01 of the 2012 B Continuing Covenant Agreement, Wells Fargo may take one or more of the following actions at any time and from time to time (regardless of whether the actions are taken at the same or different times):

(a) (i) by written notice to the Bond Trustee and the Obligated Group Agent, on behalf of the Obligated Group, declare the outstanding amount of the Obligations under the 2012 B Continuing Covenant Agreement to be immediately due and payable without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived, and an action therefor shall immediately accrue;

(ii) deliver a written notice to the Bond Trustee and the Obligated Group Agent, on behalf of the Obligated Group, that an Event of Default has occurred and is continuing and direct the Bond Trustee and the Obligated Group Agent, on behalf of the Obligated Group, as applicable, to cause a mandatory

tender or acceleration of the 2012 B Bonds or take such other remedial action as is provided for in the 2012 B Bond Indenture;

(iii) either personally or by attorney or agent without bringing any action or proceeding, or by a receiver to be appointed by a court in any appropriate action or proceeding, take whatever action at law or in equity may appear necessary or desirable to collect the amounts due and payable under the Related Documents or to enforce performance or observance of any obligation, agreement or covenant of the Obligated Group Agent, on behalf of the Obligated Group, under the Related Documents, whether for specific performance of any agreement or covenant of the Obligated Group Agent, on behalf of the Obligated Group, or in aid of the execution of any power granted to the Purchaser in the Related Documents;

(iv) cure any Default, Event of Default or event of nonperformance hereunder or under any Related Document; *provided, however*, that Wells Fargo shall have no obligation to effect such a cure; and

(v) exercise, or cause to be exercised, any and all remedies as it may have under the Related Documents (other than as provided for in clause (ii) of Section 8.02(a) of the 2012 B Continuing Covenant Agreement) and as otherwise available at law and at equity.

(b) Notwithstanding the provisions of Section 8.02(a)(i) or 8.02(a)(ii) of the 2012 B Continuing Covenant Agreement, (x) Wells Fargo shall not cause a mandatory tender or acceleration of the 2012 B Bonds as described in Section 8.02(a)(i) or 8.02(a)(ii) of the 2012 B Continuing Covenant Agreement until seven (7) days after the occurrence of an Event of Default specified in Section 8.01(a)(i), 8.01(e), 8.01(g)(i), 8.01(g)(ii) or 8.01(i) of the 2012 B Continuing Covenant Agreement and (y) the Purchaser shall notify the Obligated Group Agent, on behalf of the Obligated Group, of a mandatory tender or acceleration at least thirty (30) days prior thereto in the case of any Event of Default not specified in the immediately preceding clause (x). Notwithstanding the foregoing, if any other holder or credit enhancer of Debt or any counterparty under any Interest Rate Agreement related thereto causes any such Debt or other obligations of the Obligated Group to become immediately due and payable, Wells Fargo may immediately, without notice, avail itself of the remedies set forth in Section 8.02(a)(i) or 8.02(a)(ii) of the 2012 B Continuing Covenant Agreement and/or declare or cause to be declared the unpaid principal amount of all outstanding 2012 B Bonds, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder to be immediately due and payable.

For the avoidance of doubt, the imposition of the Default Rate as a result of the occurrence of an Event of Default shall be in addition to all other rights and remedies of Wells Fargo related thereto, at law or in equity, or under the 2012 B Continuing Covenant Agreement or any of the Related Documents.

**V. EVENTS OF DEFAULT AND REMEDIES OF 2012 B BONDHOLDERS PURSUANT TO 2012 B BOND INDENTURE:**

Section 7.01. Events of Default. Any one or more of the following events shall be Events of Default:

(A) default in the due and punctual payment of the principal or Redemption Price of any 2012 B Bond when and as the same shall become due and payable;

(B) default in the due and punctual payment of any installment of interest on any 2012 B Bond when and as the same shall become due and payable;

(C) default by the Issuer in the observance of any of the other covenants, agreements or conditions on its part in the 2012 B Bond Indenture or in the 2012 B Bonds contained, if such default shall have continued for a period of sixty (60) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the Issuer by the Bond Trustee, or to the Issuer and the Bond Trustee by the Credit Facility Provider, if any, or the Holders of not less than 25% in aggregate principal amount of the 2012 B Bonds at the time Outstanding;

(D) a Loan Default Event;

(E) receipt by the Bond Trustee of written notice from the Liquidity Facility Provider, if any, that an Event of Default (as defined in the Liquidity Facility Agreement) has occurred under a Liquidity Facility Agreement and requesting acceleration of the 2012 B Bonds pursuant to Section 7.02 of the 2012 B Bond Indenture;

(F) receipt by the Bond Trustee of written notice from the Credit Facility Provider, if any, that an Event of Default (as defined in the Credit Facility) has occurred under a Credit Facility and requesting acceleration of the 2012 B Bonds pursuant to Section 7.02 of the 2012 B Bond Indenture;

(G) an "event of default" as defined in Section 5.02 of the Master Indenture;

(H) a default by the Issuer with respect to any payment obligations relating to the 2012 B Bonds or in the observance of any of the other covenants, agreements or conditions relating to the 2012 B Bonds;

(I) receipt by the Bond Trustee of a written notice from the Credit Facility Provider, if any, or the Liquidity Facility Provider, if any, pursuant to a Credit Facility or Liquidity Facility Agreement, respectively, that amounts available to pay interest under the Credit Facility or Liquidity Facility Agreement, respectively, will not be reinstated following a drawing thereunder to pay interest;

(J) receipt by the Bond Trustee of a written notice from the Liquidity Facility Provider, if any, stating that an event of default has occurred under the Liquidity Facility Agreement and directing that all of the 2012 B Bonds are required to be tendered for purchase in lieu of acceleration; or

(K) receipt by the Bond Trustee of a written notice from the Credit Facility Provider, if any, stating that an event of default has occurred under the Credit Facility and directing that all of the 2012 B Bonds are required to be tendered for purchase in lieu of acceleration; or

(L) receipt by the Bond Trustee of a written notice from the Purchaser, if any, stating that an event of default has occurred under the Index Rate Agreement, which notice may include a direction to the Bond Trustee to accelerate the Bonds.

Section 7.02. Acceleration of Maturities. Upon the occurrence of an Event of Default, the Bond Trustee may, with the prior consent of the Credit Facility Provider to the extent it has not dishonored a draw request under the Credit Facility or the Purchaser, as applicable (except that no such consent shall be required in the case of an Event of Default under Section 7.01(E) or 7.01(I) or 7.01(L) of the 2012 B Bond Indenture and upon the written direction of the Credit Facility Provider, if any, or Wells Fargo (or in the event there is no Credit Facility Provider or Wells Fargo, the Holders of not less than a majority in aggregate principal amount of the 2012 B Bonds at the time Outstanding with the consent of the Credit Facility Provider, if any), the Bond Trustee shall, promptly upon such occurrence, by notice in writing to the Issuer, the Obligated Group Agent, the Liquidity Facility Provider, the Credit Facility Provider, if any, and Wells Fargo, if any, declare the principal of all the 2012 B Bonds then Outstanding and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable and interest shall cease to accrue, anything in the 2012 B Bond Indenture or in the 2012 B Bonds contained to the contrary notwithstanding. At such time, the Bond Trustee shall draw on the Credit Facility to the extent thereof to make the payments required hereunder to the Holders.

The preceding paragraph, however, is subject to the condition that if, at any time after the principal of the 2012 B Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided, there shall have been deposited with the Bond Trustee a sum sufficient to pay all the principal of the 2012 B Bonds matured prior to such declaration and all matured installments of interest upon all the Bonds, with interest on such overdue installments of principal as provided in the Loan Agreement, and the reasonable fees and expenses of the Bond Trustee, including reasonable fees and expenses of its attorneys, all amounts due the Credit Facility Provider, Wells Fargo and any and all other defaults known to the Bond Trustee (other than in the payment of principal of and interest on the 2012 B Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Bond Trustee, the Credit Facility Provider and Wells Fargo, or provision deemed by the Bond Trustee, the Credit Facility Provider and Wells Fargo to be adequate shall have been made therefor, then, and in every such case, the Credit Facility Provider, Wells Fargo or the Holders of at least a majority in aggregate principal amount of the 2012 B Bonds then Outstanding, with the written consent of the Credit Facility Provider or Wells Fargo, as applicable, by written notice to the Issuer and to the Bond Trustee, may, on behalf of the Holders of all the 2012 B Bonds, rescind and annul such declaration and its consequences and waive such default; but no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon. Notwithstanding anything herein to the contrary, while a Credit Facility is in effect, no declaration of acceleration of the 2012 B Bonds shall be annulled unless the Credit Facility Provider shall have rescinded in writing to the Bond Trustee its default

notice and the Credit Facility Provider shall have confirmed in writing to the Bond Trustee that the Credit Facility shall have been reinstated in full.

When the Bond Trustee incurs expenses or renders services after the occurrence of an act of bankruptcy with respect to the Issuer or any member of the Obligated Group, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

Section 7.03. Institution of Legal Proceedings by Bond Trustee. Subject to the provisions of Section 7.06 of the 2012 B Bond Indenture, if an Event of Default shall occur and be continuing, the Bond Trustee in its discretion may, and upon the written request of the Credit Facility Provider, if any, or Wells Fargo, as applicable, and upon being indemnified to its satisfaction therefor shall proceed to protect or enforce its rights or the rights of the Holders of Bonds under the 2012 B Bond Indenture and the Loan Agreement by any means permitted by law.

Notwithstanding the foregoing or any other provision of the 2012 B Bond Indenture, during any Index Interest Rate Period or during any time the 2012 B Bonds bear interest at the Purchaser Rate, Wells Fargo shall be entitled to exercise all of the powers, consents, rights and remedies to which the Holders of a majority in aggregate principal amount of 2012 B Bonds then Outstanding is entitled hereunder, including the right, at any time, by an instrument in writing executed and delivered to the Bond Trustee, to direct the time, method and place of conducting all remedial proceedings on behalf of the Holders available to the Bond Trustee under the 2012 B Bond Indenture to be taken in connection with the enforcement of the terms of the 2012 B Bond Indenture or exercising any trust or power conferred on the Bond Trustee by the 2012 B Bond Indenture.

Section 7.09. Right of Sole Holder to Require Assignment by Bond Trustee.

At any time that the 2012 B Bonds bear interest at an Index Interest Rate, or any bonds constitute Unremarked Bonds, upon the occurrence and during the continuance of an Event of Default, Wells Fargo, if it is then the sole Holder of all of the Bonds then Outstanding, shall have the right, at its option, exercised by delivery of a written instrument to the Bond Trustee with a copy to the Obligated Group Agent, to require the Bond Trustee to assign to such Holder all of the rights, powers, and prerogatives of the Bond Trustee except for indemnification rights under the 2012 B Bond Indenture and Loan Agreement to enforce the provisions of the 2012 B Bond Indenture, exercise any remedies and otherwise take actions and institute proceedings for the benefit of and on behalf of the Holders, and the Bond Trustee covenants and agrees that upon its release and indemnification with respect to any action or failure to act of such Holder subsequent to the aforesaid assignment, it shall execute and deliver all such documents as are necessary to accomplish the foregoing and vest such rights, remedies and title in such Holder.

Section 7.10. Limitation on Bondholders' Right to Sue. Subject to the provisions of Section 7.09 hereof, no Holder of any 2012 B Bond shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under the 2012 B Bond Indenture, the Loan Agreement or any other applicable law with respect



to such Bond, unless (1) such Holder shall have given to the Bond 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 shall have made written request upon the Bond Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (3) such Holder or said Holders shall have tendered to the Bond Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (4) the Bond Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Bond Trustee. The above provisions shall not apply as long as the Credit Facility Provider, if any, is not in default under the Credit Facility.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Holder of Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the 2012 B Bond Indenture or the rights of any other Holders of Bonds, or to enforce any right under the 2012 B Bond Indenture, the 2012 B Loan Agreement or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Holders of the Outstanding Bonds, subject to the provisions of the 2012 B Bond Indenture.

Section 7.13. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Bond Trustee, the Holders of the Bonds or any Credit Facility Provider the Liquidity Facility Provider or Wells Fargo is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

Section 7.15. Notice to Bondholders of Default. The Bond Trustee shall promptly give written notice by first class mail to the Bondholders, and any Credit Facility Provider, Liquidity Facility Provider or Wells Fargo of the occurrence of an Event of Default, if the Bond Trustee has actual knowledge of such Event of Default.

## **VI. SELECTED DEFINITIONS RELATING TO 2012 B BONDS:**

“Credit Facility” means a letter of credit, including, if applicable, a confirming letter of credit, insurance policy or similar credit facility (other than one issued by the Obligated Group or any Affiliate of a Member of the Obligated Group) issued by a Credit Facility Provider, the senior unsecured debt securities or securities secured by guarantees of the Credit Facility Provider of which are rated at least “AA” (or the equivalent) by one or more of the Rating Agencies, including a Substitute Credit Facility.

“Credit Facility Provider” means any commercial bank, savings institution or other financial institution issuing a Credit Facility or a Substitute Credit Facility.

“Index Interest Rate” means the LIBOR Index Rate or the SIFMA Index Rate, as applicable.

“Index Interest Rate Period” means the Initial Period and any other period during which the Bonds bear interest at an Index Interest Rate.

“Index Rate Agreement” means, during the Initial Period, the 2012 B Continuing Covenant Agreement, and during any Index Interest Rate Period other than the Initial Period, means any agreement between the Obligated Group Agent and the Purchaser which may be designated as the Index Rate Agreement.

“Initial Index Interest Rate Termination Date” means July 1, 2019.

“Initial Period” means the initial Index Interest Rate Period commencing on August 1, 2012, and ending on the first to occur of (i) the Initial Index Interest Rate Termination Date, (ii) the Conversion Date (provided that the Purchaser shall have consented thereto in writing), (iii) the third Business Day after the Bond Trustee receives written direction from the Purchaser to call the Bonds for mandatory purchase following the occurrence of an event of default under the Index Rate Agreement and (iv) the Maturity Date.

“Interest Payment Date” means with respect to Bonds in an Index Rate Mode, the first Business Day of each month.

“Issuer” means the West Virginia Hospital Finance Authority.

“Liquidity Facility” means, a standby bond purchase agreement, letter or line of credit or similar liquidity facility and issued by a Liquidity Facility Provider that, by its terms, provides for the payment of the Purchase Price of Bonds tendered and not remarketed, delivered to the Bond Trustee pursuant to Section 5.12 of the 2012 B Loan Agreement, including a Substitute Liquidity Facility. The Obligated Group Agent is not required by the Loan Agreement to provide a Liquidity Facility for Bonds in the Term Rate Mode, Index Rate Mode or Fixed Rate Mode.

“Liquidity Facility Provider” means, any commercial bank, savings institution, insurer or other financial institution issuing a Liquidity Facility or the Obligated Group Agent or any company or group of companies with which the Obligated Group Agent is affiliated issuing a Liquidity Facility.

“Loan Default Event” means any of the events specified in Section 6.1 of that certain Loan Agreement, dated as of August 1, 2012 between the Issuer and the Obligated Group Agent, as originally executed and as supplemented, modified or amended from time to time in accordance with the terms thereof and of the 2012 B Bond Indenture.

“Mandatory Sinking Account Payment” means the amount required by Section 4.01(c) of the 2012 B Bond Indenture to be paid by the Bond Trustee on any single date for the retirement of the 2012 B Bonds.

“Material Adverse Event” means any one or more events, occurrences or circumstances which, considered separately or together with one or more other events, occurrences or circumstances, proximately results in or would reasonably be expected to result in (i) any material impairment of the ability of a Member or the Obligated Group to carry on the

material operations of such Member or the Obligated Group, as the case may be, as conducted as of the date hereof, (ii) any material impairment of the ability of the Members to pay and perform their obligations under the Related Documents, (iii) any material impairment of the ability of the Obligated Group to pay the Master Obligations or to otherwise perform the Obligated Group's agreements under the Master Indenture, (iv) any invalidity of the Master Indenture, this Agreement or any of the other Related Documents to which any Member is a party or any material impairment of the enforceability of the Master Indenture or any of such Related Documents, or (v) any other material and adverse change in the business, financial condition or operations of a Member (other than a Non-Material Obligated Group Member) or of the Obligated Group (considered as a whole).

"Maturity Date" means March 1, 2041, or, upon conversion to the Fixed Rate Mode, such maturities determined pursuant to Section 2.08 of the 2012 B Bond Indenture.

"Member" means, individually, the Obligated Group Agent, United Hospital Center, Inc., City Hospital, Inc., City Hospital Foundation, Inc., The Charles Town General Hospital d/b/a Jefferson Memorial Hospital and Camden-Clark Memorial Hospital Corporation.

"Obligated Group" means, collectively, the Obligated Group Agent, United Hospital Center, Inc., City Hospital, Inc., City Hospital Foundation, Inc., The Charles Town General Hospital d/b/a Jefferson Memorial Hospital and Camden-Clark Memorial Hospital Corporation.

"Parity Debt" means any bonds, notes or other evidence of indebtedness issued by the Obligated Group and secured on a parity with the 2012 B Bonds and other Master Obligations pursuant to the Master Indenture.

"Redemption Price" means, with respect to any 2012 B Bond (or portion thereof), the price to be paid upon redemption as set forth in Article IV of the 2012 B Bond Indenture.

"Special Redemption Account" means the account by that name within the Redemption Fund established pursuant to Section 5.04 of the 2012 B Bond Indenture.

"Related Documents" means the 2012 B Continuing Covenant Agreement, the 2012 B Bond Indenture, the 2012 B Bonds, the 2012-2 Note, the 2012-2 Wells Note, the Master Indenture, the Supplemental Indenture 2012-2, the 2012 B Loan Agreement, the Bond Purchase Agreement dated August 1, 2012 among the Issuer, Wells Fargo and the Obligated Group Agent and any other documents related to any of the foregoing or executed in connection therewith, and any and all future renewals and extensions or restatements of, or amendments or supplements to, any of the foregoing.

"2012 B Continuing Covenant Agreement" means the Continuing Covenant Agreement dated as of August 1, 2012, relating to the 2012 B Bonds between the Obligated Group Agent and Wells Fargo, as the same may be amended from time to time.

“2012 B Loan Agreement” means that certain Loan Agreement, dated as of August 1, 2012 between the Issuer and the Obligated Group Agent, as originally executed and as supplemented, modified or amended from time to time in accordance with the terms thereof and of the 2012 B Bond Indenture.

“2012-2 Note” means the 2012-2 Note issued by the Obligated Group in a principal amount equal to the principal amount of the 2012 B Bonds pursuant to Supplemental Indenture 2012-1, which Note evidences and secures the obligations of the Obligated Group with respect to the 2012 B Bonds under the 2012 B Loan Agreement.

“2012-2 Note Wells Note” means that certain 2012-2 Wells Note issued pursuant to the Master Indenture by the Obligated Group Agent, on behalf of the Obligated Group, in favor of the Purchaser as security for its obligations with respect to the 2012 B Bonds under the 2012 B Continuing Covenant Agreement.

All terms used in this Schedule B and not otherwise defined shall have the meanings set forth in the 2012 B Bond Indenture and the 2012 B Continuing Covenant Agreement, as applicable.

## **SCHEDULE C**

### **I. 2012 C BOND PRINCIPAL PAYMENTS:**

Principal payments on the 2012 C Bond shall be made as follows:

<b><u>Maturity Date</u></b>	<b><u>Principal</u></b>
6/1/2013	\$ 840,000
6/1/2014	1,035,000
6/1/2015	1,070,000
6/1/2016	1,105,000
6/1/2017	1,140,000
6/1/2018	1,175,000
6/1/2019	1,215,000
6/1/2020	1,250,000
6/1/2021	1,290,000
6/1/2022	1,335,000
6/1/2023	1,375,000
6/1/2024	1,420,000
6/1/2025	1,465,000
6/1/2026	1,510,000
6/1/2027	1,560,000
6/1/2028	1,610,000
6/1/2029	1,660,000
6/1/2030	1,715,000
	<b><u>\$ 23,770,000</u></b>

### **II. OPTIONAL TENDER OF 2012 C BOND:**

Capitalized terms used and not otherwise defined herein shall have the definitions set forth in Article V.

Section 9. Optional Tender. At the option of United Bank, the 2012 C Bond may be tendered, in whole or in part, on or after June 1, 2027 upon 90 days' prior written notice to the Issuer and the Obligated Group Agent. The Issuer shall, on a date selected by the Issuer (at the direction of the Obligated Group Agent) within 90 days of such notice pay to or for the account of United Bank the principal amount of the 2012 C Bond outstanding, if any, at the date of payment under the Bond Purchase and Loan Agreement plus accrued interest thereon to the date of such payment, plus all other amounts otherwise due under the 2012 C Bond. Whenever United Bank exercises its optional tender right provided under the Bond Purchase and Loan Agreement, the Obligated Group Agent shall pay its obligations under the 2012-3 Note (Capitalized terms used in Schedule C and not otherwise defined herein shall have the definitions set forth in the Bond Purchase and Loan Agreement) and the Bond Purchase and Loan Agreement, in whole by paying to United Bank the principal amount to be redeemed and accrued interest to the redemption date and by making arrangement satisfactory to the Issuer for payment of its reasonable fees and expenses. Any such tender of the 2012 C Bond shall without

more be deemed payment of the Obligated Group Agent's obligations hereunder and under the 2012-3 Note in the same amount.



### **III. COVENANTS RELATED TO 2012 C BOND IN BOND PURCHASE AND LOAN AGREEMENT:**

(a) Financial Covenants:

(i) Debt Service Coverage Ratio. The Debt Service Coverage Ratio of the Obligated Group shall be at least 1.10 to 1.00, calculated as of June 30 and December 31 of each year.

(ii) Unrestricted Cash and Investments. Unrestricted Cash and Investments of the Obligated Group shall be at least equal to 90 days operating expenses, calculated as of June 30 and December 31 of each year.

(iii) Debt to Capitalization Ratio. As of the last day of each fiscal year of the Obligated Group, the Obligated Group shall not permit the Debt to Capitalization Ratio to exceed 0.67.

(b) Compliance with Master Indenture. The Obligated Group shall perform each of the obligations, and otherwise comply with agreements of the Obligated Group under the Master Indenture, including the provisions set forth in the Article IV of the Master Indenture (captioned "General Covenants"), except in any instance in which United Bank specifically agrees in writing to any nonperformance or noncompliance.

(c) Reporting Requirements. Without limiting any requirement under the Master Indenture made applicable to the Bond Purchase and Loan Agreement, the Obligated Group Agent shall furnish or cause to be furnished to United Bank copies of the following financial statements, reports and information:

(i) Within 150 days after the end of each fiscal year of the Obligated Group, audited consolidated financial statements of Obligated Group complying with the requirements of Section 414(A) of the Master Indenture, together with unaudited consolidating financial statements of the Obligated Group for such fiscal year in form and substance satisfactory to United Bank;

(ii) Within 60 days after the end of each quarter of each fiscal year of the Obligated Group, a compliance certificate in form and substance satisfactory to United Bank; and

(iii) Promptly upon advance written request by United Bank from time to time, interim internally prepared financial statements for West Virginia United Health System, Inc., the Obligated Group and any subsidiary companies as United Bank may reasonably request.

### **IV. EVENTS OF DEFAULT AND REMEDIES OF 2012 C BONDHOLDER:**

Section 13. Events of Default. Each of the following events is hereby declared an Event of Default under the Bond Purchase and Loan Agreement:

(a) Failure of the Obligated Group Agent to make payment on the 2012 C Bond within ten (10) days from the date such payment is due and payable.

(b) A representation made by the Obligated Group Agent proves to have been incorrect or misleading in any material respect when made.

(c) Should the Obligated Group Agent or the Obligated Group breach Section 11(a), 11(b) (after giving effect to any applicable grace period) or Section 11(c) of the Bond Purchase and Loan Agreement and fail to cure such breach within 30 days after notice from United Bank of the occurrence thereof.

(d) Liquidation or dissolution of any Member, or suspension of the business of any Member, or filing by any Member, of a voluntary petition in bankruptcy or a voluntary petition or an answer seeking reorganization, arrangement, readjustment of its debts or for any other relief under the United States Bankruptcy Code, as amended, or under any other insolvency act or law, state or federal, now or hereafter existing, or any other action of any Member, indicating its consent to, approval of, or acquiescence in any petition or proceedings; the application by any Member, for, or the appointment by consent or acquiescence of, a receiver, a trustee or a custodian of any Member, or an assignment for the benefit of creditors, the inability of any Member or the admission by any Member in writing of its inability to pay its debts as they mature.

(f) Filing of an involuntary petition against any Member in bankruptcy or seeking reorganization, arrangement, readjustment of its debts or for any other relief under the United States Bankruptcy Code, as amended, or under any other insolvency act or law, state or federal, now or hereafter existing; or the involuntary appointment of a receiver, a trustee or a custodian of any Member for all or a substantial part of its property; the issuance of a warrant of attachment, execution or similar process against any substantial part of the property of any Member and the continuance of any of the events referred to in Section 13(f) of the Bond Purchase and Loan Agreement for 60 days undismissed or undischarged.

(g) If a judgment, which with other outstanding judgments against any Member exceeds an aggregate of \$10,000,000, shall be rendered against any Member and either (i) enforcement proceedings shall have been commenced by any creditor upon any such judgment or (ii) within 30 days after entry thereof such judgment shall not have been discharged or stayed.

(h) An "Event of Default" shall occur under the Master Indenture.

(i) The 2012 C Bond for any reason shall be determined to be invalid or any Financing Instrument shall for any reason cease to be in full force and effect.

(j) Determination by the Internal Revenue Service that the interest paid or payable on the 2012 C Bond shall become includable, in whole or in part, in the gross income of United Bank or any former Bondholder for federal income tax purposes.

Section 14. Remedies of Bondholder.

Upon the occurrence and continuation of an Event of Default following any applicable grace period, United Bank may exercise any remedy herein or as otherwise permitted by law, subject to the terms of the Master Indenture.

**V. SELECTED DEFINITIONS RELATING TO 2012 C BOND:**

“Issuer” means the West Virginia Hospital Finance Authority.

“Member” means, individually, the Obligated Group Agent, United Hospital Center, Inc., City Hospital, Inc., City Hospital Foundation, Inc., The Charles Town General Hospital d/b/a Jefferson Memorial Hospital and Camden-Clark Memorial Hospital Corporation.

“Obligated Group” means, collectively, the Obligated Group Agent, United Hospital Center, Inc., City Hospital, Inc., City Hospital Foundation, Inc., The Charles Town General Hospital d/b/a Jefferson Memorial Hospital and Camden-Clark Memorial Hospital Corporation.

“2012-3 Note” means the 2012-3 Note issued by the Obligated Group in a principal amount equal to the principal amount of the 2012 C Bond pursuant to Supplemental Indenture 2012-2, which Note evidences and secures the obligations of the Obligated Group with respect to the 2012 C Bond under the Bond Purchase and Loan Agreement.

All terms used in this Schedule C and not otherwise defined shall have the meanings set forth in the Bond Purchase and Loan Agreement.